

Exempt Sale From Requirements of Cooperation Settlement Term Sheet (the “**EuroLog Sale Motion**”), filed concurrently herewith and incorporated by reference.¹ In support of the Motion, the Debtors respectfully represent:

BACKGROUND

1. The Debtors and their affiliates are in the business of acquiring diversified businesses, syndicating a majority interest in the businesses to third-party investors, maintaining a minority ownership interest and then managing, supporting, and operating those businesses until an eventual exit for the benefit of both the Debtors and the investors.

2. Through certain of the Debtors’ affiliates (the “**EuroLog Affiliates**”), the Debtors hold an indirect interest in a group of companies that own and operate a variety of warehousing assets located throughout Europe (the “**EuroLog Assets**”). The EuroLog Assets consist of (i) 46 warehouse properties with a gross leasable area of approximately 15 million square feet that are located in seven countries across Europe, (ii) six undeveloped real estate parcels located in four countries that are suitable for development of approximately 6.6 million square feet of additional leasable area, and (iii) a group of real estate asset management companies with eight offices.

3. The EuroLog Affiliates and the Debtors have agreed, subject to Court approval, to sell the EuroLog Assets to the Purchaser (the “**Sale**”) pursuant to the terms of a share purchase agreement (together with all exhibits, schedules, and supplements, the “**SPA**”) dated September 4, 2013 (a copy of which is attached to the EuroLog Sale Motion as Exhibit C).

4. One of the conditions in the SPA is that the Court enters an order approving the Sale on the date of the omnibus hearing currently scheduled for September 19, 2013, unless the Plan’s Effective Date occurs prior to September 19, 2013. Although it is likely that the Plan’s

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

Effective Date will occur prior to September 19, 2013, the Debtors believe it is best to have the hearing set on an expedited basis to ensure that the Sale can close as planned.

JURISDICTION AND VENUE

5. The Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

RELIEF REQUESTED

6. By this Motion, the Debtors request that the Court enter an order (a) shortening the notice period for the EuroLog Sale Motion such that it may be heard by the Court at the next omnibus hearing, and (b) requiring that objections to the EuroLog Sale Motion, if any, be filed and served so that they are received in accordance with this Motion no later than September 13, 2013 at 4:00 p.m.

BASIS FOR RELIEF

7. Bankruptcy Rule 2002(a)(2) requires a debtor to provide 21 days' notice by mail of a motion proposing to use, sell or lease property of the estate other than in the ordinary course of business unless the court, for cause shown, shortens the notice period required for a hearing. Fed. R. Bankr. P. 2002(a)(2). Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(b) authorize the Court, for cause shown, to reduce the notice period required for a hearing. Fed. R. Bankr. P. 9006(c)(1); Local Rules, at 9006-1(b). Ample cause exists to shorten the time for notice of the EuroLog Sale Motion and to grant this Motion on an *ex parte* basis.

8. As stated above, the Sale terms were finalized two days ago. Additionally, under the terms of the SPA, the Purchaser has the ability to terminate the Sale if the Court does not enter an order approving the Sale on the date of the omnibus hearing currently scheduled for

September 19, 2013, unless the Plan's Effective Date occurs prior to September 19, 2013. *See* SPA ¶ 9.1.3. Although it is likely that the Plan's Effective Date will occur prior to September 19, 2013, the Debtors believe it is best to have the hearing set on an expedited basis to ensure that the Sale can close as planned. Moreover, the parties anticipate closing the Sale prior to the following omnibus hearing date currently scheduled for October 24, 2013. The Debtors, therefore, believe it is the best interest of their estates and all parties in interest to have this matter set for hearing on September 19, 2013.

9. The EuroLog Assets have been extensively marketed throughout the Debtors' chapter 11 cases. For example, on October 9, 2012, the EuroLog Affiliates attempted an IPO, which was ultimately withdrawn due to market feedback at the time. Subsequently, the Debtors were contacted by several parties that expressed an interest in purchasing the EuroLog Assets. These offers, including multiple prior offers by the Purchaser, were rejected by the Debtors. However, the Purchaser ultimately submitted a final and best offer to purchase the EuroLog Assets for €105 million, under terms that were favorable to the Debtors. The Purchaser has also agreed to pay up to €6.5 million of the outstanding receivables owed to Arcapita Bank by certain EuroLog Affiliates.

10. Prior to executing the SPA, the Debtors' professionals conferred extensively with the Committee's professionals, who were intimately involved in both the IPO and Sale processes and directly negotiated several points with the Purchaser. The Committee also supports the Sale.

11. As explained more fully in the EuroLog Sale Motion, the Debtors believe that the Sale is in the best interest of their estates. The net proceeds from the Sale represent an attractive proposition for the Debtors, and the purchase price is consistent with the Debtors' internal

valuation of the EuroLog Assets. Moreover, the Debtors do not believe that they will be able to obtain a better offer than the current purchase price if the Sale fails to close with the Purchaser.

