

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	
)	Chapter 11
)	
WELDED CONSTRUCTION, L.P., <i>et al.</i> , ¹)	Case No. 18-12378 (KG)
Debtors and Debtors In Possession.)	
)	(Jointly Administered)
)	
)	
WELDED CONSTRUCTION, L.P., <i>et al.</i> ,)	
Plaintiffs,)	
vs.)	
)	Adversary Proceeding
SUNOCO MARKETING PARTNERS &)	No. 18-50928 (KG)
TERMINALS L.P.,)	
)	
and)	
)	
SUNOCO PIPELINE L.P.,)	
)	
Defendants.)	

**ORDER APPROVING STIPULATION AND AGREEMENT BETWEEN THE
DEBTORS, SUNOCO PARTNERS MARKETING & TERMINALS, L.P. AND SUNOCO
PIPELINE, L.P.**

Upon the Debtors' *Motion for Temporary Restraining Order and Preliminary Injunction* [Adv. Proc. D.I. 2] and the Parties' *Stipulation and Agreement Between the Debtors, Sunoco Partners Marketing and Terminals, L.P. and Sunoco Pipeline, L.P.* attached hereto as Exhibit A (the "Stipulation"); and good cause appearing therefor,

IT IS HEREBY ORDERED that:

1. The Stipulation is approved.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is 26933 Eckel Road, Perrysburg, OH 43551.



2. The Court shall retain jurisdiction to, among other things, interpret, implement and enforce the terms and provision of this Order.

Dated: October 26, 2018
Wilmington, Delaware



KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE

Exhibit A
Stipulation

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Chapter 11

WELDED CONSTRUCTION, L.P., *et al.*,¹
Debtors and Debtors In Possession.

Case No. 18-12378 (KG)

(Jointly Administered)

WELDED CONSTRUCTION, L.P., et al.,
Plaintiffs,
vs.

Adversary Proceeding
No. 18-50928 (KG)

**SUNOCO MARKETING PARTNERS &
TERMINALS L.P.,**

and

SUNOCO PIPELINE L.P.,

Defendants.

**STIPULATION AND AGREEMENT BETWEEN THE DEBTORS, SUNOCO
PARTNERS MARKETING & TERMINALS, L.P. AND SUNOCO PIPELINE, L.P.**

The above captioned debtors and debtors-in-possession (the “Debtors”), and Sunoco Partners Marketing & Terminals, L.P. and Sunoco Pipeline, L.P. (collectively “Sunoco,” and together with the Debtors, the “Parties”), by and through their counsel, hereby enter into this stipulation and agreement (this “Stipulation”), and do hereby stipulate as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Welded Construction, L.P. (5008) and Welded Construction Michigan, LLC (9830). The mailing address for each of the Debtors is 26933 Eckel Road, Perrysburg, OH 43551.

RECITALS

A. On October 22, 2018 (the “Petition Date”), the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”) by each filing a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “Court”).

B. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. To date, no committee, trustee or examiner has been appointed in these Chapter 11 Cases.

C. The Debtors and Sunoco are parties to that certain *Master Construction Services Agreement No. 4600000999 between Sunoco Partners Marketing & Terminals, L.P. and Sunoco Pipeline, L.P., and Welded Construction, L.P.*, dated September 8, 2015 (the “Master Construction Services Agreement”).

D. The Debtors and Sunoco subsequently amended the Master Construction Services Agreement on three separate occasions as follows: (i) the *First Amendment of Master Construction Services Agreement No. 4600000999*, dated April 18, 2016; (ii) the *Second Amendment of Master Construction Services Agreement No. 4600000999*, dated July 20, 2016; and (iii) the *Third Amendment of Master Construction Services Agreement No. 4600000999*, dated October 20, 2016.

E. On May 23, 2018, the Debtors and Sunoco entered into that certain Completion Agreement (the “Completion Agreement”).

F. The Master Construction Services Agreement, all amendments listed in Paragraph D, and the Completion Agreement are collectively referred to as the “Agreement.”²

² Although Welded Construction, L.P. and Welded Construction Michigan, LLC are collectively referred to in this Stipulation as the “Debtors,” only Welded Construction, L.P. was a party to the Agreement with Sunoco.

G. Pursuant to the Agreement, the Debtors have been constructing a portion of the Mariner East 2 Pipeline (the "Mariner Project") for Sunoco.

H. The Debtors own and have leases for certain equipment that is currently located at Mariner Project sites in furtherance of the work contemplated under the Agreement (such owned or leased equipment, the "Project Equipment"). The Project Equipment includes, but is not limited to, certain welding sleds, utility trailers, van trailers (stocked warehouse units), farm tractors, construction accessories (hammers, straw blowers, etc.), cradle bore machines, and low-boy over the road heavy haul units and related equipment. A list of all Project Equipment, subject to minor revisions as appropriate, is attached as Exhibit A.

