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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)
	: :
	: Confirmed.
Reorganized Debtors. :	
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STIPULATION BY AND BETWEEN MOUNZER NASR AND REORGANIZED DEBTORS REGARDING CLAIM NUMBERS 269-275

This stipulation (the "Stipulation") is made and entered into by and between Mounzer Nasr for himself, and as authorized agent for his spouse, Beatriz Flecha de Lima Nasr (collectively, the "Nasr Claimants"), and the above-captioned Reorganized Debtors (together with the Nasr Claimants, the "Parties") to resolve proofs of claim numbers 269, 270, 271, 272, 273, 274, and 275 (collectively, the "Proofs of Claim") filed by the Nasr Claimants.

RECITALS

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

WHEREAS, on June 8, 2012, Debtor Arcapita Bank B.S.C.(c) (“Arcapita Bank”) filed its Schedule F, which listed the following non-contingent, liquidated, and undisputed liabilities of Arcapita Bank in favor of the Nasr Claimants (collectively, the “Scheduled Claims”):

- a. Employee 1036 in the amount of \$249,601.88 described as “Employee Claim” (see Schedule F, page 109, Docket No. 212);
- b. Employee 1036 in the amount of \$119.14 described as “Unrestricted Investment Account Claim” (see Schedule F, page 109, Docket No. 212); and
- c. Former Employee 2 in the amount of \$440,833.23 described as “Severance Claim” (see Schedule F, page 176, Docket No. 212).

WHEREAS, the Nasr Claimants filed a Proof of Claim against each of the Debtors.

WHEREAS, on April 26, 2013, the Debtors filed the Debtors’ Third Omnibus Objection to Claims [Docket No. 1051], which included objections to the Proofs of Claim (the “Objection to the Proofs of Claim”).

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 and The Secretary Ltd agree and acknowledge that the Nasr Claimants own the equity interests described on Schedule A attached hereto, including as a result of AIPL Subsidiary Limited issuing certain of the equity interests described on Schedule A attached hereto on or about September 12, 2013 (the “AIPL Sub Shares”) corresponding to the Nasr Claimants’ remaining “Incentive Investment Program” investments, which document

attached as Schedule A the Reorganized Debtors and The Secretary Ltd acknowledge has been duly authorized and is proper.¹

WHEREAS, the Parties desire to resolve their disputes relating to the Proofs of Claim without the time, expense, and uncertainty attendant to litigation.

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

1. 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 of these cases.

2. The Scheduled Claims are allowed as general unsecured claims against Arcapita Bank, and the Nasr Claimants shall be provided, on account of the Scheduled Claims, the recovery payable to Class 5(a) “General Unsecured Claims Against Arcapita Bank B.S.C.(c)” in accordance with the terms of the Plan.

3. Reference is made to that Compromise Agreement, dated February 4, 2011, between Arcapita Limited and Mounzer Nasr (the “Compromise Agreement”). Mounzer Nasr hereby acknowledges and restates, as if they were made on the date hereof, the waivers and/or releases of claims, as well as the representations made, in the Compromise Agreement, including those waivers, releases, and representations made in sections 5.1, 5.2.5, 5.4, 5.5, and 5.6 of the Compromise Agreement, except that (i) RA Holding Corp., reorganized Arcapita Bank, and each direct or indirect subsidiary wholly owned by RA Holding Corp. and/or reorganized Arcapita

¹ Schedule A has been redacted here in its entirety, but is attached to the Stipulation submitted to the Bankruptcy Court, and contains the referenced description of the AIPL Sub Shares.

Bank shall be a beneficiary of these waivers and/or releases of claims and representations, and (ii) nothing in the Compromise Agreement or herein shall waive or release those liabilities explicitly arising under or preserved pursuant to this Stipulation.

4. To the extent the Bankruptcy Court fails to “so order” this Stipulation, the deadline for the Nasr Claimants to respond to the Objection to the Proofs of Claim shall be extended to ten business days after the Bankruptcy Court so denies the approval of this Stipulation.

5. This Stipulation shall constitute the entire agreement by and among the Parties regarding the matters addressed herein.

6. This Stipulation shall be binding on the Parties from the date of its execution, but is expressly subject to and contingent upon its approval by the Bankruptcy Court. If the Bankruptcy Court does not approve this Stipulation, this Stipulation shall be null and void.

7. 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.

8. The Reorganized Debtors and their official claims agent are directed to take any and all actions necessary to effectuate the relief granted pursuant to this Stipulation.

9. The Parties acknowledge that this Stipulation is the joint work product of both Parties, 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.

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

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CONSENTED AND AGREED TO BY:

Dated: February 6, 2014
New York, New York

Dated: February 6, 2014

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

MOUNZER NASR

/s/ Lena Mandel

/s/ Mounzer Nasr

Dennis F. Dunne
Evan R. Fleck
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1 Chase Manhattan Plaza
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Telephone: (212) 530-5000

Mounzer Nasr for himself and as authorized
agent for his spouse, Beatriz Flecha de Lima
Nasr

Counsel for Reorganized Debtors

**ACKNOWLEDGED AND AGREED
SOLELY AS TO SCHEDULE A AND THE
REPRESENTATIONS MADE IN
CONNECTION THEREWITH BY:**

Dated: February 6, 2014

THE SECRETARY LTD

/s/ Kenneth V. Shanahan

Kenneth V. Shanahan
Authorised Representative

*In Its Capacity as Secretary of
AIPL Subsidiary Limited*

SO ORDERED,

/s/ Sean H. Lane
UNITED STATES BANKRUPTCY JUDGE

Dated: February 19, 2014

SCHEDULE A

[redacted]