

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION

In re: § Chapter 11  
§  
Vista Proppants and Logistics, LLC, et al.,<sup>1</sup> § Case No. 20-42002-elm11  
§  
Debtors. § Jointly Administered

**NOTICE OF (I) SETTLEMENT TERM SHEET AMONG CREDITORS’ COMMITTEE, THE DEBTORS, THE TERM LOAN AGENT, AND THE TERM LOAN LENDERS; (II) THIRD AMENDED JOINT PLAN OF REORGANIZATION OF VISTA PROPPANTS AND LOGISTICS, LLC, ET AL., PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE; AND (III) CONTINUED CONFIRMATION HEARING AND EXTENSION OF RELATED DEADLINES**

TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST AND EQUITY INTERESTS IN THE ABOVE-CAPTIONED DEBTORS AND DEBTORS IN POSSESSION:

**PLEASE TAKE NOTICE THAT:**

**Approval of Disclosure Statement.** By order dated August 19, 2020, 2020 (the “Disclosure Statement Approval Order”), the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the “Court”) approved the *Second Amended Disclosure Statement in Support of the Second Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”) filed by Vista Proppants and Logistics, LLC and its debtor affiliates, as debtors and debtors-in-possession in the above-referenced chapter 11 cases (collectively, the “Debtors”), and authorized the Debtors to solicit votes with regard to the approval or rejection of the *Second Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code*, which is attached as an exhibit to the Disclosure Statement (including subsequent amendments, the “Plan”).<sup>2</sup>

**Settlement Term Sheet.** The Debtors, official committee of unsecured creditors (the “Committee”), the Term Loan Agent, and the Term Loan Lenders have reached an agreement on the material terms of a comprehensive settlement (the “Settlement”) with respect to the Debtors’ Plan. The Settlement is reflected in the *Settlement Term Sheet Among the Creditors’ Committee, the Debtors, the Term Loan Agent and the Term Loan Lenders* (the “Term Sheet”) attached hereto as **Exhibit A**. The Settlement, among other things, provides for an enhanced recovery for Class 6 General Unsecured Creditors, resolves the Committee’s opposition to confirmation of the Debtors’ Plan, and paves the way for the Debtors to successfully emerge from chapter 11 with the support of their key creditor constituencies.

**Third Amended Plan.** On September 14, 2020, the Debtors filed the *Third Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 518] (the “Third Amended Plan”), which implements the Settlement in accordance with the Term Sheet. On September 14, 2020, the Debtors also filed a *Notice of Filing of Redline Version of Third Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 519] (the “Plan Redline”), which reflects the changes to the version of the Plan that was filed on August 18, 2020, at Docket No. 401.

<sup>1</sup> The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) (“Vista HoldCo”); VPROP Operating, LLC (0269) (“VPROP”); Lonestar Prospects Management, L.L.C. (8451) (“Lonestar Management”); MAALT Specialized Bulk, LLC (2001) (“Bulk”); Denetz Logistics, LLC (8177) (“Denetz”); Lonestar Prospects, Ltd. (4483) (“Lonestar Ltd.”); and MAALT, LP (5198) (“MAALT”). The location of the Debtors’ service address is 4413 Carey Street, Fort Worth, TX 76119-4219.

<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Plan.



**Continued Confirmation Hearing and Extension of Related Plan Deadlines.** On September 11, 2020, the Court entered the *Order Approving Debtors' Emergency Motion for Entry of an Order Extending Confirmation and Related Plan Deadlines and Approving Form of Extension Notice* [Docket No. 503] (the "Extension Order"). Pursuant to the Extension Order, the Confirmation Hearing to consider confirmation of the Plan has been continued from September 24, 2020, at 1:30 p.m. to **October 1, 2020, at 2:00 p.m. Central Time**. The Confirmation Hearing shall be held before the Honorable Edward L. Morris at the Eldon B. Mahon U.S. Courthouse, 501 W. 10th Street, Rm. 204, Fort Worth, TX 76102-3643, or before any other judge who may be sitting in his place and stead. Additionally, pursuant to the Extension Order, the following events and deadlines originally set forth in the Disclosure Statement Approval Order have been extended as follows:

	<u>Prior Deadline</u>	<u>Extended Deadline</u>
Plan Supplement Deadline <sup>3</sup>	September 12, 2020	September 19, 2020
Voting Deadline / Deadline to Submit Release Opt-Out Form	September 17, 2020	September 24, 2020
Voting Objection Deadline	September 17, 2020	September 24, 2020
Confirmation Objection Deadline	September 17, 2020, at 4:00 p.m. Central Time	September 24, 2020, at 4:00 p.m. Central Time
Deadline to file a report of the Ballots received and a tabulation of the votes	September 21, 2020	September 28, 2020
Deadline to file briefs in support of confirmation of the Plan and responses to Objections to confirmation	September 22, 2020	September 29, 2020
Debtors' Cure Objection Response Deadline	September 24, 2020	October 1, 2020

