

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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In re: : Chapter 11
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HI-CRUSH INC., et al., 1 : Case No. 20-33495 (DRJ)
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Debtors. : (Jointly Administered)
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ORDER AUTHORIZING THE DEBTORS TO (I) REJECT
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES
EFFECTIVE AS OF THE DATES SPECIFIED IN THE MOTION AND (II) ABANDON
CERTAIN REMAINING PERSONAL PROPERTY IN CONNECTION THEREWITH

[Relates to Motion at Docket No. 20]

Upon the motion (the "Motion")2 of the Debtors for an Order authorizing the Debtors to
(i) reject certain executory contracts and unexpired leases, each as set forth on Exhibit 1 to the
Motion (collectively, the "Rejected Contracts and Leases"), effective as of the Petition Date,
and (ii) abandon any remaining personal property in connection therewith, all as more fully
described in the Motion; and the Court having reviewed the Motion and the First Day Declaration;
and the Court having jurisdiction to consider the Motion and the relief requested therein in
accordance with 28 U.S.C. § 1334; and the Court having found that this is a core proceeding

1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number,
are: Hi-Crush Inc. (0530), OnCore Processing LLC (9403), Hi-Crush Augusta LLC (0668), Hi-Crush Whitehall LLC
(5562), PDQ Properties LLC (9169), Hi-Crush Wyeville Operating LLC (5797), D & I Silica, LLC (9957), Hi-Crush
Blair LLC (7094), Hi-Crush LMS LLC, Hi-Crush Investments Inc. (6547), Hi-Crush Permian Sand LLC, Hi-Crush
Proppants LLC (0770), Hi-Crush PODS LLC, Hi-Crush Canada Inc. (9195), Hi-Crush Holdings LLC, Hi-Crush
Services LLC (6206), BulkTracer Holdings LLC (4085), Pronghorn Logistics Holdings, LLC (5223), FB Industries
USA Inc. (8208), PropDispatch LLC, Pronghorn Logistics, LLC (4547), and FB Logistics, LLC (8641). The Debtors'
address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

2 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in
the Motion.



pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; the Court having determined that there is good and sufficient cause for the relief granted in the Order, it is hereby

ORDERED THAT:

1. The Debtors are authorized to reject the Rejected Contracts and Leases identified on Exhibit 1 attached to the Motion (other than that certain Lease Agreement by and between Western Office Portfolio Property Owner LLC (“**Western Office**”), as landlord, and Pronghorn Logistics, LLC, as tenant, dated as of April 12, 2019 (the “**Western Office Lease**”)) including, to the extent applicable, any agreements, amendments, modifications, and subleases related thereto, effective as of the Petition Date.

2. The Debtors are authorized to reject the Rejected Contracts and Leases identified on Exhibit 2 attached to the Motion, including, to the extent applicable, any agreements, amendments, modifications, and subleases related thereto, effective as of the date the Debtors remove their inventory, property, or other assets from the Leased Premises.

3. Notwithstanding anything to the contrary herein or the Motion, the Debtors are authorized to reject the Western Office Lease, including to the extent applicable, any agreements, amendments, modifications, and subleases related thereto, effective as of the later of: (i) August 31, 2020 and (ii) the date that the Debtors actually surrender the subject premises to Western Office.

4. Within three (3) business days after entry of this Order, the Debtors shall pay to Western Office all contractual rent and other costs owing under the Western Lease for the entire month of August 2020 consistent with section 365(d)(3) of the Bankruptcy Code. If the subject premises is not surrendered to Western Office on or before August 31, 2020, then the Debtors shall continue to timely honor and pay all obligations under the Western Office Lease, in full, as and when they become due under the Western Office Lease consistent with section 365(d)(3) of the Bankruptcy Code, including without limitation, timely payment of all contractual rent and other costs, until such time as the subject premises is actually surrendered to Western Office.

5. Consistent with the limitations of section 362 of the Bankruptcy Code, and any other applicable law, the Counterparties are prohibited from setting off or otherwise utilizing any amounts deposited by the Debtors with any of the Counterparties as a security deposit or pursuant to another similar arrangement, or owed to the Debtors by any of the Counterparties under the Rejected Contracts and Leases or other agreements between the same parties, without further order of this Court; provided, however, that notwithstanding anything to the contrary in this Order, the Motion, or the limitations of section 362 of the Bankruptcy Code, Western Office is hereby authorized to immediately set off and otherwise utilize all amounts deposited by the Debtors with Western Office as a security deposit to satisfy Western Office's prepetition claim against the Debtors, including without limitation, all contractual rent and other costs owing under the Western Office Lease for the month of June 2020 and rejection damages claim. Any proof of claim filed by Western Office shall be reduced in amount by the corresponding amount set off by Western Office against its prepetition claim, including rejection damages.

