

# **EXHIBIT A**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

Chieftain Sand and Proppant, LLC, *et al.*,  
Debtors.<sup>1</sup>

Case No. 17-10064 (KG)

Chapter 11

(Jointly Administered)

STIPULATION BETWEEN DEBTORS AND CIT BANK, N.A.,  
MODIFYING AUTOMATIC STAY UNDER 11 U.S.C. § 362  
TO PERMIT SETOFF OF SECURITY DEPOSIT

The above-captioned debtors and debtors in possession (together, the “Debtors”), on the one hand, and CIT Bank, N.A. (“CITB”; and collectively with Debtors, the “Parties”), on the other hand, hereby enter into this stipulation (the “Stipulation”) modifying the automatic stay under 11 U.S.C. § 362(d) and Rule 4001(d) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) to permit CITB to offset the security deposit it holds against damages arising from the Debtors’ rejection of the Lease (as defined below), as further described below and with reference to the following facts:

RECITALS

For purposes of this Stipulation only, the Parties make the following recitals:

A. On January 9, 2017 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), commencing the above-captioned chapter 11 cases (the “Cases”). The Debtors continue to manage their affairs as debtors in possession under sections 1107 and 1108

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<sup>1</sup> The Debtors in these Cases, and the last four digits of their respective federal tax identification numbers, are Chieftain Sand and Proppant, LLC (1729) and Chieftain Sand and Proppant Barron, LLC (0418). The Debtors’ service address is: 331 27th Street, New Auburn, WI 54757.

of the Bankruptcy Code. On January 10, 2017, the Bankruptcy Court ordered joint administration of the Chapter 11 Cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Del. Bankr. L.R. 1015-1.

B. Prior to the Petition Date, Chieftain Sand and Proppant Baron, LLC ("CSPB") leased certain railcars (the "Equipment") from CITB pursuant to (i) that certain Master Railcar Lease dated as of January 14, 2014 (the "Master Lease Agreement") between CITB (as assignee of CIT Rail LLC), as lessor, and CSPB, as lessee, and (ii) Schedule No. 01 thereto (the "Schedule"; the Schedule and the Master Lease Agreement, to the extent incorporated in or relating to the Schedule, as amended, restated, supplemented or otherwise modified, are collectively referred to as the "Lease").

C. Pursuant to the Lease, as security for the full and faithful performance by CSPB of all of the terms and conditions set forth in the Lease, CSPB provided CITB with a \$150,000.00 security deposit (the "Security Deposit"). Confirmation of the Security Deposit is also set forth on Schedule A/B, Section 7.4 of CSPB's Schedule of Assets and Liabilities [Docket No. 89] filed on January 31, 2017.

D. As of the Petition Date, CSPB was indebted and liable to CITB in the aggregate amount of not less than \$78,288.00, on account of unpaid rent and other pre-Petition Date amounts due and owing under the Lease. Following the rejection of the Lease by Bankruptcy Court Order dated February 3, 2017 [Docket No. 113], CITB further asserted a claim for rejection damages claim in an amount of not less than \$726,712.00, which included, without limitation, rejection damages, repair costs, freight charges and other maintenance charges incurred in respect of the Equipment.

E. On February 2, 2017, CITB timely filed a proof of claim against CSPB in the aggregate amount of not less than \$805,000 (the "CITB Proof of Claim").

**STIPULATION**

**WHEREFORE**, the Parties do hereby stipulate and agree as follows.

1. The recitals to this Stipulation are incorporated herein as a part of this Stipulation.
2. To the extent enjoined under the automatic stay arising under section 362(a) of the Bankruptcy Code, cause exists for CITB to be granted relief from the automatic stay under section 362(d) of the Bankruptcy Code to effectuate its right to offset the Security Deposit against the CITB Proof of Claim. Among other things, the CITB Proof of Claim exceeds the amount of the Security Deposit and CITB's right to offset the Security Deposit against the CITB Proof of Claim is preserved under section 553(a) of the Bankruptcy Code.
3. The automatic stay arising under section 362(a) of the Bankruptcy Code, if applicable, shall be modified such that CITB is permitted to exercise its right to offset the Security Deposit against the CITB Proof of Claim.
4. This Stipulation constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof and, except as otherwise expressly provided herein, is not intended to confer upon any other person any rights or remedies hereunder.
5. This Stipulation is governed by and shall be construed in accordance with the laws of the State of New York without regard to its conflicts of law provisions.
6. The undersigned persons represent and warrant that they have full authority to execute this Stipulation on behalf of the respective Parties and that the respective Parties have full knowledge of and have consented to this Stipulation.

7. This Stipulation may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Stipulation may be executed by facsimile or PDF signatures, and such facsimile or PDF signatures will be deemed to be as valid as original signatures whether or not confirmed by delivering the original signatures in person, by courier or mail, although it is the Parties' intention to deliver original signatures after delivery of facsimile or PDF signatures.

8. This Stipulation may not be amended without the express written consent of all Parties hereto.

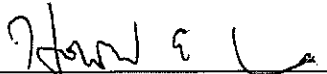
9. This Stipulation shall be binding up on the Parties hereto and upon all of their affiliates, assigns and successors, including without limitation any bankruptcy trustee that might be appointed in the future.

10. It is acknowledged that each of the Parties has participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either of the Parties on account of such drafting.

11. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from or relating to this Stipulation.

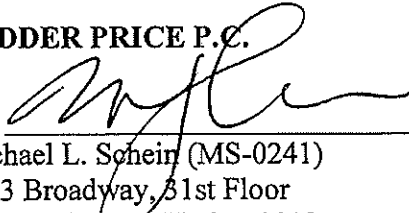
**AGREED AND ACKNOWLEDGED:**

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