

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

In re: Chapter 11
HI-CRUSH PERMIAN SAND LLC, et al., Case No. 20-33505 (DRJ)
Reorganized Debtors. (Formerly Jointly Administered under Lead Case: Hi-Crush Inc., Case No. 20-33495)

STIPULATION BETWEEN THE REORGANIZED DEBTORS AND STERNS BANK, N.A. REGARDING REORGANIZED DEBTORS' TWELFTH OMNIBUS OBJECTION TO CERTAIN CLAIMS (EQUIPMENT FINANCE CLAIMS) [Relates to Docket No. 81]

WHEREAS, on August 11, 2020, Stearns Bank, N.A. filed proof of claim number 474 against debtor Hi-Crush Inc. asserting a secured claim in the face amount of \$1,932,358.27 (the "Secured Claim");

WHEREAS, on September 23, 2020, the Court entered an order (the "Confirmation Order") [Case No. 20-33495, Docket No. 420] confirming the Joint Plan of Reorganization for Hi-Crush Inc. and its Affiliate Debtors under Chapter 11 of the Bankruptcy Code (as amended, modified, or supplemented, the "Plan");

WHEREAS, On October 9, 2020, the Plan was substantially consummated, and the Effective Date occurred;

1 The Reorganized Debtors in these cases, along with the last four digits of each Reorganized 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 Reorganized Debtors' address is 1330 Post Oak Blvd, Suite 600, Houston, Texas 77056.

2 On December 11, 2020, the Court entered the Final Decree Closing Certain of the Chapter 11 Cases [Case No. 20-33495, Docket No. 505], which closed each Reorganized Debtor's case except for Hi-Crush Permian Sand LLC, Case No. 20-33505, and directed that all further filings be made in that case.

3 Capitalized terms used but defined herein have the meanings given to them in the Plan.

4 See Notice of (I) Effective Date of the Joint Plan or Reorganization for Hi-Crush Inc. and its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code and (II) Establishing Deadline for the Filing of Administrative Claims Against the Debtors [Case No. 20-33495, Docket No. 452].



WHEREAS, Article VIII.A of the Plan authorizes the Reorganized Debtors to settle or compromise any Disputed Claim and to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court;

WHEREAS, on November 9, 2020, the Court entered an order [Case No. 20-33495, Docket No. 477] approving certain omnibus objection procedures in these chapter 11 cases;

WHEREAS, on April 8, 2021, the Reorganized Debtors' filed the *Reorganized Debtors' Twelfth Omnibus Objection to Certain Claims (Equipment Finance Claims)* (the "**Twelfth Omnibus Objection**") [Docket No. 81], which sought to disallow the Secured Claim (the "**Stearns Bank Objection**"), among others, on the basis that the Secured Claim had been satisfied by the return of Stearns Bank's collateral;

WHEREAS, on April 26, 2021, Stearns Bank filed proof of claim number 849 amending the Secured Claim to assert a general unsecured claim in the face amount of \$997,398.27 (the "**Deficiency Claim**") and together with the Secured Claim, the "**Stearns Bank Claims**");

WHEREAS, on April 30, 2021, Stearns Bank filed a response to the Stearns Bank Objection [Case No. 20-33495, Docket No. 543] asserting that it had sold its collateral for less than the amount of the Secured Claim resulting in the Deficiency Claim; and

WHEREAS, Stearns Bank and the Reorganized Debtors have engaged in discussions and have reached an agreement on the resolution of the Stearns Bank Claims and the Stearns Bank Objection.

IT IS THEREFOR STIPULATED AND AGREED THAT,

1. The Deficiency Claim is allowed as a Class 5 General Unsecured Claim in the amount of \$997,398.27.
2. The Secured Claim is satisfied and no other amounts shall be due and owing from the Reorganized Debtors to Stearns Bank on account of the Secured Claim.
3. The Reorganized Debtors hereby withdraw the Stearns Bank Objection.
4. This stipulation applies only to the Stearns Bank Objection and shall not be deemed to be a withdrawal of any other objections asserted in the Twelfth Omnibus Objection.

STIPULATED AND AGREED TO BY:

May 3, 2021

/s/ Philip M. Guffy

Timothy A. ("Tad") Davidson II (TX Bar No. 24012503)

Joseph P. Rovira (TX Bar No. 24066008)

Ashley Harper (TX Bar No. 24065272)

Philip M. Guffy (TX Bar No. 24113705)

HUNTON ANDREWS KURTH LLP

600 Travis Street, Suite 4200

Houston, Texas 77002

Tel: 713-220-4200

Fax: 713-220-4285

Email: taddavidson@HuntonAK.com

josephrovira@HuntonAK.com

ashleyharper@HuntonAK.com

pguffy@HuntonAK.com

George A. Davis (*pro hac vice*)

Keith A. Simon (*pro hac vice*)

David A. Hammerman (*pro hac vice*)

Annemarie V. Reilly (*pro hac vice*)

Hugh K. Murtagh (*pro hac vice*)

LATHAM & WATKINS LLP

885 Third Avenue

New York, New York 10022

Tel: 212-906-1200

Fax: 212-751-4864

Email: george.davis@lw.com

keith.simon@lw.com

david.hammerman@lw.com

annemarie.reilly@lw.com

hugh.murtagh@lw.com

Counsel for the Reorganized Debtors

-and-

/s/ Mark Stromberg

Mark Stromberg (TX Bar No. 19408830)

STROMBERG STOCK, P.L.L.C.

Campbell Centre I

8350 North Central Expressway

Dallas, Texas 75206

Tel: 972-458-5353

Fax: 972-861-5339

Email: mark@strombergstock.com

Counsel for Stearns Bank, N.A.