**Changes to Scope of Released Parties and Exculpated Parties Under the Third Amended Plan.** Pursuant to the Settlement, the Third Amended Plan contains, among other things, certain modifications to the scope of Released Parties and Exculpated Parties. Specifically, the Committee, its members (solely in their capacities as members of the Committee), and its professionals have been added as Released Parties and Exculpated Parties under Article VIII of the Third Amended Plan. Additionally, the Term Loan Secured Parties are now Released Parties irrespective of the Class 6 vote on the Third Amended Plan, and each of (i) Ares Credit Strategies, (ii) Ares ND Credit Strategies Fund LLC, (iii) Ares Jasper Fund, L.P., and (iv) ARCC VS CORP have been added as a Released Party in its capacity as an equity holder.

**Changing Votes/Changing Release Opt-Out Election.** Pursuant to paragraph 23 of the Disclosure Statement Approval Order and subject to the provisions therein, if two (2) or more Ballots are cast voting the same claim prior to the Voting Deadline, the latest dated Ballot actually received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior Ballots; *provided, however*, that where an ambiguity exists as to which Ballot reflects the voter's intent, the Balloting Agent may contact the creditor and calculate the vote according to such voter's written instructions. **Any holder of a Class 6 Claim that is eligible to vote on the Plan may change their vote on the Plan by submitting an additional Ballot prior to the extended Voting Deadline of September 24, 2020 in accordance with the instructions set forth in the Solicitation Materials that the Debtors previously served in accordance with the Disclosure Statement Approval Order.** Additionally, any holder of a Claim or Interest may submit a revised opt-out election form if they seek to change their election to opt of the third-party release set forth in article VIII.D of the Plan. Additional copies of Ballots and opt-out election forms may be obtained by contacting the Debtors' Claims and Balloting Agent - Kurtzman Carson Consultants LLC, by (i) toll-free telephone (866) 475-7847 (U.S./Canada) or (781) 575-2036 (International) or (ii) online at <http://www.kccllc.net/vista/inquiry>.

<sup>3</sup> Subject to the Debtors' reservation of rights to alter, amend, modify, or further supplement the Plan Supplement, as set forth in Article V.A. of the Plan.

**Additional Information.** Any party wishing to view the Third Amended Plan, Plan Redline, Plan Supplement, Disclosure Statement, Disclosure Statement Approval Order, or the Extension Order may view such documents at <http://www.kccllc.net/vista>. Any party in interest wishing to obtain information about the solicitation procedures or balloting should contact the Debtors' Claims and Balloting Agent - Kurtzman Carson Consultants LLC, by (i) toll-free telephone (866) 475-7847 (U.S./Canada) or (781) 575-2036 (International) or (ii) online at <http://www.kccllc.net/vista/inquiry>.

**Dated: September 14, 2020**

Stephen M. Pezanosky

State Bar No. 15881850

Matthew T. Ferris

State Bar No. 24045870

David L. Staab

State Bar No. 24093194

**HAYNES AND BOONE, LLP**

301 Commerce Street, Suite 2600

Fort Worth, TX 76102

Telephone: 817.347.6600

Facsimile: 817.347.6650

Email: [stephen.pezanosky@haynesboone.com](mailto:stephen.pezanosky@haynesboone.com)

Email: [matt.ferris@haynesboone.com](mailto:matt.ferris@haynesboone.com)

Email: [david.staab@haynesboone.com](mailto:david.staab@haynesboone.com)

**ATTORNEYS FOR DEBTORS**

**Exhibit A to Extension Notice**

**Settlement Term Sheet**

***In re Vista Proppants and Logistics, LLC Case No. 20-42002***  
**Settlement Term Sheet Among the Creditors' Committee, the Debtors, the Term  
Loan Agent and the Term Loan Lenders**

This term sheet (the "***Term Sheet***") sets forth certain material terms of a comprehensive settlement (the "***Settlement***") in the above-referenced chapter 11 cases (the "***Chapter 11 Cases***") among the Official Committee of Unsecured Creditors (the "***Creditors' Committee***"), the Debtors, the Term Loan Agent and the Term Loan Lenders (each as defined below and, collectively, the "***Settling Parties***") to be implemented through the filing of the Amended Plan (as defined below) and subsequent Bankruptcy Court<sup>1</sup> approval in connection with confirmation of the Amended Plan. This Term Sheet is intended as a summary for discussion purposes only and does not constitute a commitment, obligation, or agreement to enter into any particular transaction. Only confirmation of the Amended Plan that incorporates the terms of this Settlement shall result in any binding or enforceable obligations of any party with respect thereto. All Settling Parties' obligations with respect to the Settlement shall be subject to customary internal and Bankruptcy Court approvals, the negotiation and confirmation of the Amended Plan on the terms set forth herein, and the closing of any related transactions implementing the Settlement.