12. For the foregoing reasons, the Debtors submit that it is imperative that the EuroLog Sale Motion be approved on an expedited basis. To this end, the Debtors respectfully submit that *ex parte* relief is warranted so that the EuroLog Sale Motion may be heard no later than September 19, 2013.

13. No parties in interest would be prejudiced by the shortened notice requested herein or by the approval of this Motion on an *ex parte* basis.

NOTICE

14. The Debtors have provided notice of filing of the Motion by electronic mail, facsimile and/or overnight mail to (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); (ii) the Committee, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005 (Attn: Dennis F. Dunne, Esq. and Evan R. Fleck, Esq.); counsel for the Purchaser, Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, New York 10022 (Attn: Abbey Walsh, Esq.); and (iv) all parties listed on the Master Service List established in these chapter 11 cases. A copy of the Motion is also available on the website of the Debtors' notice and claims agent, GCG, Inc., at www.gcginc.com/cases/arcapita.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: New York, New York
September 6, 2012

/s/ Michael A. Rosenthal
Michael A. Rosenthal (MR-7006)
Craig H. Millet (admitted *pro hac vice*)
GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

ATTORNEYS FOR THE DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

PROPOSED ORDER

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

-----X	:	
	:	
IN RE:	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(c), et al.,	:	Case No. 12-11076 (SHL)
	:	
Debtors.	:	Jointly Administered
	:	
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**ORDER SHORTENING THE NOTICE PERIOD WITH RESPECT TO THE DEBTORS’
MOTION FOR AN ORDER AUTHORIZING THE DEBTORS TO TAKE ACTIONS
AND INCUR OBLIGATIONS IN CONNECTION WITH SALE BY NON-DEBTOR
SUBSIDIARIES OF EUROLOG ASSETS AND TO EXEMPT SALE FROM
REQUIREMENTS OF COOPERATION SETTLEMENT TERM SHEET**

Upon consideration of the motion (the “*Motion*”)¹ of Arcapita Bank B.S.C.(c) (“*Arcapita Bank*”), Arcapita Investments Holdings Limited (“*AIHL*”), Arcapita LT Holdings Limited (“*ALTHL*”), AEID II Holdings Limited (“*AEID II*”), and certain of their affiliated debtors in possession (collectively, the “*Debtors*”), for entry of an order shortening the notice period with respect to the Debtors’ *Motion for an Order Authorizing the Debtors to Take Actions and Incur Obligations in Connection With Sale by Non-Debtor Subsidiaries of EuroLog Assets and to Exempt Sale From Requirements of Cooperation Settlement Term Sheet* (the “*EuroLog Sale Motion*”); the Court finds that (i) it has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and it appearing that no other or further notice is necessary except as provided herein; and the Court having reviewed the Motion and having considered statements in support of the relief requested therein; and the Court having determined that the

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

legal and factual bases set forth in the Motion establish just cause for the relief granted herein;
and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

1. The Motion is granted to the extent set forth herein.

2. The hearing to consider the EuroLog Sale Motion shall be held on **September 19, 2013, at 2:30 p.m.** (prevailing Eastern Time) before the Honorable Sean H. Lane, United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408, Courtroom 701.

The hearing on the EuroLog Sale Motion may be adjourned from time to time without further notice other than an announcement of the adjourned date or dates in open court. Notice of such adjourned date(s) will be available on the electronic case filing docket.

3. The Debtors shall serve a copy of this Order within one day of entry thereof, by electronic mail, facsimile and/or overnight mail, on the Notice Parties (as defined below).

4. Any and all objections to the EuroLog Sale Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and Local Rules of the Court, and shall be filed, with proof of service, with the Clerk of the Court and served on the following parties (the "**Notice Parties**") so as to be received by **September 13, 2013, at 12:00 p.m.** (prevailing Eastern Time):

- (a) counsel to the Debtors, attention: Michael A. Rosenthal and Craig H. Millet, Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166-0193;
- (b) counsel to the Committee, attention: Dennis Dunne, Esq. and Evan Fleck, Esq., Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005;
- (c) counsel to the Purchaser, attention: Abbey Walsh, Esq., Freshfields Bruckhaus Deringer US LLP, 601 Lexington Avenue, New York, New York 10022; and

- (d) the Office of the United States Trustee for the Southern District of New York, attention: Richard Morrissey, 33 Whitehall Street, New York, New York 10004,

with a courtesy copy delivered to the chambers of the Honorable Sean H. Lane, United States Bankruptcy Court, One Bowling Green, New York, New York 10004-1408.

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

Dated: New York, New York
September __, 2013

THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE