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

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In re:	:	
	:	Chapter 11
	:	
ARCAPITA BANK B.S.C.(C), <u>et al.</u> ,	:	Case No. 12-11076 (SHL)
	:	
Reorganized Debtors. ¹	:	Confirmed.
	:	
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STIPULATION AND AGREED ORDER REGARDING CLAIM NUMBERS 343-349

This stipulation (the “Stipulation”) is made and entered into, through their respective undersigned counsel, by and among (i) the above-captioned Reorganized Debtors and (ii) Jill Intermediate LLC, Jill Superco LLC (“Jill Superco”), Golden Gate Private Equity, Inc. (“GGPE”), and all investment funds managed by GGPE (collectively, the “Jill Parties”), to resolve proofs of claim numbers 343-349 (collectively, the “Proofs of Claim”) filed by Jill Superco in the above-captioned chapter 11 cases.

¹ The chapter 11 case captioned In re Falcon Gas Storage Company, Inc., No. 12-11790 (Bankr. S.D.N.Y.), is being administered jointly with the other above-captioned cases, but no plan has been confirmed in that case.

RECITALS

WHEREAS, on March 19, 2012 (the "Petition Date"), the predecessors-in-interest to the Reorganized Debtors (collectively, the "Debtors") filed for bankruptcy protection under chapter 11 of the Bankruptcy Code.

WHEREAS, as of the Petition Date, Jill Superco and JJ Holding Company Limited ("JJ Holding"), a wholly-owned indirect subsidiary of Arcapita Bank B.S.C.(c), were parties to a recapitalization agreement dated March 1, 2011 (the "Recapitalization Agreement"), pursuant to which JJ Holding acquired certain ownership interests in the J. Jill business ("J. Jill").

WHEREAS, as of the Petition Date, Jill Superco, Jill Intermediate LLC ("Jill Intermediate"), and JJ Holding were parties to a certain amended and restated limited liability company agreement dated April 29, 2011 (the "LLC Agreement") relating to J. Jill, which, among other things, sets forth the ownership interests in J. Jill.

WHEREAS, as of the Petition Date, Arcapita, Inc., Jill Intermediate and GGC Administration, LLC were parties to that certain Management Advisory Agreement effective as of April 29, 2011 (the "Management Agreement," and, together with the Recapitalization Agreement and the LLC Agreement, the "Jill Agreements").

WHEREAS, Jill Superco filed a Proof of Claim against each of the Debtors in an unliquidated amount in connection with the Jill Agreements.

WHEREAS, the Debtors objected to each of the Proofs of Claim in their Third Omnibus Objection to Claims, and the Reorganized Debtors objected to certain of the Proofs of Claim in their Eighth Omnibus Objection to Claims (collectively, the "Objections").

WHEREAS, on June 17, 2013, the Court confirmed the *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), dated as of June 11, 2013 [Docket No. 1265] (the “Plan”).

WHEREAS, the parties desire to resolve the Objections without the time, expense, and uncertainty attendant to litigation.

NOW THEREFORE, THE PARTIES STIPULATE AND AGREE, AND UPON THE APPROVAL BY THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IT SHALL BE ORDERED AND BINDING ON ALL PARTIES IN INTEREST AS FOLLOWS:

1. None of the Jill Agreements has been affected either by the Debtors’ bankruptcy filing, nor the confirmation of the Plan, and each of the Jill Agreements continues in full force and effect, pursuant to its terms.

2. Based on the foregoing, each Proof of Claim is deemed withdrawn as of the date this Stipulation is entered by the Court, and shall be expunged from the claims register in these cases. The Reorganized Debtors’ official claims agent is directed to take any and all actions necessary to effectuate the relief granted pursuant to this Stipulation.

3. This Stipulation constitutes the entire agreement among the parties hereto regarding the Proofs of Claim and the Objections.

4. This Stipulation may be executed in one or more counterparts and by facsimile or electronic copy, all of which shall be considered effective as an original signature.

5. The Parties acknowledge that this Stipulation is their joint work product and that, accordingly, in the event of ambiguities in this Stipulation, no inferences shall be drawn against either party on the basis of authorship of this Stipulation.

6. The Bankruptcy Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Stipulation.

CONSENTED AND AGREED TO BY:

Dated: December 23, 2013
New York, New York

Dated: December 23, 2013
New York, New York

**MILBANK, TWEED, HADLEY &
M^cCLOY LLP**

KIRKLAND & ELLIS LLP

/s/ Lena Mandel

/s/ Joshua A. Sussberg

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Counsel for the Jill Parties

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SO ORDERED,

/s/ Sean H. Lane

UNITED STATES BANKRUPTCY JUDGE

Dated: January 8, 2014