I. On October 19, 2018, Sunoco hand-delivered, and the Debtors received, a letter that Sunoco alleges terminated the Agreement, effective immediately, pursuant to sections 12.1 and 12.2 of the Agreement (the "Notice of Termination"). The Debtors have disputed the validity of the Notice of Termination, and to the extent it was a valid termination of the Agreement, the Debtors asserted that they had five (5) days to cure certain defaults (the "Notice and Cure Period.") pursuant to section 12.2 of the Agreement. Sunoco asserts that the Agreement did not require it to provide the Debtors a cure period prior to termination under the circumstances contemplated by the Notice of Termination.

J. The Debtors and Sunoco are co-permittees on PADEP Permits Nos. ESG0500015001 and ESG0300015002 issued on February 13, 2017 (the "PADEP Permits").

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Parties as follows:

AGREEMENT

1. Incorporation of Recitals. All recitals above are hereby incorporated into this Stipulation as if fully set forth herein.

2. Termination of the Agreement. The Debtors consent to termination of the Agreement effective as of October 19, 2018.

3. Project Equipment. Sunoco agrees to arrange for transfer of all Project Equipment at its sole cost and expense to the Debtors' headquarters, 26933 Eckel Road, Perrysburg, OH 43551 (the "Headquarters"), as promptly as practicable. The Parties shall cooperate in an effort to return the Project Equipment to Debtors' Headquarters no later than November 15, 2018, subject to further agreement of the Parties. In advance of the transfer of any Project Equipment, the Debtors and Sunoco agree to reasonably cooperate to identify all Project Equipment, and to provide access for personnel of the Debtors to Mariner Project sites to confirm the accuracy of the Project Equipment listed in Exhibit A, which the Debtors believe is substantially complete but may be revised accordingly. In identifying the Project Equipment with Sunoco, the Debtors agree to use their reasonable best efforts to refrain from interfering with Sunoco's ongoing Mariner Project or the work flow of Sunoco's contractors on site, associated equipment, and lay down yards.

4. Transfer of PADEP Permits. Sunoco agrees to use commercially reasonable best efforts to effectuate the execution by Sunoco and Precision Pipeline, LLC of permits with the PADEP, and to cooperate with the Debtors to remove the Debtors from

existing PADEP Permits, for any remaining work following the Debtors' termination, consistent with PADEP rules, guidelines and regulations.

5. Indemnification. Sunoco agrees to indemnify and hold harmless the Debtors (including any officers and directors of the Debtors) for any environmental liability related to the Mariner Project arising from acts and/or omissions occurring on or after October 20, 2018.

6. Process for Resolution of Claims. The Parties agree that they will meet and confer regarding the resolution of all outstanding claims each Party has or can assert against the other Party no later than October 31, 2018. The Parties further agree that they will work in good faith in an effort to resolve any outstanding claims on or before November 15, 2018. With respect to claims for payables alleged to be owed to the Debtors by Sunoco related to claims asserted by claimants who have asserted, or who have the right to assert, liens on the Mariner Project (the "Lien Claims"), the Parties agree to meet and confer as soon as practicable, but no later than October 31, 2018, in an effort to resolve the treatment of such Lien Claims.

7. Reservation of Rights. The Parties each expressly reserve and retain all rights, claims and defenses related to any and all aspects of the Agreement that are not specifically addressed in this Stipulation.

8. Entire Agreement. This Stipulation contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto. This Stipulation is subject to approval of this Court and shall be of no force and effect unless and until it is approved.

9. Due Authorization. Each person who executes this Stipulation represents that he or she is duly authorized to execute this Stipulation on behalf of the respective Parties hereto and that each such Party has full knowledge and has consented to this Stipulation.

10. Modification. This Stipulation may not be modified other than by a signed writing executed by the Parties or by further order of the Court. This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

11. Retention of Jurisdiction. This Court shall have sole and exclusive jurisdiction to hear disputes arising out of or related to this Stipulation.

