

**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**
-----X
IN RE: : **Chapter 11**
: :
FALCON GAS STORAGE COMPANY, INC., : **Case No. 12-11790 (SHL)**
: :
Debtor. : **Jointly Administered**
-----X
JOHN M. HOPPER, *et al.*, : **Adv. Proc. No. 12-01662 (SHL)**
: :
Plaintiffs, : **Jointly Administered**
: :
v. : **Jointly Administered**
: :
FALCON GAS STORAGE COMPANY, INC., : **Jointly Administered**
: :
Defendant. : **Jointly Administered**
-----X
TIDE NATURAL GAS STORAGE I, LP, *et al.*, : **Adv. Proc. No. 13-01335 (SHL)**
: :
Plaintiffs, : **Jointly Administered**
: :
v. : **Jointly Administered**
: :
JOHN M. HOPPER, *et al.*, : **Jointly Administered**
: :
Defendants. : **Jointly Administered**
-----X

ORDER AUTHORIZING AND APPROVING TIDE/HOPPER SETTLEMENT

Upon consideration of the motion of Falcon (the “*Motion*”)¹ for entry of an order pursuant to Bankruptcy Rule 9019 approving the Tide/Hopper Settlement; and the Court having found that it has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and

¹ Capitalized terms used in this Order and not otherwise defined in this Order have the meanings ascribed to such terms in the Motion.

the Court having found that venue of this proceeding in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the terms of the Tide/Hopper Settlement are fair and reasonable; and the Court having found that notice of the Motion and the opportunity for a hearing on the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion and having considered the statements in support of the relief requested therein at a hearing before the Court (the “*Hearing*”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation, and having overruled objections, if any, and sufficient cause appearing therefore,

IT IS HEREBY ORDERED:

1. The Motion is GRANTED in its entirety.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Tide/Hopper Settlement is approved, and the terms, conditions, and provisions of the Tide/Hopper Settlement Agreement attached hereto as Exhibit 1 are incorporated in this Order by reference as if fully set forth herein. The Tide/Hopper Settlement Agreement shall be irrevocably binding and enforceable in accordance with its terms on all parties thereto and shall be irrevocably binding on their successors and assigns.
3. Falcon is authorized and empowered to take any and all steps and to perform such other and further actions as are necessary to carry out, effectuate or otherwise enforce the Tide/Hopper Settlement.

4. Falcon is authorized and directed to promptly pay any U.S. federal income, F.I.C.A. taxes, or other taxes applicable to the distributions to the Hopper Parties, as set forth in the Tide/Hopper Settlement Agreement.

5. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a) and 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: New York, New York
January 23, 2014

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

Exhibit 1

Tide/Hopper Settlement Agreement

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SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“**Agreement**”) is hereby entered into as of this 26th day of December 2013 (the “**Agreement Effective Date**”) by and between Tide Natural Gas Storage I, LP f/k/a Alinda Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP f/k/a Alinda Natural Gas Storage II, LP (collectively, “**Tide**”); Falcon Gas Storage Company, Inc. (“**Falcon**”), Arcapita Bank B.S.C.(c) (“**Arcapita Bank**”) and Arcapita, Inc. (“**Arcapita Inc.**” and, collectively with Falcon and Arcapita Bank, “**Falcon/Arcapita**”); GASStorage Investments II LLC (“**Gas Storage II**”); HSBC Bank USA, National Association (“**HSBC**”); and John M. Hopper, Edmund A. Knolle, Jeffrey H. Foutch, Keith W. Chandler, The Estate of Steven B. Toon, deceased, Thomas B. Wynne, Jr., Steven Jenkins, Tamara Jenkins, Dianne G. Foutch, Lesli Paige Leonard, Sally H. Hopper, Ellecia A Knolle, Michelle P. Foutch, Deborah J. Toon, Rachel Ann Chandler, Daniel Leonard, and Alexander Cocke Trust (collectively, the “**Hopper Parties**”) (together the “**Parties**” and each a “**Party**”).

RECITALS

A. Tide and Falcon are parties to a Purchase Agreement dated March 15, 2010 (the “**Purchase Agreement**”) and First Amendment to Purchase Agreement dated April 1, 2010 (the “**First Amendment**”), pursuant to which Tide purchased Falcon’s membership interests in NorTex Gas Storage Company, LLC (“**NorTex**”). Arcapita Bank guaranteed Falcon’s obligations under the Purchase Agreement.

B. As provided in the First Amendment, HSBC is the Escrow Agent pursuant to an Escrow Agreement dated April 1, 2010 among Falcon, HSBC, and Alinda Natural Gas Storage I, L.P. and Alinda Natural Gas Storage II, L.P. (the “**Escrow Agreement**”). Pursuant to the Escrow Agreement, the sum of \$70,046,117.78 is being held in an escrow account under the control of HSBC (the “**Escrow Account**”).

C. The Hopper Parties brought suit against, among others, Falcon, Arcapita Bank, Gas Storage II, GASStorage Investments LLC, GASStorage Funding, Inc., MoBay Storage Holdings, LLC, MoBay Storage Hub LLC, Antoine LaFargue, Asim Zafar, Qaisar Zaman, Brian McCabe, Charles L. Griffith, Kevin J. Keough, and Tore Nelson (collectively, the “**Hopper Action Settling Defendants**”) in two separate actions in Texas state court (together, the “**Hopper Action**”). The claims in the Hopper Action related to Tide’s purchase of Falcon’s membership interests in NorTex. The Hopper Parties and the Hopper Action Settling Defendants settled the Hopper Action by entering into a Settlement Agreement and General Release dated July 27, 2010 (the “**Hopper Settlement Agreement**”). Pursuant to the Hopper Settlement Agreement, Falcon and Gas Storage II agreed to pay the Hopper Parties a total of \$14,750,000 in two installments. Of that amount, \$8,250,000 remained owing to the Hopper Parties as of April 30, 2012, and remains owing at this time.

D. A dispute has arisen between Tide and Falcon/Arcapita relating to (i) Tide’s purchase of Falcon’s membership interests in NorTex, and (ii) Tide’s claim to funds in the

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Escrow Account. On August 2, 2010, Tide commenced an action against Falcon/Arcapita and HSBC captioned *Tide Natural Gas Storage I, LP, et al. v. Falcon Gas Storage Company, Inc., et al.*, 10-cv-05821-KMW (the “**District Court Action**”), in the United States District Court for the Southern District of New York (the “**District Court**”).

E. On March 19, 2012, Arcapita Bank and certain of its affiliates commenced voluntary chapter 11 bankruptcy cases (the “**Arcapita Bankruptcy Case**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) which were ordered jointly administered under the caption *In re Arcapita Bank, B.S.C.(c)*, Case No. 12-11076 (SHL). The commencement of the Arcapita Bankruptcy Case automatically stayed the District Court Action as to Arcapita Bank.

F. On April 30, 2012, Falcon commenced a voluntary chapter 11 bankruptcy case (the “**Falcon Bankruptcy Case**” and, together with the Arcapita Bankruptcy Case, the “**Bankruptcy Cases**”) in the Bankruptcy Court captioned *In re Falcon Gas Storage Company, Inc.*, Case No. 12-11790 (SHL), which was ordered jointly administered with the Arcapita Bankruptcy Case. The commencement of the Falcon Bankruptcy Case automatically stayed the District Court Action as to Falcon.

