

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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: **Chapter 11**
: **Case No. 12-11076 (SHL)**
: **Jointly Administered**
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IN RE:
ARCAPITA BANK B.S.C.(c), et al.,
Debtors.

**SECOND ORDER EXTENDING THE EXCLUSIVE PERIODS TO FILE A PLAN OR
PLANS OF REORGANIZATION AND TO SOLICIT ACCEPTANCES**

Upon consideration of the Motion (the “*Motion*”)¹ of Arcapita Bank B.S.C.(c), and certain of its subsidiaries and affiliates, as debtors and debtors-in-possession herein (collectively, the “*Debtors*” and each, a “*Debtor*”), for entry of an order pursuant to section 1121(d) of title 11 of the United States Code (the “*Bankruptcy Code*”) extending the Debtors’ exclusive periods to file a plan or plans of reorganization (the “*Exclusive Filing Period*”) and to solicit acceptances thereof (the “*Exclusive Solicitation Period*”) and the evidence in support thereof; the Court finds that:

- a.) It has jurisdiction to consider this Motion pursuant to 28 U.S.C. sections 157 and 1334;
- b.) Venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. sections 1408 and 1409;
- c.) Notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances of these cases; and
- d.) The relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest.

After the consideration of any objections to the Motion, the arguments of counsel in support of and in opposition to the Motion presented at the hearing before the Court (the “*Hearing*”); all proceedings that have occurred before the Court in these Chapter 11 Cases; and having determined after due deliberation that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED:

1. For the reasons stated on the record, the Objection of the Ad Hoc Group [Docket No. 528] is overruled and the Motion is granted to the extent set forth herein.

2. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors’ Exclusive Filing Period in which to file a chapter 11 plan or plans is extended to and including December 15, 2012. The Exclusive Filing Period shall expire with prejudice on December 15, 2012.

3. Pursuant to section 1121(d) of the Bankruptcy Code, the Debtors’ Exclusive Solicitation Period in which to solicit acceptances of their chapter 11 plan or plans is extended to and including February 12, 2013.

4. The extension of the Exclusive Solicitation Period to February 12, 2013 granted herein is without prejudice to such further requests to extend the Exclusive Solicitation Period that may be made by the Debtors or any party in interest; provided, however, that as agreed by the Debtors, the Debtors shall not request a further extension of the Exclusive Filing Period beyond the extension to December 15, 2012 granted herein.

5. If the Debtors fail to meet either of the following two conditions, or to obtain Committee consent otherwise, commencing by no later than November 1, 2012, the Debtors will abandon efforts to propose a plan of reorganization based on new equity infusion and will instead immediately and exclusively seek to negotiate with their creditors a chapter 11 plan contemplating an orderly wind-down of their businesses and assets:

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

(1) By November 1, 2012, the Debtors shall have “new money” equity commitments of at least \$250,000,000, which funds shall have been deposited into escrow in New York or an irrevocable letter of credit from a money center bank located in New York or London (or such other bank(s) mutually acceptable to the Debtors and the Committee) in the name of one or more of the Debtors. The new money deposits and letters of credit shall be subject to the terms of a commitment letter or other agreement setting forth conditions precedent to the use and application of the money deposited in exchange for equity in the reorganized Debtors.

and

(2) The Debtors shall have entered into an agreement with the Committee reflecting the consent of the providers of proposed “new money” equity commitments described in first condition above that provides that at least 75% of the funds described in first condition above shall be earmarked for distribution to the Debtors’ prepetition unsecured creditors holding allowed claims under a chapter 11 plan.

6. If the \$250,000,000 threshold is met by November 1, 2012, as provided in the first condition described in Paragraph 5 hereof, then the escrowed “new money” equity cash on deposit as of November 1, 2012 will not be released from escrow without prior Committee consent or Court approval; provided, however, that if the “new money” plan is abandoned by the Debtors because (i) the \$250,000,000 threshold is not met; (ii) additional funds are deposited after November 1, 2012, but ultimately not enough money is raised in total to make the “new money” plan confirmable; or (iii) for any other reason, then the “new money” cash (and/or letters of credit in favor of the Debtors) on deposit may be released from escrow by agreement of the Debtors and the depositor and without the consent of the Committee. If the “new money” plan has not been abandoned, and provided that the cash or letters of credit on deposit in escrow total at least \$250,000,000, the consent of the Committee is not required to cause the release of any amount in excess of \$250,000,000.

7. Upon entry of this Order, the Debtors shall immediately engage in good faith discussions with the Committee and other parties in interest regarding a plan that provides

for an orderly wind-down of their businesses and assets, in addition to a new money plan based on a new equity infusion.

8. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York
October 12, 2012

/s/ Sean H. Lane
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE