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

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

**JOINDER OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS TO DEBTORS' OBJECTION TO TIDE'S MOTION FOR AN
ORDER LIFTING THE AUTOMATIC STAY PURSUANT TO 11 U.S.C. § 362(d)
TO ALLOW CONTINUANCE OF DISTRICT COURT ACTION**

The Official Committee of Unsecured Creditors (the "Committee") of Arcapita Bank B.S.C.(c) and each of its affiliated debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases hereby joins in the Debtors' objection (Docket No. 354; the "Objection") to Tide Natural Gas Storage I, LP and Tide Natural Gas Storage II, LP's (together, "Tide") *Motion for an Order Lifting the Automatic Stay Pursuant to 11 U.S.C. 362(d) to Allow Continuance of District Court Action* (Docket No. 279; the "Motion")¹ and respectfully states as follows:

¹ Capitalized terms not defined herein shall have the meanings attributed to them in the Objection.

JOINDER

1. The Committee joins in the Objection for each of the reasons set forth therein.

2. As the fiduciary for the Debtors' unsecured creditors, the Committee emphasizes that allowing the District Court Action to proceed would place a heavy burden on the Debtors by requiring management to devote their time to participating in and overseeing the litigation. This is a critical period in the Debtors' cases as they formulate their business plan and consider financing alternatives. The Debtors' stakeholders simply cannot afford for the Debtors to be distracted from their reorganization efforts to address claims that are properly adjudicated as part of the claims reconciliation process.

3. As set forth in the Objection, Tide's entitlement to the Escrow Funds are fully preserved during the pendency of these cases. To the extent Tide believes that any actions taken in these cases are prejudicial to its interests, nothing will prevent Tide (which has already played an active role in these chapter 11 cases) from objecting in this Court, or from moving for other relief. The delay – if any – resulting from the chapter 11 process is not cause to lift the automatic stay. See United Sav. Ass'n of Texas v. Timbers of Inwood Forest Assocs., Ltd. (In re Timbers of Inwood Forest Assocs., Ltd.), 484 U.S. 365, 382 (1988).

4. Finally, the Debtors have requested that the Court order the parties to mediation before adjudicating the various claims at issue. See Objection ¶ [41]. The Committee does not object to mediation, but if the Court determines to direct Tide and the Debtors to mediate the dispute underlying the District Court Action, the Committee, as the sole fiduciary for the Debtors' unsecured creditors, respectfully requests the

opportunity to participate in such mediation. The Committee's participation in the mediation will ensure that Falcon's unsecured creditors have a seat at the table.

5. For all of the foregoing reasons, the Committee respectfully requests that the Court (i) deny the relief requested in the Motion, and (ii) grant such other relief as is just.

Dated: New York, New York
July 29, 2012

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Dennis F. Dunne

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