G. On April 12, 2012, the Hopper Parties filed a motion to intervene in the District Court Action alleging certain claims as to the funds in the Escrow Account.

H. On May 21, 2012, the Hopper Parties filed an Adversary Proceeding against Falcon in the Bankruptcy Cases captioned *Hopper v. Falcon Gas Storage Company, Inc.*, Case No. 12-01662, (the “**Hopper Adversary Proceeding**”) in which the Hopper Parties claimed they were entitled to \$8,250,000 of the funds in the Escrow Account.

I. By an order entered on February 28, 2013, the Bankruptcy Court lifted the automatic stay as to the District Court Action.

J. On September 3, 2013, HSBC filed a motion for interpleader in the District Court Action as to the disposition of the Escrow Account.

K. Each of the Hopper Parties filed a proof of claim against Falcon in the Falcon Bankruptcy Case (collectively, the “**Hopper Claims**”), each in the amount of \$8,250,000.

L. Tide filed two proofs of claim against Falcon in the Falcon Bankruptcy Case and two proofs of claim against Arcapita Bank in the Arcapita Bankruptcy Case (collectively, the “**Tide Claims**”), each in the amount of \$120,000,000.

M. HSBC filed a proof of claim against Falcon in the Falcon Bankruptcy Case for a secured claim in the amount of \$39,681.63 (the “**HSBC Claim**”).

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N. Arcapita Bank, Falcon, and other affiliated debtors proposed a joint chapter 11 plan of reorganization (the “**Plan**”), which treated the Tide Claims as fully subordinated claims in Classes 10(a) and 10(g) of the Plan. The Hopper Claims were classified in Class5(g) as to Falcon.

O. In June of 2013, Falcon and the Hopper Parties entered into a Plan Support Agreement (the “**Hopper Plan Support Agreement**”) whereby the Hopper Parties agreed to vote in favor of the Plan, and Arcapita Bank and Falcon agreed that:

- a. On or before the effective date of the Plan as to Falcon, Gas Storage II shall pay \$1,072,500 to the Hopper Parties as provided in the Hopper Settlement Agreement (the “**Gas Storage Payment**”);
- b. The Hopper Parties shall have an allowed unsecured claim against Falcon in Class 5(g) of the Plan in the amount of \$8,250,000, *provided, however*, that any payment by on or behalf of Gas Storage II to or on behalf of the Hopper Parties shall be fully credited against the amount of the allowed Hopper Claims; and,
- c. Subject only to the rights of Tide to object to the Hopper Claims, if any, Arcapita Bank, Falcon, and the affiliated debtors waived and released any claim they may have to subordinate the Hopper Claims, any claim based on chapter 5 of title 11 of the United States Code (the “**Bankruptcy Code**”), or any other objection to the Hopper Claims.

P. On April 26, 2013, Arcapita Bank and Falcon both filed objections to the Tide Claims (the “**Tide Claim Objections**”). Falcon, Arcapita Bank, and Tide stipulated to temporarily allow the Tide Claims in Classes 8(a) and 8(g) for Plan voting purposes only, and Tide voted against the confirmation of Plan as to both Falcon and Arcapita Bank. The Tide Claims Objections remain pending before the Bankruptcy Court.

Q. Tide objected to the confirmation of the Plan based on the fully subordinated treatment of Tide’s Claims in Classes 10(a) and 10(g) in the Plan (the “**Tide Subordination Dispute**”). The Tide Subordination Dispute has been fully briefed and argued before the Bankruptcy Court and is under advisement awaiting a decision by the Bankruptcy Court.

R. On May 29, 2013, Tide filed an Adversary Proceeding in the Bankruptcy Court Cases against the Hopper Parties captioned *Tide Natural Gas Storage I, LP et al. v. Hopper Claimants*, Case No. 13-01355, (the “**Tide Adversary Proceeding**”) seeking to subordinate the Hopper Claims.

S. At the hearing before the Bankruptcy Court on June 11, 2013, to consider the confirmation of the Plan, Tide withdrew its objection to the confirmation of the Plan as to

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Arcapita Bank and all other debtors except Falcon, and withdrew Tide's objection to the classification of the Tide Claims as to Arcapita Bank in Class 10(a).

T. By an order of the Bankruptcy Court entered on June 17, 2013, the Plan was confirmed as to all debtors except Falcon and the effective date of the Plan as to all debtors except Falcon occurred on September 17, 2013. In the Order confirming the Plan as to all debtors except Falcon, the confirmation of the Plan as to Falcon was adjourned by the Bankruptcy Court pending the resolution of the District Court Action, the Tide Subordination Dispute, and certain other matters.

U. To avoid the cost and uncertainty of litigation, the Parties by this Agreement desire to compromise and resolve all outstanding issues among them allowing for, among other things, the dismissal of the District Court Action and the confirmation of the Plan as to Falcon.

TERMS

NOW, THEREFORE, for good and valuable consideration, the exchange of which is hereby acknowledged, and intending to be legally bound hereby, and subject to the conditions set forth below, the Parties agree as follows:

1. Approval Order. Upon execution of this Agreement by all Parties, Falcon will promptly file a motion (the "**9019 Motion**") that seeks entry of an order in the Falcon Bankruptcy Case, in form and substance satisfactory to the Parties hereto, approving this Agreement under Federal Rule of Bankruptcy Procedure 9019 (the "**Approval Order**"), which may be sought contemporaneously with an order confirming the Plan as to Falcon. The provisions and obligations of this Agreement set forth hereafter shall be conditioned upon entry of the Approval Order. The "**Approval Order Effective Date**" shall be the earlier of (a) the date the Approval Order becomes a Final Order or (b) the date, if any, that the Tide, Falcon/Arcapita and the Hopper Parties jointly agree to waive the requirement that the Approval Order become a Final Order, provided however that no such waiver shall be enforceable if given after a stay of the Approval Order has been issued. "**Final Order**" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction approving this Agreement, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, seek certiorari, or move for a new trial, reargument, or rehearing has expired and no appeal, petition for certiorari, or motion for a new trial, reargument, or rehearing has been timely filed, or as to which any appeal that has been taken, any petition for certiorari, or motion for a new trial, reargument, or rehearing that has been or may be Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; provided, however, that the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not prevent the Approval Order from becoming a "Final Order". Falcon shall provide prompt notice, by email

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in accordance with paragraph 23 below, to the other Parties of the occurrence of the Approval Order Effective Date.