Dated: Wilmington, Delaware
October 26, 2018

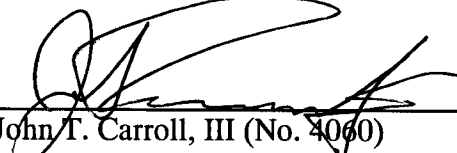
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Counsel to Sunoco

EXHIBIT A

336E - Quick Connect /				
FJH01461	Excavator	Thumb	Welded	Morgantown Warehouse
PLR00700	Sideboom	72H	Welded	Morgantown Warehouse
PLR00705	Sideboom	72H	Welded	Morgantown Warehouse
PLR00699	Sideboom	72H	Welded	Morgantown Warehouse
PLR00697	Sideboom	72H	Welded	Morgantown Warehouse
PLR00702	Sideboom	72H	Welded	Morgantown Warehouse
PLR00698	Sideboom	72H	Welded	Morgantown Warehouse
PLR00706	Sideboom	72H	Welded	Morgantown Warehouse
PLR00707	Sideboom	72H	Welded	Clymer Hill
	6903 Testing Pump	Pump	Welded	Morgantown Warehouse
	1368 Utility Trailer	Utility Trailer w/ supplies	Welded	Hwy 23
Welding Sled	Welding Sled	Welding Sled w/ Welders	Welded	Joanna
	260019 Air Compressor 185	Sullair 185 - SandBlaster	Welded	Morgantown Warehouse

Equipment Inventory 2016-01,02,22

Assets Tracked

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	Unit#	Vendor	Crew/Location	Description	S/N
DOZERS	W13-6014	Welded	Yard	D6T	KS801682
DOZERS	13-6029	Welded	Jamie/Arona Rd	D6T	KS801900
DOZERS	13-6025	Welded	Open/Yard	D6T	KS81881
Excavators	W12-3018	Welded	Yard	336EL	FJH01506
Excavators	123017	Welded	Rick/Hildebrand	336 Excavator/not plumb	FJH01413
Excavators	123023	Welded	Brian/Oh Cadiz	336/Thumb	FJH01361
Misc. Equipment	21000	Welded	yard	Tack Rig	LBP01477
Misc. Equipment	21001	Welded	Yard	Tack Rig	LBP01473
Misc. Equipment	18-3006	Welded	Paxton/Jack	Sunflower Disc	XAGCS12120FZ100001X10
Misc. Equipment	W6905	Welded	Broke423/Yard	PressurePump	6905
Misc. Equipment	10018	Welded	Charlie/Barr Road	MorookaBlower	CA000323
Misc. Equipment	20556	Welded	Justin/Yard	20' Bending Mach.	
Misc. Equipment	9850	Welded	Mounted-on10018	B70 StrawBlower	2952SD
Misc. Equipment	9889	Welded	Open/Yard	Vacuum Lift RC 10	RC1000088
Misc. Equipment	8042	Welded	228Broke/Yard	185 Compressor	8042
Misc. Equipment	W09979	Welded	Washington	SpreaderBox	9979
Misc. Equipment	9863	Welded	open yard	336/140 Hammer	BED03068
Misc. Equipment	38-1002	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-1003	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-1004	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-1005	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-1010	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-1011	Welded	Yard	Skid Sled	N/A
Misc. Equipment	38-2000	Welded	Munntown	Linden Creek	x
Misc. Equipment	38-2006	Welded	Yard	WeldingSled	
Misc. Equipment	38-2018	Welded	Robbie/Yard	WeldingSled	x
Misc. Equipment	38-4003	Welded	Yard	UtilitySled	
Misc. Equipment	R20	Welded		Bore Head	N/A
Misc. Equipment	R21	Welded		Bore Head	N/A
Trailers	1180	Welded	30-3018	Lowboy	
Trailers	1181	Welded	30-3021	Lowboy	
Trailers	1350	Welded		Float	
Trailers	1391	Welded		Float	
Trailers	2189867	Welded	Open/Yard	FlatbedBall	PJTrailers
Trailers	205610	Welded	NoBrakes305/Yard	FlatbedBall	NationalTruck
Trailers	ST976	Welded	Open/Yard	FlatbedPintol	SureTrac
Trailers	37-2003	Welded	Open/Yard	FlatbedBall	Appalachin
Trailers	1385	Welded	Yard	Landscape/Pintol	
Big Rigs	562	Welded	Bus		
Big Rigs	590	Welded	Bus		
Big Rigs	W743	Welded	2-ton		
Big Rigs	W831	Welded	Lube Truck		
Big Rigs	W841	Welded	Dump Truck		
Big Rigs	W903	Welded	CX613 Daycab		
Big Rigs	W24-1000	Welded			
Big Rigs	W27-2001	Welded	Fuel Truck		
Big Rigs	W29-1000	Welded			
Big Rigs	W39-1000	Welded	Skid Truck	33	
Big Rigs	W69085	Welded	Ford F550		
Big Rigs	W07858	Welded	Ford F650		
Big Rigs	W30-3000	Welded	Lowboy Tractor		
Big Rigs	W30-3021	Welded	Lowboy Tractor		
Big Rigs	W3002	Welded	367 Daycab		
Big Rigs	W3004	Welded	367 Daycab		
Big Rigs	W9884	Welded	VacTruck		
Big Rigs	W9889	Welded	VacTruck		
Big Rigs	951065	Welded	MatTruck		
Big Rigs	435049	Welded	Float Truck		