<b>Settlement Term Sheet</b>	
<b>Settling Parties</b>	(a) The Creditors' Committee; (b) the Debtors; (c) the Term Loan Agent; and (d) the Term Loan Lenders
<b>Settlement Date</b>	The Settlement Date shall occur on the date that this Term Sheet is executed by each of the Settling Parties (the " <b><i>Settlement Date</i></b> ").
<b>Means of Implementation</b>	Subject to the occurrence of all applicable Settlement Conditions (defined below), the Debtors shall file an amended Plan implementing the terms of this Settlement (the " <b><i>Amended Plan</i></b> ") on or before September 14, 2020, in a form reasonably acceptable to each Settling Party.  Subject to the occurrence of all Settlement Conditions, each Settling Party agrees to use its commercially reasonable efforts to support confirmation of the Amended Plan, including the Bankruptcy Court approval of the Settlement, in connection with confirmation of the Amended Plan.

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings used in the *Second Amended Joint Plan of Reorganization of Vista Proppants and Logistics, LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Dkt. No. 401] (the "***Plan***").

<b>Settlement Term Sheet</b>	
<b>Non-Released Parties and Related Estate Claims</b>	No change to release section of current plan except that (a) Committee to be added as a Released Party; (b) Term Loan Lenders are Released Party irrespective of Class 6 vote on the Amended Plan; and (c) each of (i) Ares Credit Strategies, (ii) Ares ND Credit Strategies Fund LLC, (iii) Ares Jasper Fund, L.P., and (iv) ARCC VS CORP to be added as a Released Party in its capacity as an equity holder.
<b>Settlement Conditions</b>	<p>The obligations of the Term Loan Agent, Term Loan Lenders and the Debtors under this Settlement are subject to the Creditors' Committee satisfying the following obligations (the "<b>Settlement Conditions</b>"), pursuant to which the Creditors' Committee shall, on or after the Settlement Date (as applicable):</p> <ul style="list-style-type: none"> <li>• support, and not oppose, confirmation of the Amended Plan, including with respect to any of the release or exculpation provisions set forth in the Amended Plan; provided, however, that the releases and exculpation provisions remain as set forth in the Plan [Dkt. No. 401], except as otherwise provided herein;</li> <li>• on or before September 14, 2020, file a statement in support of confirmation of the Amended Plan;</li> <li>• on or before September 14, 2020, provide a letter through the Debtors' claims agent and at the Debtors' expense that supports the Amended Plan and recommends that Holders of Claims in Class 6 vote to accept the Amended Plan;</li> <li>• on or before September 16, 2020, provide the Settling Parties with a good faith accounting of all Professional Fees incurred on or prior to the Settlement Date.</li> <li>• on the Settlement Date, cease incurrence of any and all Professional Fees related to the investigation or prosecution of the Causes of Action that will be transferred to the Litigation Trust (as defined below), other than the Causes of Action against PlainsCapital Bank set forth in the Standing Motion, until such time as the Litigation Trust is established; and</li> <li>• not file any motion, pleading, objection, discovery demand, request or letter to the Bankruptcy Court in contravention of this Term Sheet, the Amended Plan, or the Class 6 votes of the Prepetition Term Loan Lenders on account of their Deficiency Claims submitted in favor of the Plan (including, but not limited to (i) whether such votes have been made in good faith or (ii) the amount of such</li> </ul>