2. Disbursement of Escrow. On the third (3rd) Business Day¹ following the Approval Order Effective Date, HSBC shall forthwith and without further instruction or approval, disburse the funds currently held in the Escrow Account as follows (the day all such disbursements are made shall be the “**Settlement Payment Date**”):

- a) HSBC shall deduct from the funds held in the Escrow Account an amount equal to the portion of fees and costs due HSBC from Falcon pursuant to the Escrow Agreement as of the Settlement Payment Date and shall apply such amount in full satisfaction of such portion of the HSBC fees and costs as are due from Falcon.
- b) \$44,000,000 shall be disbursed to Tide (“**Tide Escrow Distribution**”) in accordance with the disbursement instructions set forth on Annex A attached hereto and made a part hereof.
- c) \$7,177,500 shall be disbursed to or on behalf of the Hopper Parties (the “**Hopper Escrow Distributions,**” and, together with the Gas Storage Payment, the “**Hopper Distributions**”) as follows: (i) \$6,044,057.97 shall be paid to the attorneys for the Hopper Parties, Andrews Kurth LLP, in accordance with the disbursement instructions set forth on Annex B attached hereto and made a part hereof, and (ii) \$1,133,441.85 shall be disbursed to Falcon, in accordance with the disbursement instructions set forth on Annex C attached hereto and made a part hereof, to fund payment to the U.S. Treasury for U.S. federal income and F.I.C.A. taxes applicable to the distributions to the Hopper Parties pursuant to this Settlement Agreement. As between the Hopper Parties on the one hand and Falcon/Arcapita on the other, those Parties hereby agree that the Hopper Distributions (i) shall be deemed as payment to the Hopper Parties for their ownership of the equity interests in Falcon as set forth on Annex D attached hereto and made a part hereof, and (ii) together with the Gas Storage Payment described in Paragraph 4., below, shall be in full satisfaction of the “Second Payment” owed to the Hopper Parties in the amount of \$8,250,000 as provided in Paragraphs 2 and 3 of the Hopper Settlement Agreement.
- d) The remainder of the funds in the Escrow Account shall be disbursed by HSBC to Falcon in accordance with the disbursement instructions set forth on Annex C attached hereto and made a part hereof.

¹“Business Day” means any day that is none of a Saturday, Sunday, United States federal holiday, or New York state holiday.

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Prior to the Settlement Payment Date, Tide will pay HSBC any and all outstanding fees and costs due HSBC from Tide pursuant to the Escrow Agreement as of the Settlement Payment Date. If Tide fails to do so, HSBC shall deduct all such amounts from the Tide Escrow Distribution. No later than the Settlement Payment Date, Falcon shall provide an IRS Form W-2 to each of the Hopper Parties reflecting the appropriate amount of U.S. taxes to be withheld and paid to the U.S. Treasury by Falcon as provided in 2(c)(ii) above; no later than two (2) Business Days following the Settlement Payment Date, Falcon shall make the payments to the U.S. Treasury provided in 2(c)(ii) above.

3. Non-Property of Falcon Estate. For purposes of this Agreement and the resolution of the disputes referenced herein, the Parties acknowledge and agree that as of the Settlement Payment Date (a) the Tide Escrow Distribution, the Hopper Escrow Distributions, and the HSBC Fees do not constitute property of the Falcon bankruptcy estate as provided in section 541 of the Bankruptcy Code, and (b) the funds disbursed to Falcon as provided in 2(d) above shall constitute property of the Falcon bankruptcy estate as provided in section 541 of the Bankruptcy Code.

4. Other Distributions to the Hopper Parties; Indemnification. Notwithstanding anything in the Hopper Plan Support Agreement to the contrary, (i) on or prior to Settlement Payment Date, Gas Storage II shall pay the Gas Storage Payment to the Hopper Parties, in accordance with the disbursement instructions set forth on Annex B attached hereto, and made a part hereof in full settlement of the obligation of Gas Storage II to make the Gas Storage Payment under the Hopper Plan Support Agreement, and (ii) the Hopper Parties on the one hand, and Gas Storage II and Falcon/Arcapita, on the other hand, hereby agree that the Gas Storage Payment also is being made in satisfaction of Gas Storage II's obligation to pay \$1,072,500 of the "Second Payment" owed to the Hopper Parties as provided in Paragraphs 2 and 3 of the Hopper Settlement Agreement. The Hopper Parties shall indemnify, defend, and hold harmless Falcon/Arcapita and each of their respective officers, directors, employees, representatives and agents, against any claim or cause of action brought by anyone relative to the Hopper Settlement Agreement, including, without limitation, any action brought by any taxing authority on the grounds that the amounts withheld by Falcon for the payment of taxes were insufficient.

5. Dismissal of the Hopper Adversary Proceeding. Within one (1) Business Day after the Settlement Payment Date, the parties to the Hopper Adversary Proceeding shall execute and file a stipulation for dismissal of such Hopper Adversary Proceeding in the form attached hereto as Annex E.

6. Dismissal of the District Court Action. Within one (1) Business Day after the Settlement Payment Date, the parties to the District Court Action shall jointly submit a fully executed stipulation of dismissal with prejudice and proposed order to the District Court, in the form attached hereto as Annex F.

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7. Dismissal of the Tide Adversary Proceeding. Within one (1) Business Day after the Settlement Payment Date, the parties to the Tide Adversary Proceeding shall execute and file a stipulation for dismissal of such Tide Adversary Proceeding in the form attached hereto as Annex G.

8. Disallowance of Hopper Claims. Within one (1) Business Day after the Settlement Payment Date, the Hopper Parties shall execute and file a stipulation, in the form of Annex H, to disallow, with prejudice, the Hopper Claims in full. The Hopper Parties agree that they shall not pursue, file or assert any further claims of any kind or nature whatsoever against Falcon/Arcapita, and that, for purposes of confirmation of the Plan, the Hopper Claims can be deemed to be withdrawn, with prejudice, and Hopper shall be deemed not to oppose confirmation of the Plan, if the Approval Order is entered.

9. Disallowance of the Tide Claims. Within one (1) Business Day after the Settlement Payment Date, Tide and Falcon shall execute and file a stipulation, in the form of Annex I, to (i) disallow, with prejudice, the Tide Claims in full, (ii) dismiss the Tide Claim Objections and (iii) withdraw the Tide Subordination Dispute. Tide agrees that upon approval of the 9019 Motion and provided that the order confirming the Plan provides that the Plan shall not become effective as to Falcon before the Settlement Payment Date, for purposes of confirmation of the Plan, the Tide Claims, Tide Claim Objections, and Tide Subordination Dispute shall be deemed to be withdrawn, with prejudice, and any vote submitted by Tide with respect to the Tide Claims shall not be counted.

10. Withdrawal of the HSBC Claim. Upon the Settlement Payment Date, the HSBC Claim shall be deemed withdrawn in full, with prejudice, and HSBC shall have no further claim of any kind against Falcon.

11. Releases by Tide, the Hopper Parties, and HSBC. “**Released Claims**” shall mean damages, suits, claims, proofs of claims, debts, demands, obligations, liabilities, attorneys’ fees, costs, expenses, and causes of action, known and unknown, suspected and unsuspected, disclosed and undisclosed, from the beginning of the world to the Settlement Payment Date based on, arising out of, or relating in any way to the Purchase Agreement, the First Amendment, the Escrow Agreement, the 2010 purchase and sale of NorTex, the disposition of funds held in the Escrow Account, or the Hopper Settlement Agreement, including, without limitation, any claims or causes of action that were or could have been asserted in the District Court Action or any proceedings before the Bankruptcy Court. Effective on the Settlement Payment Date, Tide, the Hopper Parties, and HSBC, on behalf of themselves and their predecessors, successors, subsidiaries, principals, parents, affiliates, joint ventures, officers, directors, partners, members, proprietors, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns hereby generally fully and forever release and discharge (i) one another, and (ii) the Hopper Action Settling Defendants, including Arcapita Bank and Falcon, Arcapita, Inc., RA Holding Corp., AIM Group Limited, and their respective current and former predecessors, successors, subsidiaries, parents, affiliates, joint ventures, investment funds and similar

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investment vehicles, partners, and proprietors (collectively, the “**RA/AIM Persons**”), along with the current and former principals, officers, directors, managers, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns of the RA/AIM Persons (collectively, the “**RA/AIM Released Parties**”) from and for any and all Released Claims.

12. Releases by Falcon/Arcapita. Effective on the Settlement Payment Date, Falcon/Arcapita on behalf of themselves and their predecessors, successors, subsidiaries, principals, parents, affiliates, joint ventures, officers, directors, partners, members, proprietors, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns, including but not limited to the RA/AIM Released Parties, hereby generally fully and forever release and discharge Tide, Alinda Capital Partners LLC, Alinda Capital Partners, Ltd., the Hopper Parties, and HSBC, and their respective current and former predecessors, successors, subsidiaries, parents, affiliates, joint ventures, investment funds and similar investment vehicles, partners, and proprietors (collectively, the “**Tide/Hopper/HSBC Entities**”), along with the current and former principals, officers, directors, managers, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns of the Tide/Hopper/HSBC Entities (collectively, the “**Tide/Hopper/HSBC Released Parties**”) from and for any and all Released Claims.

13. Release of Avoidance Actions. Effective on the Settlement Payment Date, Falcon/Arcapita (and any applicable section 1123(b)(3) representative of the Falcon estate) and the RA/AIM Released Parties on behalf of themselves and their predecessors, successors, subsidiaries, principals, parents, affiliates, joint ventures, officers, directors, partners, members, proprietors, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns hereby fully and forever waive, release and discharge any causes of action arising under chapter 5 of the Bankruptcy Code against the Tide/Hopper/HSBC Released Parties.

14. No Release of Mineral Interests of Peregrine Interests, L.P. Notwithstanding anything to the contrary in this Agreement, nothing contained herein shall bar, waive, release, discharge or otherwise affect, (i) any mineral interests, including any royalty interests, of Peregrine Interests, L.P. in respect to the Hill-Lake Gas Storage Unit, which is a part of NorTex’s Hill-Lake Gas Storage Facility in Eastland County, Texas (the “**Peregrine Mineral Interests**”), and (ii) any claims by Peregrine Interests, L.P. for any amounts owed, or to be owed, with respect to the Peregrine Mineral Interests.

15. Waiver of All Claims. The releases provided by the respective Parties to the Tide/Hopper/HSBC Released Parties and the RA/AIM Released Parties (together, the “**Released Parties**”) shall be a waiver and relinquishment, to the fullest extent permitted by law, of all provisions, laws and rules limiting relinquishment of unknown or unsuspected claims, including the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER

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FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR”

and any and all provisions, rights and benefits of any similar statute or common law rule of any other jurisdiction.

16. Warranty Regarding Assignment of Claims. It is the intention of each Party that this Agreement will fully and finally dispose of all the Released Claims, that no other entity or person may assert any such Released Claims, and that no other entity or person is subrogated to the right of any Party to assert any Released Claim. Accordingly, the Parties individually represent and warrant that they have not heretofore assigned, transferred, pledged, or hypothecated, or purported to assign, transfer, pledge, or hypothecate, to any entity or individual, any of the Released Claims that they ever had the right to assert, and each Party agrees to indemnify and hold harmless each other Party against any Released Claim brought by anyone that has been assigned, transferred, pledged, or hypothecated such Released Claim from such Party.

17. Termination of the Purchase Agreement, First Amendment, Escrow Agreement, and Hopper Settlement Agreement. The Parties agree that this Agreement, including without limitation the releases set forth herein and the payments to be made hereunder, resolves any and all issues, whenever arising or asserted, related to the transactions described in the Purchase Agreement, the First Amendment, the Escrow Agreement, the Hopper Settlement Agreement, and the Hopper Plan Support Agreement and that they shall have no obligations to each other under such Purchase Agreement, First Amendment, Escrow Agreement, Hopper Settlement Agreement or the Hopper Plan Support Agreement, or any documents related thereto except as and to the extent expressly provided herein.

18. Plan Support. All Parties shall take such other actions as may be reasonably requested by Falcon to support entry of an order confirming the Plan as to Falcon, the Approval Order, and the occurrence of the Approval Order Effective Date and the effective date of the Plan as to Falcon, provided that the Plan shall not become effective as to Falcon until on or after the Settlement Payment Date. Falcon and the Hopper Parties agree that the provisions of this Agreement supersede the terms of the Hopper Plan Support Agreement.

19. No Effect on Plan as to Arcapita Bank. The Parties expressly acknowledge and agree that nothing in this Agreement affects the Plan as to Arcapita Bank or any other debtor, other than Falcon, and that nothing herein affects or alters the rights and obligations of any Party, if any and whatever they may, under the Plan previously confirmed as to Arcapita Bank.

20. General Representations of Non-Debtors. The Hopper Parties, Tide, and HSBC each represents and warrants that:

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- a) Status. To the extent applicable, it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such law, is in good standing;
- b) Corporate Power and Authorization. To the extent applicable, it has the power and authority, and the legal right, to make, deliver and perform under this Agreement, and has taken all necessary actions to authorize its execution, delivery and performance;
- c) No Violation or Conflict. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and
- d) Obligations Binding. Its obligations under this Agreement to which it is a party constitute its legal, valid, and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

21. No Admission of Liability. The Parties agree that nothing in this Agreement shall be construed as, or be deemed to be, an admission of wrongdoing or liability. The Parties each agree that neither this Agreement nor any of its terms shall be admissible as evidence in any suit or proceeding whatsoever as evidence of or as an admission of any liability; provided that this sentence shall not be applicable in the case of any proceeding to enforce the provisions of this Agreement, including without limitation, the waiver, release, and discharge of the Released Claims set forth herein.

22. Voluntary Agreement with Advice of Counsel. Each Party acknowledges that it has entered into this Agreement freely and voluntarily and after having consulted with counsel of its own choosing and having had the terms contained in this Agreement explained by counsel. The Parties appreciate and understand the terms contained in this Agreement and are fully satisfied with the settlement set forth herein.

23. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile or e-mail, upon written confirmation of receipt by facsimile, e-mail or otherwise, (b) on the third day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the seventh day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All

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notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice.

a) If to Tide:

Joe Kelleher
Managing Director & General Counsel
Alinda Capital Partners LLC
3rd Floor
100 West Putnam Avenue
Greenwich, Connecticut 06830
(203) 961-6957 (facsimile)
joe.kelleher@alinda.com

with a copy to:

Stephen B. Crain
Bracewell & Giuliani, LLP
711 Louisiana St., Suite 2300
Houston, Texas 77002
(713) 437-5305 (facsimile)
stephen.crain@bgllp.com

b) If to Falcon:

Eugene I. Davis
PIRINATE Consulting Group, LLC
5 Canoe Brook Drive
Livingston, New Jersey 07039
(973) 535-1843 (facsimile)
GeneDavis@pirinateconsulting.com

with a copy to:

Evan R. Fleck
Milbank Tweed Hadley & McCloy, LLP
One Chase Manhattan Plaza
New York, NY 10005
(212) 822-5567 (facsimile)
efleck@milbank.com

EXECUTION COPY

c) If to Gas Storage II:

Eugene I. Davis
PIRINATE Consulting Group, LLC
5 Canoe Brook Drive
Livingston, New Jersey 07039
(973) 535-1843 (facsimile)
GeneDavis@pirinateconsulting.com

with a copy to:

Evan R. Fleck
Milbank Tweed Hadley & McCloy, LLP
One Chase Manhattan Plaza
New York, NY 100005
(212) 822-5567 (facsimile)
efleck@milbank.com

d) If to Arcapita Bank:

Eugene I. Davis
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5 Canoe Brook Drive
Livingston, New Jersey 07039
(973) 535-1843 (facsimile)
GeneDavis@pirinateconsulting.com

with a copy to:

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Milbank Tweed Hadley & McCloy, LLP
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New York, NY 100005
(212) 822-5567 (facsimile)
efleck@milbank.com

EXECUTION COPY

e) If to Arcapita Inc.:

Eugene I. Davis
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Livingston, New Jersey 07039
(973) 535-1843 (facsimile)
GeneDavis@pirinateconsulting.com

with a copy to:

Evan R. Fleck
Milbank Tweed Hadley & McCloy, LLP
One Chase Manhattan Plaza
New York, NY 100005
(212) 822-5567 (facsimile)
efleck@milbank.com

f) If to the Hopper Parties:

John Hopper
Peregrine Midstream Partners LLC
Three Riverway - Suite 1100
Houston, Texas 77056
(713) 974-5601 (facsimile)
jhopper@peregrinempllc.com

with a copy to:

David A. Zdunkewicz
Andrews Kurth LLP
600 Travis St., Suite 4200
Houston, Texas
(713) 238-7106 (facsimile)
dzdunkewicz@akllp.com

EXECUTION COPY

g) If to HSBC:

Fernando Acebedo, Vice President
HSBC Bank USA, National Association
452 Fifth Avenue
New York, New York 10018
(212) 525-1300 (facsimile)
us.ctla.structured.unit@us.hsbc.com

with a copy to:

Pieter H. B. Van Tol, III
Robert A. Ripin
Hogan Lovells US LLP
875 Third Ave.
New York, New York 10022
(212) 918-3100 (facsimile)
pieter.vantol@hoganlovells.com
robert.ripin@hoganlovells.com

24. Successors, Subsidiaries, and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective agents, representatives, subsidiaries, successors, trustees, heirs, and assigns.

25. Entire Agreement/No Reliance. The Parties acknowledge that no person has made any promise, representation or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce the execution of this instrument, and each signatory hereby acknowledges that such signatory has not executed this instrument in reliance upon any such promise, representation or warranty. Without limiting the generality of the foregoing, no Party shall be deemed to have made to another Party any representation or warranty other than as expressly made in this Agreement, and no Party has relied on nor is it relying on any statement, representation or warranty, either express or implied, other than those expressly made in this Agreement or contained in the Plan or Plan-related documents. This Agreement is a fully integrated agreement, and this Agreement constitutes the entire agreement between the Parties concerning the resolution of the Parties' disputes with respect to the Released Claims and supersedes all prior negotiations, representations, or agreements between the Parties, either written or oral, on the subject hereof. This Agreement may be amended only by written instrument designated as an amendment to this Agreement, executed by each of the Parties hereto or their respective successors, heirs, or assigns.

26. Governing Law/Forum. The validity, construction, and all rights and obligations relating to this Agreement shall be governed by New York Law and the United States

EXECUTION COPY

Bankruptcy Code, as applicable. Any disputes arising from this Agreement shall be decided in an action or proceedings occurring before the Bankruptcy Court, which shall have exclusive jurisdiction over any dispute relating to this Agreement.

27. No Waiver. No provision herein may be waived, modified, or amended unless in writing and signed by all Parties whose rights are thereby waived, modified, or amended. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

28. Third-Party Beneficiaries. All Parties agree that the Released Parties that are not Parties are express beneficiaries of this Agreement. The Parties each warrant, acknowledge, and agree that, except for the Released Parties, there are no other third-party beneficiaries of the rights, claims, and obligations created by this Agreement.

29. No Presumptions Against Any Party. The Parties acknowledge that this Agreement and the provisions contained herein were jointly drafted and shall not be construed or interpreted for or against any Party on the basis of presumption that such Party was the drafter.

30. Execution in Counterparts. This Agreement may be executed in counterparts. Each of such counterparts, when executed and delivered, shall be deemed to be an original and, taken together, shall constitute one and the same instrument.

31. PDF Signatures. The signatures to this Agreement may be evidenced by pdf copies reflecting the Party's signature hereto, and any such pdf copy shall be sufficient to evidence the signature of such Party just as if it were an original signature.

32. Captions. The captions to the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, are not part of the Agreement, and shall not be used for the interpretation of, or determination of the validity of, this Agreement or any provision hereof.

EXECUTION COPY

IN WITNESS WHEREOF, the undersigned have read this Agreement in its entirety, and fully understand its terms, and have caused this Agreement to be duly executed as of the date first above written.

TIDE NATURAL GAS STORAGE I, LP

By:_____

Name:

Title:

TIDE NATURAL GAS STORAGE II, LP

By:_____

Name:

Title:

EXECUTION COPY

FALCON GAS STORAGE COMPANY, INC.

By: _____

Name:

Title:

RA HOLDING CORP. ON BEHALF OF
ARCAPITA BANK B.S.C.(c)

By: _____

Name:

Title:

ARCAPITA INC.

By: _____

Name:

Title:

GASTORAGE INVESTMENTS II LLC

By: _____

Name:

Title:

EXECUTION COPY

HSBC BANK USA, NATIONAL ASSOCIATION

By: _____
Name:
Title:

EXECUTION COPY

JOHN M. HOPPER

EXECUTION COPY

EDMUND A. KNOLLE

EXECUTION COPY

JEFFREY H. FOUTCH

EXECUTION COPY

KEITH W. CHANDLER

EXECUTION COPY

THE ESTATE OF STEVEN B. TOON,
DECEASED

By: _____

Name:

Title:

EXECUTION COPY

THOMAS B. WYNNE, JR.