6. The Debtors are authorized to abandon the Abandoned Property, and the Counterparties may dispose of the Abandoned Property on and after the Petition Date in their sole

and absolute discretion without further notice to or the approval from the Debtors or any third party. For the avoidance of doubt, any inventory and/or other property or remaining assets stored in Leased Premises under the Rejected Contracts and Leases on Exhibit 2 shall not constitute Abandoned Property unless further ordered by the Court.

7. Third parties, including but not limited to (a) third parties to the Rejected Contracts and Leases and (b) any other third party transloading and storage locations where Counterparty railcars may reside, shall not impede, restrict, or interfere in any manner, including but not limited to the imposition of any liens against such Counterparty's railcars, with the removal by the Counterparties of their equipment or other property based on any claims, financial or otherwise, against or relating to the Debtors whether arising prepetition or postpetition.

8. Nothing in this Order shall prejudice the rights of the Counterparties with respect to any claim for damages arising from the rejection of the Rejected Contracts and Leases and with respect to any objection by the Debtors thereto.

9. Any claims based on the rejection of the Rejected Contracts and Leases shall be filed in accordance with the bar date for filing proofs of claims, as set forth in the bar date order entered by the Court on July 13, 2020 [Docket No. 88].

10. Nothing herein shall prejudice the rights of the Debtors to argue (and the Counterparties to raise objection thereto) that any of the Rejected Contracts and Leases were terminated prior to the Petition Date or that any claim for damages arising from the rejection of the Rejected Contracts and Leases is limited to the remedies available under any applicable termination provision of such contract or lease, as applicable, or that any such claim is an obligation of a third party and not that of the Debtors or their estates.

11. Nothing in the Motion or this Order shall be construed as: (i) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (ii) a waiver of the Debtors' rights to dispute any claim or lien on any grounds; (iii) a promise to pay any claim (other than as set forth herein with respect to Western Office); (iv) an implication or admission that any particular claim would constitute an allowed claim; or (v) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code (other than the Rejected Contracts and Leases); or (vi) a limitation on the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Order. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

12. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6004(a).

13. Notwithstanding Bankruptcy Rule 6004(h) to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

14. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

15. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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proceeding pursuant to 28 U.S.C. § 157(b)(2) and that this Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and all objections, if any, to entry of this Order having been withdrawn, resolved, or overruled; and upon the record herein; and after due deliberation thereon; the Court having determined that there is good and sufficient cause for the relief granted in the Order, it is hereby

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9. ~~7.~~Any claims based on the rejection of the Rejected Contracts and Leases shall be filed in accordance with the bar date for filing proofs of claims, ~~to be established~~ as set forth in the bar date order entered by the Court ~~at a later date~~ on July 13, 2020 [Docket No. 88].

10. ~~8.~~Nothing herein shall prejudice the rights of the Debtors to argue (and the Counterparties to raise objection thereto) that any of the Rejected Contracts and Leases were

terminated prior to the Petition Date or that any claim for damages arising from the rejection of the Rejected Contracts and Leases is limited to the remedies available under any applicable termination provision of such contract or lease, as applicable, or that any such claim is an obligation of a third party and not that of the Debtors or their estates.

11. ~~9.~~ Nothing in the Motion or this Order shall be construed as: (i) an admission as to the validity of any claim against any Debtor or the existence of any lien against the Debtors' properties; (ii) a waiver of the Debtors' rights to dispute any claim or lien on any grounds; (iii) a promise to pay any claim (other than as set forth herein with respect to Western Office); (iv) an implication or admission that any particular claim would constitute an allowed claim; or (v) an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code (other than the Rejected Contracts and Leases); or (vi) a limitation on the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with any party subject to this Order. Nothing contained in this Order shall be deemed to increase, decrease, reclassify, elevate to an administrative expense status, or otherwise affect any claim to the extent it is not paid.

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Signed: _____, 2020

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Summary report:	
Litera® Change-Pro for Word 10.9.2.0 Document comparison done on 8/3/2020 9:24:01 PM	
Style name: L&W without Moves	
Intelligent Table Comparison: Active	
Original filename: Hi-Crush - Omnibus Contract and Lease Rejection Order [Filed].docx	
Modified DMS: iw://usdocs.lw.com/US-DOCS/117289918/2	
Changes:	
Add	30
Delete	20
<i>Move From</i>	0
<i>Move To</i>	0
Table Insert	0
Table Delete	0
<i>Table moves to</i>	0
<i>Table moves from</i>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	50