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

	)	
In re:	)	Chapter 11
	)	
ARCAPITA BANK B.S.C.(c), <i>et al.</i> ,	)	Case No. 12-11076 (SHL)
	)	
Debtors.	)	Jointly Administered

**STIPULATION AND AGREED ORDER  
RESOLVING DEBTORS’ OBJECTIONS TO PROOFS OF CLAIMS  
ASSERTED BY MAYHOOLA FOR INVESTMENT, Q.S.P.C.**

Arcapita Bank B.S.C.(c) (“*Arcapita*”) and its affiliated debtors (collectively, the “*Debtors*”), on one hand, and Mayhoola for Investment, Q.S.P.C. (“*MFI*” and, together with the Debtors, the “*Parties*”), on the other hand, hereby enter into this stipulation and agreed order (the “*Stipulation*”) and stipulate and agree as follows:

**RECITALS**

WHEREAS, on August 24, 2012, MFI filed proofs of claim in each of the Debtors’ separate bankruptcy cases. The proofs of claim were denominated as claim numbers 320, 321, 322, 323, 324, 325 and 326 (the “*Original Proofs of Claim*”);

WHEREAS, on February 19, 2013, MFI filed an amended proof of claim in the Arcapita bankruptcy case which was denominated as claim number 557 (the “*Amended Proof of Claim*” and, together with the Original Proofs of Claim, the “*Proofs of Claim*”);

WHEREAS, on April 26, 2013, the Debtors filed their *Third Omnibus Objection to Claims* (Dkt. No. 1051) (the “*Objection to Claims*”);

WHEREAS, in the Objection to Claims, the Debtors objected to the Proofs of Claim, among other grounds, on the basis that the claims asserted therein were not reflected in the Debtors’ books and records and should therefore be disallowed; and

WHEREAS, the Parties have engaged in good faith negotiations in an effort to resolve the Objection to Claims, and as a result of said negotiations, the Debtors and MFI have reached an agreement memorialized in this Stipulation.

#### **AGREEMENT**

**IT IS THEREFORE STIPULATED AND AGREED AND, UPON COURT APPROVAL, IT SHALL BE ORDERED THAT:**

1. The Debtors’ objections to the Proofs of Claim set forth in the Objection to Claims are hereby sustained solely to the extent that (i) each of the Proofs of Claim shall be disallowed in its entirety and expunged from the Debtors’ claims register, and (ii) MFI shall not be entitled to receive a distribution under the *Confirmed Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors Under Chapter 11 of the Bankruptcy Code (with First Technical Modifications)* (Dkt. No. 1265) (the “*Plan*”).

2. Nothing in this Stipulation shall have any effect upon, or shall be deemed to have any effect upon, the ability or legal right of MFI to seek recovery from the Saudi Industrial Corporation (the “*SIC*”) on, among other things, the claims asserted in the Proofs of Claim. For

the avoidance of doubt, MFI's recovery from the SIC, including the payment by the SIC to MFI of any amounts received by the SIC under the Plan, shall not be considered to be a distribution to MFI under the Plan or otherwise by the Debtors or Reorganized Debtors, and shall be permitted under the terms of this Stipulation.

3. Nothing in this Stipulation shall have any effect upon, or shall be deemed to have any effect upon, the rights afforded to MFI pursuant to Paragraph 64 of the *Findings of Fact, Conclusions of Law, and Order Confirming the Second Amended Joint Plan of Reorganization of Arcapita Bank B.S.C.(c) and Related Debtors with Respect to Each Debtor Other Than Falcon Gas Storage Company, Inc. Under Chapter 11 of the Bankruptcy Code* (Dkt. No. 1262) (the "**Confirmation Order**"), it being expressly recognized that the sustaining of the Debtors' objections to the Proofs of Claim and the disallowance and expungement of the Proofs of Claim as set forth in Paragraph 1 above is not an adjudication of MFI's right to recover on, *inter alia*, the claims set forth in the Proofs of Claim from any carrier of insurance maintained by any of the Debtors. Nor shall the sustaining of the Debtors' objections to the Proofs of Claim and the disallowance and expungement of the Proofs of Claim as set forth in Paragraph 1 above be asserted as a defense to any action or actions instituted by MFI against the Debtors in accordance with Paragraph 64 of the Confirmation Order, provided that MFI's recovery in any such action against any of the Debtors shall be limited to recovery of the proceeds of any applicable insurance policies, and in no event shall MFI collect any debt or judgment obtained in connection with such action from the assets of the Debtors, the Reorganized Debtors, or the New Holding Companies. Finally, nothing herein shall affect the ability of MFI to take any action to establish the liability of the Debtors' officers, directors, managers, agents, employees, representatives, and professionals to MFI on account of a claim held by MFI in accordance with

Paragraph 64 of the Confirmation Order. For the avoidance of doubt, the exercise of MFI's rights under Paragraph 64 of the Confirmation Order, and the recovery from any actions taken in accordance with Paragraph 64 of the Confirmation Order, shall not be deemed to be a distribution under the Plan and shall be permitted under the terms of this Stipulation.

4. Except as specifically provided in this Stipulation and the Confirmation Order, MFI has not and does not waive any other right or remedy in this bankruptcy case or any other forum by its consent to this Stipulation.

5. Nothing in this Stipulation, whether express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the Parties, and their respective successors (including, without limitation, in the case of the Debtors, the Reorganized Debtors and the New Holding Companies), assigns, heirs, executors, administrators and liquidators, any right, remedy or claim under or by reason of this Stipulation. The provisions contained in this Stipulation are and shall be for the sole and exclusive benefit of the Parties.

6. This Stipulation and the Confirmation Order contain the entire agreement among the Parties as to the subject matter hereof and supersede all prior agreements and undertakings among the Parties relating thereto.

7. This Stipulation may not be modified other than by a signed writing executed by each of the Parties and delivered to each Party; it being understood that no further approval of the Court shall be required for amendments, waivers, consents, or other modifications to and under the Stipulation.

8. Each individual who executes this Stipulation represents that he is duly authorized to do so on behalf of the applicable Party and that such Party has had an opportunity to consult

with counsel with respect to this Stipulation, has full knowledge of the contents of this Stipulation, and has consented to this Stipulation.

9. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present any copy, copies, or facsimiles signed by the Parties.

10. This Stipulation shall inure to the benefit of, and shall be binding upon, the Parties and their respective successors, assigns, heirs, executors, administrators and liquidators.

11. This Stipulation shall be governed by, construed, and enforced in accordance with the Bankruptcy Code, the Bankruptcy Rules, and, to the extent the Bankruptcy Code and Bankruptcy Rules are inapplicable, the laws of the State of New York, without regard to its conflicts of law principles.

12. The Court shall have exclusive jurisdiction over any and all disputes arising out of or otherwise relating to this Stipulation or its enforcement.

Dated: September 16, 2013  
Washington, D.C.

Dated: September 16, 2013  
New York, New York

/s/ Mark A. Salzberg  
Mark A. Salzberg

/s/ Michael A. Rosenthal  
Michael A. Rosenthal

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ATTORNEYS FOR MAYHOOLA FOR  
INVESTMENT S.P.C.

ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

***APPROVED AND SO ORDERDED***

Dated: September 23, 2013  
New York, New York

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