EXECUTION COPY

STEVEN JENKINS

EXECUTION COPY

TAMARA JENKINS

EXECUTION COPY

DIANNE G. FOUTCH

EXECUTION COPY

LESLI PAIGE LEONARD

EXECUTION COPY

SALLY H. HOPPER

EXECUTION COPY

ELLECIA A. KNOLLE

EXECUTION COPY

MICHELLE P. FOUTCH

EXECUTION COPY

DEBORAH J. TOON

EXECUTION COPY

RACHEL ANN CHANDLER

EXECUTION COPY

DANIEL LEONARD

EXECUTION COPY

ALEXANDER COCKE TRUST

By: _____

Name:

Title:

EXECUTION COPY

Annex C
Wire Instructions for Falcon Escrow Distribution

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

EXECUTION COPY

Annex D
Allocation of Hopper Distributions

EXECUTION COPY

Allocation of Settlement Proceeds to Hopper Claimants Net of Legals Fees and Withholding*																							
Hopper Party Claimant	% Ownership	Allocation of \$8.25 Million Claim Against Falcon (Per Filing in Falcon Bankruptcy Proceeding)	Long-Term Capital Gains Portion of Settlement Proceeds (Midway)	Gross Long-Term Capital Gains Portion of Settlement Proceeds (Falcon)	Less: Ware Jackson and John Kim Legal Fees Allocable to LT Capital Gains	Less: Andrews & Kurth Legal Fees Allocable to LT Capital Gains	Net Long-Term Capital Gains Payments for Falcon Common Stock	Gross Portion of Settlement Proceeds for Falcon Stock Options/SARs	Less: Ware Jackson and John Kim Legal Fees Allocable to Falcon Stock Options/SARs	Less: Andrews & Kurth Legal Fees Allocable to Falcon Stock Options/SARs	Net Portion of Settlement Proceeds for Stock Options/SARs Subject to Withholding	Less: FIT Withholding to be paid over by Falcon (to RRS)	Less: FICA tax withholding to be paid over by Falcon (to RRS)	Less: Medicare tax withholding (to be paid over by Falcon to RRS)	Less: Medicare surtax withholding (to be paid over by Falcon to RRS)	Less: Other withholding (if any - to be paid over by Falcon to State/RS)	Total withholding, FICA, Medicare and Surtax	Net Disbursement of Settlement Proceeds Payable to ASK for Further Disbursement	Total Pro-Rata Allocation of Legal Fees	Total Pro-Rata Allocation of A&K Legal Fees	Total Pro-Rata Allocation of Legal Fees	Net Disbursement to Hopper Party Claimant (Payable by ASK)	
Chandler, Keith L. and Rachel Ann	6.20347%	\$ 916,823	\$ 52,534	\$ -	\$ -	\$ -	\$ 463,280	\$ -	\$ -	\$ -	\$ 38,828	\$ 39,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (110,377.28)	\$ 406,445.72	\$ 39,828.64	\$ 39,828.64	\$ 79,657.28	\$ 326,788.45
Foush, Jeffrey H. and Michelle P.	26.32919%	\$ 2,172,158	\$ 286,327	\$ 671,228	\$ 24,320	\$ 24,320	\$ 622,588	\$ 1,214,803	\$ 104,419	\$ 104,419	\$ 1,005,769	\$ (52,283.32)	\$ (7,254.00)	\$ (14,583.61)	\$ (7,251.89)	\$ -	\$ -	\$ (281,372.82)	\$ 1,890,785.35	\$ 128,738.66	\$ 128,738.66	\$ 257,477.32	\$ 1,633,308.03
Hopper, John M. and Sally H.	34.03047%	\$ 2,807,881	\$ 342,890	\$ 1,246,784	\$ 46,281	\$ 46,281	\$ 1,198,189	\$ 1,215,247	\$ 104,474	\$ 104,474	\$ 1,036,299	\$ (52,484.37)	\$ (7,254.00)	\$ (14,591.33)	\$ (7,256.89)	\$ -	\$ -	\$ (281,596.49)	\$ 2,526,224.49	\$ 148,755.25	\$ 148,755.25	\$ 297,510.50	\$ 2,228,713.99
Hosley, Edmund A. and Elizabeth A.	21.02700%	\$ 1,734,728	\$ 250,209	\$ 269,949	\$ 9,781	\$ 9,781	\$ 250,387	\$ 1,214,570	\$ 104,416	\$ 104,416	\$ 1,005,738	\$ (52,272.28)	\$ (7,254.00)	\$ (14,583.20)	\$ (7,251.64)	\$ -	\$ -	\$ (281,361.12)	\$ 1,443,366.38	\$ 114,196.55	\$ 114,196.55	\$ 228,393.10	\$ 1,224,973.27
Toon, Steven B. (Deceased) and Deborah J. Toon	3.46020%	\$ 286,209	\$ 70,496	\$ -	\$ -	\$ -	\$ -	\$ 215,713	\$ 18,545	\$ 18,545	\$ 178,624	\$ (44,655.90)	\$ (7,254.00)	\$ (2,590.04)	\$ -	\$ -	\$ -	\$ (54,499.94)	\$ 231,709.06	\$ 18,544.70	\$ 18,544.70	\$ 37,089.40	\$ 194,619.66
Wynn, Jr., Thomas B.	6.25242%	\$ 515,823	\$ 52,534	\$ -	\$ -	\$ -	\$ 463,289	\$ -	\$ 39,828	\$ 39,858	\$ 383,632	\$ (95,907.00)	\$ (7,254.00)	\$ (5,562.66)	\$ (1,652.69)	\$ -	\$ -	\$ (110,377.28)	\$ 406,445.72	\$ 39,828.64	\$ 39,828.64	\$ 79,657.28	\$ 326,788.45
Leonard, Loral Paige and Daniel	0.48879%	\$ 40,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,522	\$ 3,226	\$ 3,226	\$ 31,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,144.62)	\$ 21,706.48	\$ -	\$ -	\$ 21,706.48	\$ -
Alexander Clarke Fives	1.02190%	\$ 84,307	\$ 7,004	\$ 77,303	\$ 2,801	\$ 2,801	\$ 71,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,306.79	\$ 2,800.86	\$ 2,800.86	\$ 5,601.71	\$ 78,705.04
Foush, Dianne G.	0.10219%	\$ 8,431	\$ 701	\$ 7,730	\$ 280	\$ 280	\$ 7,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,430.68	\$ 280.07	\$ 280.07	\$ 560.15	\$ 7,870.53
Winn, Steven and Tamara	1.02190%	\$ 84,307	\$ 7,004	\$ 77,303	\$ 2,801	\$ 2,801	\$ 71,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,306.79	\$ 2,800.86	\$ 2,800.86	\$ 5,601.71	\$ 78,705.04
Total	100%	\$ 8,250,000	\$ 1,072,500	\$ 2,353,267	\$ 85,264	\$ 85,264	\$ 2,182,739	\$ 4,824,233	\$ 414,736	\$ 414,736	\$ 3,994,761	\$ (1,001,289.44)	\$ (85,450.39)	\$ (17,824.03)	\$ (5,065.60)	\$ -	\$ -	\$ (1,129,728.46)	\$ 7,125,270.54	\$ 500,000.00	\$ 500,000.00	\$ 1,000,000.00	\$ 6,125,270.54
		\$ 7,177,499.53		\$ 8,192,770.72																			
		\$ 7,120,270.54																					
* Net of Legal Fees and Withholding																							

Assumptions
 1. Hopper Party Claimants are treated as employees for ordinary income portion of settlement which will be reported on Form W-2
 2. Payments to Hopper Party Claimants will be made in 2014
 3. Social Security wage base for 2014 = \$17,000
 4. Medicare Surplus employee withholding wage base for 2014 assumed to be \$300,000 for individual filers.
 5. FIT withholding rate assumed to be a flat 26% based on supplemental wage withholding rate for amounts less than \$1,000,000 and to be a flat 39.6% for amounts in excess of \$1,000,000