<b>Settlement Term Sheet</b>	
	Deficiency Claims), or to take or participate in any other action, against the Debtors, or their affiliates in this Chapter 11 Case that is inconsistent with this Term Sheet or the Amended Plan.
<b>GUC Cash Settlement</b>	An amount totaling \$2,000,000 (the “ <i>GUC Cash Settlement</i> ”) to be funded by the Term Loan Lenders consisting of (a) \$1,750,000 in cash up front <i>plus</i> (b) a \$250,000 non-recourse non-interest-bearing loan to the Litigation Trust repaid on first dollars of net proceeds collected from litigation other than from the Net PlainsCapital Recovery (as defined below), (i) \$1,000,000 of which shall be allocated for funding of the Litigation Trust; and (ii) \$1,000,000 of which shall fund a payment of Cash to Holders of Class 6 Claims pursuant to the terms of the Plan.
<b>Class 6 General Unsecured Claims Treatment</b>	Each Holder of a Claim in Class 6, in full and final satisfaction, settlement, discharge and release of, and in exchange for, its Claims shall receive its Pro Rata share of (a) the portion of the GUC Cash Settlement described in clause (ii) above and (b) interests in the Litigation Trust. The Term Loan Lenders shall waive any entitlement to the GUC Cash Settlement, such that any amount distributed pursuant to (a) shall be shared Pro Rata by non-Term Loan Lenders Class 6 creditors (the “ <i>Non-Term Loan Lender Class 6 Creditors</i> ”).
<b>Litigation Trust</b>	<p>The Plan will establish the Litigation Trust.</p> <ul style="list-style-type: none"> <li>• Litigation Trustee to be selected by Committee.</li> <li>• The Litigation Trust will have a Litigation Trust Oversight Committee consisting of three members, two of which shall be selected by the Committee and one of which shall be selected by the Term Loan Lenders.</li> <li>• \$1,000,000 of the GUC Cash Settlement shall serve as funding for the Litigation Trust.</li> <li>• Non-Term Loan Lender Class 6 Creditors shall receive the first \$4,000,000 recovered by the Litigation Trust after the payment of Litigation Trust expenses, including repayment of the loan funded by the Term Loan Lenders. Thereafter, any recoveries achieved by the Litigation Trustee shall be split 60/40, respectively, between (i) the Non-Term Loan Lender Class 6 Creditors; and (ii) the Term Loan Lenders on the basis of their deficiency claims.</li> <li>• To the extent that a recovery is achieved by the Litigation Trustee in connection with the claims asserted against PlainsCapital Bank by</li> </ul>

<b>Settlement Term Sheet</b>	
	<p>the Committee in the Standing Motion (the “<i>Net PlainsCapital Recovery</i>”), the Term Loan Lenders shall not share in any such recovery.</p> <ul style="list-style-type: none"> <li>• At the Creditors’ Committee’s option, all Avoidance Actions against non-insider trade creditors will either be (i) released under the Amended Plan or (ii) transferred to the Litigation Trust.</li> </ul>
<b>Administrative Expenses, Priority Claims and Claims Reconciliation</b>	<p>The Debtors, DIP Lenders, and Term Loan Lenders shall fund all administrative expenses, priority claims, fees of the United States Trustee, and fees and all fees and expenses associated with claims reconciliation, <i>provided</i>, any Creditors’ Committee professional fees and expenses incurred after the Settlement Date in excess of \$250,000 will be paid from the portion of the GUC Cash Settlement to be distributed the Litigation Trust. In the event that the Creditors’ Committee professional fees and expenses total less than \$250,000, such difference shall be added to the portion of the GUC Cash Settlement to be distributed to the Litigation Trust.</p> <p>If a party successfully challenges or causes a reduction of the professional fees and expenses of the Creditors’ Committee (including by settlement with the Creditors’ Committee or its professionals), the amount of such reduction shall not be considered in the calculation of whether the Creditors’ Committee professional fees are above or below \$250,000 for purposes of this Settlement.</p>
<b>Dissolution of the Creditors’ Committee</b>	<p>Effective on the Effective Date, the Creditors’ Committee shall dissolve automatically, and the members thereof (solely in their capacities as Creditors’ Committee members) and the Creditors’ Committee’s Professionals shall be released, exculpated, and discharged from all their duties relating to the Chapter 11 Cases in accordance with Article VIII hereof, except with respect to (i) any applications for Professional Fee Claims or expense reimbursements for members of such Committee including preparing same, objecting to same, defending same and attending any hearing with respect to same; and (ii) any motions or other actions seeking enforcement or implementation of the provisions of this Plan, or the Confirmation Order. Following the Effective Date, Professionals retained by the Creditors’ Committee shall be entitled to reasonable compensation for services rendered in connection with the matters identified in clauses (i) – (ii) and any such payments made in connection therewith shall be made without any further notice to or action, order, or approval of the Bankruptcy Court.</p>



**Settlement Term Sheet**

**Exculpation and  
Limitation of  
Liability;  
Definitions of  
Released Parties  
and Exculpated  
Parties**

The Creditors' Committee, its members (solely in their capacities as members of the Creditors' Committee), and its Professionals shall be deemed to be Released Parties and Exculpated Parties and shall be included in the Exculpation and Limitation of Liability provision of the Amended Plan.