

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

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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 February 14, 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 December 26, 2013 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
February 14, 2014

BRACEWELL & GIULIANI LLP

GIBSON, DUNN & CRUTCHER LLP

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Dated: February 24, 2014

SO ORDERED:

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