EXECUTION COPY

Annex E
Stipulation of Dismissal of Hopper Adversary Proceeding

**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
-----X	
IN RE:	: Chapter 11
	: :
FALCON GAS STORAGE COMPANY, INC.,	: Case No. 12-11790 (SHL)
	: :
Debtor.	: Case No. 12-11790 (SHL)
-----X	
	: :
JOHN M. HOPPER, et al.,	: Adv. Proc. No. 12-011662 (SHL)
	: :
Plaintiffs,	: Adv. Proc. No. 12-011662 (SHL)
	: :
v.	: :
	: :
FALCON GAS STORAGE COMPANY, INC.,	: :
	: :
Defendant.	: Adv. Proc. No. 12-011662 (SHL)
-----X	

STIPULATION OF DISMISSAL OF ADVERSARY PROCEEDING WITH PREJUDICE

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned attorneys for (i) Plaintiffs John M. Hopper, Edmund A. Knolle, Jeffrey H. Foutch, Keith W. Chandler, the Estate of Steven B. Toon, deceased, Thomas B. Wynne, Jr., Steven Jenkins, Tamara Jenkins, Dianne G. Foutch, Lesli Paige Leonard, Sally H. Hopper, Ellecia A. Knolle, Michelle P. Foutch, Deborah J. Toon, Rachel Ann Chandler, Daniel Leonard, and Alexander Cocke Trust, and (ii) Defendant Falcon Gas Storage Company, Inc. that, pursuant to Rule 7041 of the Federal Rules of Bankruptcy Procedure and Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure, the above-captioned adversary proceeding and all claims, crossclaims, and counterclaims asserted therein are hereby dismissed with prejudice and without costs to any party.

Dated: New York, New York
January __, 2014

ANDREWS KURTH LLP

GIBSON, DUNN & CRUTCHER LLP

Joseph A. Patella
Cassandra A. Porsch
450 Lexington Avenue, 15th Floor
New York, New York 10017
(212) 850-2800

David A. Zdunkewicz
600 Travis Street, Ste. 4200
Houston, Texas 77002
(713) 220-4200

Attorneys for Plaintiffs

Dated: January __, 2014

Michael A. Rosenthal
Craig H. Millet (admitted *pro hac vice*)
Jeremy L. Graves (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

Attorneys for Defendant

SO ORDERED:

By: _____
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Annex F
Stipulation of Dismissal of District Court Action

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----x

TIDE NATURAL GAS STORAGE I, LP and
TIDE NATURAL GAS STORAGE II, LP,

ECF CASE

Plaintiffs/Counterclaim
Defendants,

Civil Action No. 10 CIV 5821 (KMW)

-v-

FALCON GAS STORAGE COMPANY, INC.;

Defendant/Counterclaim
and Crossclaim Plaintiff,

**STIPULATION OF DISMISSAL
WITH PREJUDICE**

ARCAPITA BANK B.S.C.; and ARCAPITA
INC.;

Defendants,

and HSBC BANK USA, NATIONAL
ASSOCIATION,

Defendant/Crossclaim
Defendant

-----x

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned attorneys for plaintiffs and counterclaim defendants Tide Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP; defendant, counterclaim and crossclaim plaintiff and counterclaim defendant Falcon Natural Gas Storage Company, Inc. and defendants Arcapita Bank B.S.C.(c) and Arcapita, Inc.; nominal and crossclaim defendant and counterclaim plaintiff HSBC Bank USA National Association; and intervenors and counterclaim defendants John M. Hopper, Edmund A. Knolle, Jeffrey H. Foutch, Keith W. Chandler, the Estate of Steven B. Toon, deceased, Thomas B. Wynne, Jr., Steven Jenkins, Tamara Jenkins, Dianne G. Foutch, Lesli Paige Leonard, Sally H. Hopper, Ellecia A. Knolle, Michelle P. Foutch, Deborah J. Toon, Rachel Ann Chandler, Daniel Leonard, and Alexander Cocke Trust that, pursuant to Rule 41(a)(1)(A)(ii) of the Federal

Rules of Civil Procedure, the above-captioned action and all claims, crossclaims and counterclaims asserted therein are hereby dismissed with prejudice and without costs to any party.

Dated: New York, New York
January ___, 2014

BRACEWELL & GIULIANI LLP

KING & SPALDING LLP

Stephen B. Crain (admitted *pro hac vice*)
Bradley J. Benoit, (admitted *pro hac vice*)
711 Louisiana Street, Ste. 3200
Houston, Texas 77002-2770
(713) 221-1541

Richard T. Marooney
Paul A. Straus
1185 Avenue of the Americas
New York, New York 10036
(212) 556-2100

*Attorneys for Tide Natural Gas Storage I,
LP and Tide Natural Gas Storage II, LP*

*Attorneys for Arcapita Bank B.S.C.(c),
Arcapita Inc., and Falcon Natural Gas
Storage Co., Inc.*

HOGAN LOVELLS US LLP

ANDREWS KURTH LLP

Pieter H.B. Van Tol, III
875 Third Avenue
New York, NY 10022
(212)-918-3000

Joseph A. Patella
Cassandra A. Porsch
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New York, New York 10017
(212) 850-2800

*Attorneys for HSBC Bank USA,
National Association*

David A. Zdunkewicz
600 Travis Street, Ste. 4200
Houston, Texas 77002
(713) 220-4200

Attorneys for Intervenors

Dated: January ___, 2014

SO ORDERED:

By: _____
U.S.D.J

Annex G
Stipulation of Dismissal of the Tide Adversary Proceeding

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

-----X	
IN RE:	: Chapter 11
ARCAPITA BANK B.S.C.(c), et al.,	: :
Debtors.	: Case No. 12-11076 (SHL)
-----X	: Jointly Administered
IN RE:	: Chapter 11
FALCON GAS STORAGE COMPANY, INC.,	: :
Debtor.	: Case No. 12-11790 (SHL)
-----X	: Adv. Proc. No. 13-01335 (SHL)
TIDE NATURAL GAS STORAGE I, LP, et al.,	: :
Plaintiffs,	: Adv. Proc. No. 13-01335 (SHL)
v.	: :
JOHN M. HOPPER, et al.,	: :
Defendants.	: :
-----X	: X

STIPULATION OF DISMISSAL OF ADVERSARY PROCEEDING WITH PREJUDICE

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned attorneys for (i) Plaintiffs Tide Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP, and (ii) Defendants John M. Hopper, Edmund A. Knolle, Jeffrey H. Foutch, Keith W. Chandler, the Estate of Steven B. Toon, deceased, Thomas B. Wynne, Jr., Steven Jenkins, Tamara Jenkins, Dianne G. Foutch, Lesli Paige Leonard, Sally H. Hopper, Ellecia A. Knolle, Michelle P. Foutch, Deborah J. Toon, Rachel Ann Chandler, Daniel Leonard, and Alexander Cocke Trust, that, pursuant to Rule 7041 of the Federal Rules of Bankruptcy Procedure and Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure, the above-captioned adversary proceeding and all claims, crossclaims, and counterclaims asserted therein are hereby dismissed with prejudice and without costs to any party.

Dated: New York, New York
January ___, 2014

BRACEWELL & GIULIANI LLP

ANDREWS KURTH LLP

Stephen B. Crain (admitted *pro hac vice*)
Bradley J. Benoit (admitted *pro hac vice*)
711 Louisiana Street, Ste. 3200
Houston, Texas 77002-2770
(713) 221-1541

Attorneys for Plaintiffs

Joseph A. Patella
Cassandra A. Porsch
450 Lexington Avenue, 15th Floor
New York, New York 10017
(212) 850-2800

David A. Zdunkewicz
600 Travis Street, Ste. 4200
Houston, Texas 77002
(713) 220-4200

Attorneys for Defendants

Dated: January ____, 2014

SO ORDERED:

By: _____
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Annex H
Stipulation Disallowing the Hopper Claims

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

-----X	
IN RE:	: Chapter 11
ARCAPITA BANK B.S.C.(c), et al.,	: :
Debtors.	: Case No. 12-11076 (SHL)
-----X	: : Jointly Administered
IN RE:	: :
FALCON GAS STORAGE COMPANY, INC.,	: Chapter 11
Debtor.	: Case No. 12-11790 (SHL)
-----X	: X

STIPULATION DISALLOWING CLAIMS WITH PREJUDICE

This Stipulation (the “*Stipulation*”) is entered into as of _____, 2014 by and among Falcon Gas Storage Company Inc. (“*Falcon*”), on the one hand; and John M. Hopper, Edmund A. Knolle, Jeffrey H. Foutch, Keith W. Chandler, The Estate of Steven B. Toon, deceased, Thomas B. Wynne, Jr., Steven Jenkins, Tamara Jenkins, Dianne G. Foutch, Lesli Paige Leonard, Sally H. Hopper, Ellecia A Knolle, Michelle P. Foutch, Deborah J. Toon, Rachel Ann Chandler, Daniel Leonard, and Alexander Cocke Trust (collectively, the “*Hopper Parties*”), on the other hand. Falcon and the Hopper Parties are collectively referred to herein as the “*Parties*”.

RECITALS

WHEREAS, the Hopper Parties have each filed proofs of claim against Falcon that have been designated claim numbers 173, 181, 182, 176, 170, 174, 180, 179, 178, 175, 177, 167, 168, 169, 171, 166, and 165 (collectively, the “*Hopper Claims*”).

WHEREAS, the Parties have entered into a Settlement Agreement dated as of _____ that resolves the Hopper Claims.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the exchange of which is hereby acknowledged, and intending to be legally bound hereby, it is hereby stipulated and agreed that:

TERMS

1. Withdrawal of Claims. The Hopper Parties agree to withdraw the Hopper Claims, with prejudice, and any and all other claims they may have against Falcon.

2. Claims Register. GCG, Inc., as the claims agent appointed in the chapter 11 cases, shall be authorized and empowered to adjust the claims register to reflect the withdrawal of the Hopper Claims with prejudice.

3. Successors, Assigns, and Third Party Beneficiaries. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns to the Hopper Parties and Falcon.

Dated: New York, New York
January ___, 2014

ANDREWS KURTH LLP

GIBSON, DUNN & CRUTCHER LLP

Joseph A. Patella
Cassandra A. Porsch
450 Lexington Avenue, 15th Floor
New York, New York 10017
(212) 850-2800

David A. Zdunkewicz
600 Travis Street, Ste. 4200
Houston, Texas 77002
(713) 220-4200

Attorneys for the Hopper Parties

Dated: January ___, 2014

Michael A. Rosenthal
Craig H. Millet (admitted *pro hac vice*)
Jeremy L. Graves (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166-0193
Telephone: (212) 351-4000
Facsimile: (212) 351-4035

*Attorneys for Falcon Gas Storage
Company, Inc.*

SO ORDERED:

By: _____
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Annex I
Stipulation Disallowing the Tide Claims,
Dismissing the Tide Claim Objections, and Dismissing the Tide Subordination Dispute

**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
-----X	
IN RE:	: Chapter 11
	: :
FALCON GAS STORAGE COMPANY, INC.,	: Case No. 12-11790 (SHL)
	: :
Debtor.	: Case No. 12-11790 (SHL)
-----X	

**STIPULATION (I) DISALLOWING CLAIMS WITH PREJUDICE; (II) DISMISSING
CLAIM OBJECTIONS; AND DISMISSING SUBORDINATION ACTIONS**

This Stipulation (the “*Stipulation*”) is entered into as of _____, 2014 by and among Falcon Gas Storage Company Inc. (“*Falcon*”) and Arcapita Bank B.S.C.(c) (“*Arcapita Bank*”), on the one hand; and Tide Natural Gas Storage I, LP f/k/a Alinda Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP f/k/a Alinda Natural Gas Storage II, LP (collectively, “*Tide*”), on the other hand. Falcon, Arcapita Bank, and Tide are collectively referred to herein as the “*Parties*”.

RECITALS

WHEREAS, Tide has filed proofs of claim against Falcon and Arcapita Bank that have been designated claim numbers 295, 296, 297, and 298 (collectively, the “*Tide Claims*”).

WHEREAS, Falcon and Arcapita Bank filed objections to the Tide Claims [Docket No. 1051] (the “*Tide Claim Objections*”).

WHEREAS, Arcapita Bank, Falcon, and the other affiliated Debtors proposed a joint chapter 11 plan of reorganization (the “*Plan*”) which treated the Tide Claims as fully subordinated claims in Classes 10(a) and 10(g) of the Plan.

WHEREAS, Tide objected to confirmation of the Plan because of the fully subordinated treatment of Tide's Claims in Classes 10(a) and 10(g) of the Plan and because of Falcon's Plan Support Agreement with the Hopper Parties [Docket Nos. 1173 and 1232] (the "*Tide Subordination Dispute*").

WHEREAS, the Parties have entered into a Settlement Agreement dated as of _____ that resolves the Tide Claims, the Tide Claim Objections, and the Tide Subordination Dispute.

NOW, THEREFORE, in consideration of the foregoing and for good and valuable consideration, the exchange of which is hereby acknowledged, and intending to be legally bound hereby, it is hereby stipulated and agreed that:

TERMS

1. Withdrawal of Claims. Tide agrees to withdraw the Tide Claims, with prejudice, and any and all other claims it may have against Falcon or Arcapita Bank.
2. Tide Claim Objections. Falcon and Arcapita Bank agree to withdraw the Tide Claim Objections, with prejudice.
3. Claims Register. GCG, Inc., as the claims agent appointed in the chapter 11 cases, shall be authorized and empowered to adjust the claims register to reflect the withdrawal of the Tide Claims with prejudice.
4. Tide Subordination Dispute. Tide agrees to withdraw the Tide Subordination Dispute and any other objections it may have to confirmation of the Plan, and agrees to support confirmation of the Plan as to Falcon.
5. Successors, Assigns, and Third Party Beneficiaries. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns to Tide, Falcon, and Arcapita Bank.

Dated: New York, New York
January __, 2014

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Dated: January __, 2014

SO ORDERED:

By: _____
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE