

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

In re:	)	)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> <sup>1</sup>	)	)	Case No. 24-90377 (MI)
Debtors.	)	)	(Joint Administration Requested)
	)	)	(Emergency Hearing Requested)

**DEBTORS’ EMERGENCY MOTION FOR ENTRY OF INTERIM  
AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO  
(A) CONTINUE OPERATING THEIR CASH MANAGEMENT SYSTEM AND  
MAINTAIN EXISTING BANK ACCOUNTS, (B) CONTINUE TO PERFORM  
INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BUSINESS  
FORMS AND BOOKS AND RECORDS, AND (D) CONTINUE UTILIZING  
CORPORATE CREDIT CARD PROGRAMS, AND (II) GRANTING RELATED RELIEF**

Emergency relief has been requested. Relief is requested not later than 4:15 p.m. (prevailing Central Time) on May 21, 2024.

If you object to the relief requested or you believe that emergency consideration is not warranted, you must appear at the hearing if one is set, or file a written response prior to the date that relief is requested in the preceding paragraph. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on May 21, 2024 at 4:15 p.m. (prevailing Central Time) in Courtroom 404, 4th floor, 515 Rusk, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court’s dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Isgur’s conference room number is 954554. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Isgur’s home page. The meeting code is “JudgeIsgur.” Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the “electronic appearance” link on Judge Isgur’s home page. Select the case name, complete the required fields and click “submit” to complete your appearance.

<sup>1</sup> The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kcellc.net/zhi>. The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.



The above-captioned debtors and debtors in possession (collectively, the “**Debtors**,” and together with their non-Debtor affiliates, the “**Company**”) state as follows in support of this motion (this “**Motion**”):

**Relief Requested**

1. The Debtors seek entry of interim and final orders, substantially in the forms attached hereto (respectively, the “**Interim Order**” and the “**Final Order**”), (a) authorizing the Debtors to (i) continue operating their cash management system and maintain their existing bank accounts, including honoring certain prepetition obligations related thereto, (ii) continue performing intercompany transactions and funding substantially consistent with prepetition practices, (iii) maintain existing business forms and books and records in the ordinary course of business, and (iv) continue utilizing corporate credit card programs, and (b) granting related relief. In addition, the Debtors request that the Court schedule a final hearing approximately 21 days after the commencement of these chapter 11 cases, or as soon thereafter as practicable, to consider approval of this Motion on a final basis.

2. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Mohsin Y. Meghji in Support of Debtors’ Petitions and Requests for First Day Relief* (the “**First Day Declaration**”),<sup>2</sup> filed contemporaneously herewith.

**Jurisdiction, Venue, and Predicates for Relief**

3. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding under 28 U.S.C. § 157(b). The Debtors confirm their consent to the entry of a final order by the Court. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

4. The predicates for the relief requested herein are sections 105, 345, 363, and 503 of title 11 of the United States Code (the “**Bankruptcy Code**”), rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rule 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

### **Background**

5. On May 21, 2024 (the “**Petition Date**”), each Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors are requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases, and no official committees have been appointed or designated.

6. The Company is a leading provider of turnkey engineering, construction, maintenance, turnaround, and fabrication services. Headquartered in San Antonio, Texas, the Company has approximately 20,000 employees and has worked on some of the largest industrial projects in the United States. The Company was founded 100 years ago, in 1924, by H.B. Zachry. His first construction project was a series of four concrete-reinforced bridges in Laredo, Texas, which he built using mule-drawn wagons. Throughout the twentieth century, the Company completed high profile projects across the United States and the rest of the world, including the dredging of the Colorado River in Austin, Texas to increase the river’s depth and width, the engineering and construction of the Hilton Palacio del Rio Hotel in San Antonio, and on the other side of the globe, the completion of the U.S. Embassy in Moscow in the wake of the Cold War. In 1998, a third generation of Zachrys—brothers David Zachry and John Zachry—took over the business. A decade later, in 2008, the brothers split the business into two independent and

separately run organizations: (1) Zachry Group, led by John Zachry and comprised of entities that include the Debtors in these chapter 11 cases, which focuses on industrial projects, and (2) Zachry Construction Corporation, led by David Zachry, which focuses on heavy civil and building construction work. The two organizations have operated independently since. No entities related to Zachry Construction Corporation's business are included in these chapter 11 cases.

7. Today, Zachry Group, including the Debtors in these chapter 11 cases, is known for providing top-notch engineering and construction services to clients in the energy, chemicals, power, manufacturing, and industrial sectors across North America, all with an attention to detail and client service that customers have learned comes standard with the Zachry name. The Company had approximately \$5.4 billion in operating revenues in 2023. Debtor Zachry Industrial, Inc. (“ZII”) is currently engaged in the construction of 5 major projects with an aggregate contract value of approximately \$25.1 billion, approximately \$13.8 billion of which constitutes ZII's share of the contract value (as opposed to its joint venture partners). In addition, the Debtors are engaged in over 700 hundred smaller maintenance, warranty, or site-support projects.

8. Additional factual background and information regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the commencement of these chapter 11 cases, is set forth in detail in the First Day Declaration.

### **The Cash Management System**

#### **I. Overview**

9. The Debtors maintain an integrated, centralized cash management system (the “**Cash Management System**”) to facilitate the timely and efficient collection, management, and disbursement of funds in the ordinary course of business. The Debtors also use the Cash Management System to facilitate cash monitoring, forecasting, and reporting. The Cash Management System allows the Debtors to control funds, ensure cash availability for each

operating entity, and reduce administrative costs by facilitating the movement of funds among multiple entities. The Debtors' treasury department monitors the Cash Management System daily and employs appropriate and customary controls with respect to entering, processing, and releasing funds, including in connection with intercompany transactions among the Debtors and between the Debtors and their non-Debtor affiliates.

10. Given the economic and operational scale of the Debtors' businesses, any disruption to the Cash Management System would materially impair the Debtors' operations, and irreparably harm their estates and stakeholders. To minimize any such disruptions, and to maximize the value of the Debtors' estates, the Debtors request authority to continue operating their Cash Management System in the ordinary course of business during these chapter 11 cases.

## II. The Bank Accounts

11. As of the Petition Date, the Cash Management System is comprised of 72 bank accounts (each, a "**Bank Account**") maintained with 10 financial institutions (collectively, the "**Cash Management Banks**").<sup>3</sup> A list of the Bank Accounts is attached hereto as **Exhibit A**.<sup>4</sup> As of the Petition Date, the Debtors hold approximately \$163.3 million cash on hand in the Bank Accounts.

12. The Debtors' primary Cash Management Bank is Bank of America, N.A. ("**Bank of America**"), where the Debtors maintain 42 of the 72 Bank Accounts. In addition to accounts maintained at Bank of America, the Debtors also maintain: (a) 11 Bank Accounts at Frost Bank ("**Frost**"); (b) five Bank Accounts at Amegy Bank ("**Amegy**"); (c) four Bank Accounts at

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<sup>3</sup> For the avoidance of doubt, the Bank Accounts include accounts held by joint ventures in which Debtor ZII has an interest.

<sup>4</sup> **Exhibit A** is a complete list of the Bank Accounts. To the extent that any Bank Accounts have been inadvertently omitted from the list, the Debtors request that the Interim Order and Final Order granting the relief sought herein apply to such Bank Accounts.

Amarillo National Bank (“**ANB**”); (d) two Bank Accounts at JPMorgan Chase, N.A. (“**JPMorgan**”); (e) four Bank Accounts at Wells Fargo Bank, N.A. (“**Wells Fargo**”); (f) one Bank Account at International Bank of Commerce (“**IBC**”); (g) one Bank Account at PNC Bank (“**PNC**”); (h) one Bank Account at Texas Capital Bank, National Association (“**TCB**”); and (i) one Bank Account at U.S. Bank National Association (“**US Bank**”).

13. An illustrative schematic of the Cash Management System, including the flow of funds between Bank Accounts, is attached hereto as **Exhibit B**. The Debtors’ receipts and revenues are deposited into Operating Accounts (as defined below), which, in turn, fund various Disbursement Accounts, Payroll Accounts, and Tax Accounts (each as defined below), many of which are designated as zero balance accounts (each, a “**ZBA**”) with cash sufficient to satisfy the Debtors’ obligations as needed daily in the ordinary course of business. Disbursement Accounts, Payroll Accounts, and Tax Accounts that are not ZBAs are self-funded through the operations of the Debtor entity that owns such Bank Account or are funded through recurring or manual transfers from the Operating Accounts.

14. The Bank Accounts are described in the following table:<sup>5</sup>

Bank Accounts	Description of Bank Accounts
<p><b><u>Main Operating Account</u></b></p> <p><i>Bank of America—7300</i></p>	<p>ZII maintains the Company’s main operating account at Bank of America (the “<b>Main Operating Account</b>”), which serves collection and disbursement purposes. The Main Operating Account manages the daily cash flows and outflows associated with operations of ZII and at times collects revenue from other Debtors, typically when such other Debtors are party to a subcontractor agreement with ZII.</p> <p>Funds from the Main Operating Account are transferred to certain Disbursement Accounts, Payroll Accounts, and Tax Accounts, as well as the Operating Account maintained by Zachry Holdings, Inc. to fund (as necessary) operating expenses, accounts payable, vendor payments, general and administrative expenses, payroll, benefits, taxes, insurance, and other miscellaneous outflows.</p> <p>The Main Operating Account is also used to make certain debt service or interest payments in connection with the Debtors’ prepetition secured debt as well as certain cash calls to the JV Accounts (as defined below).</p> <p>Finally, the Main Operating Account funds a petty cash account, which maintains a minimal balance for emergency purposes.</p>
<p><b><u>Ancillary Operating Accounts</u></b></p> <p><i>Bank of America—6305, 8034, 4721, 1359, 9020, 1375, 3492, 3557, 0126, 9376, 4246, 4246</i></p> <p><i>ANB—0354, 6310, 4685, 0714</i></p> <p><i>Amegy—9402, 5286, 0515</i></p> <p><i>IBC—6378</i></p> <p><i>JPMorgan—5223</i></p> <p><i>PNC—4355</i></p> <p><i>TCB—4865</i></p> <p><i>Wells Fargo—1318</i></p>	<p>The Debtors maintain an additional 24 operating accounts (the “<b>Ancillary Operating Accounts</b>” and together with the Main Operating Account, collectively, the “<b>Operating Accounts</b>”) with Bank of America, ANB, Amegy, IBC, JPMorgan, PNC, TCB, and Wells Fargo. The Operating Accounts receive payments from operations, deposits, and other miscellaneous inflow.</p> <p>The funds held by Operating Accounts are used to pay operating expenses, fees, and other miscellaneous outflows directly, or are used to fund Disbursement Accounts, as needed.</p> <p>Certain debt service or interest payments made in connection with the Debtors’ prepetition secured debt are funded by the Bank of America account ending in 6305.</p> <p>Additionally, the account ending in 6378 maintained by ZII at IBC holds \$5 million of cash collateral in connection with a letter of credit related to the Debtors’ legacy workers compensation insurance program.</p>

<sup>5</sup> The descriptions of the Bank Account types are for illustrative purposes only.

<p><b><u>Disbursement Accounts</u></b></p> <p><i>Bank of America—0213, 1584, 2560</i></p> <p><i>Amegy—5681</i></p> <p><i>Wells Fargo—1321</i></p>	<p>ZII, Zachry Engineering Corporation, Zachry Maintenance Services, LLC, and J.V. Industrial Companies, LLC maintain five disbursement accounts (the “<b>Disbursement Accounts</b>”) with Bank of America, Wells Fargo, and Amegy. Certain accounts are funded with cash automatically and some are funded manually from the Operating Accounts, sufficient to cover certain of the Debtors’ accounts payable payments, check payments, operating expenses, and other miscellaneous outflows in the ordinary course.</p> <p>Funds are remitted to non-Debtor payees either through scheduled automatic transfers or manual transfers as necessary in the ordinary course.</p>
<p><b><u>Payroll Accounts</u></b></p> <p><i>Bank of America—3652, 2531, 6494</i></p> <p><i>Frost—1168, 2076, 0220, 7938, 3565, 9162, 9146, 6589, 7365, 9170, 9138</i></p> <p><i>Wells Fargo—7829, 1374</i></p>	<p>The Debtors maintain 16 payroll accounts (the “<b>Payroll Accounts</b>”), which are used to process and administer payroll and fund benefits.</p> <p>Once a week, the Main Operating Account funds the Frost account ending in 0220 and from there money is drawn into nine different Payroll Accounts.</p> <p>J.V. Industrial Companies, LLC and Madison Industrial Services Team, LLC maintain their own Payroll Accounts, which are funded once a week from the respective Ancillary Operating Account.</p>
<p><b><u>Tax Accounts</u></b></p> <p><i>Bank of America—8047, 0198, 2800</i></p>	<p>ZII and Zachry Engineering Corporation maintain three accounts at Bank of America that are used to administer and process taxes.</p>
<p><b><u>Payroll Tax Accounts</u></b></p> <p><i>Bank of America—3652, 8050</i></p>	<p>ZII maintains one account at Bank of America, which is used to process and administer certain taxes in connection with payroll. All other Debtors process and administer payroll taxes out of their respective Payroll Accounts.</p> <p>In addition, Zachry Engineering Corporation maintains one payroll tax account at Bank of America. This account is inactive.</p>
<p><b><u>JV Accounts</u></b></p>	<p>ZII maintains 16 accounts at Bank of America related to ZII’s joint ventures (the “<b>JV Accounts</b>”). ZII has an interest in the JV Accounts but does not maintain unilateral control over the funds deposited in them.</p> <p>Funds are remitted from the JV Accounts to the Operating Accounts at ZII, JVIC Fabrication, LLC, Zachry Engineering Corporation, and J.V. Industrial Companies, LLC on account of services provided by such entities as a subcontractor.</p>
<p><b><u>PAC Account</u></b></p> <p><i>Bank of America—4993</i></p>	<p>Zachry Holdings, Inc. maintains an account at Bank of America in connection with the Zachry Holdings, Inc. Continuum Fund Political Action Committee (the “<b>PAC Account</b>”). Employee contributions to the PAC Account are used to make donations to candidates running for public office. The Debtors do not contribute to the Continuum Fund.</p>



### III. Bank Fees and Software Fees

15. **Bank Fees.** The Debtors incur periodic service charges and other fees in connection with maintenance of the Cash Management System (the “**Bank Fees**”). The Debtors incur Bank Fees of approximately \$70,000 per month, in the aggregate, which are debited from the respective Bank Account for which the Bank Fee was incurred.

16. **Software Fees.** The Debtors incur certain fees related to software that facilitates the operation of the Cash Management System (the “**Software Fees**”). The Debtors use a treasury-management platform, FIS Integrity, and a payment platform, FIS Payable, both of which are provided by FIS Capital Markets US LLC. The Debtors use FIS Integrity to automate cash management functions such as cash positions and bank account administration and FIS Payable to disburse vendor payments via ACH, check, or vCard.<sup>6</sup> FIS Integrity and FIS Payable play a key role in the Debtors’ cash management and accounting processes. The Debtors’ average monthly spend on account of Software Fees incurred in connection with FIS Integrity and FIS Payable is approximately \$8,500. The Debtors seek authority to pay Bank Fees and Software Fees (including any accrued but unpaid prepetition Bank Fees and Software Fees) in the ordinary course of business on a postpetition basis.

### IV. Compliance with the U.S. Trustee Guidelines and the Bankruptcy Code

17. The *Region 7 Guidelines for Debtors-in-Possession* (the “**U.S. Trustee Guidelines**”) generally require chapter 11 debtors to, among other things, deposit all estate funds into an account with an authorized depository that agrees to comply with the requirements of the United States Trustee for the Southern District of Texas (the “**U.S. Trustee**”). As of the Petition

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<sup>6</sup> For vendors of ZII, Zachry Engineering Corporation, and J.V. Industrial Companies, Ltd. that elect to be paid through electronic credit card rather than ACH or check, the Debtors fund accounts payable using a virtual credit card issued in connection with FIS Payable pursuant to a commercial card agreement between the Debtors and Regions Bank.

Date, the Debtors maintain the vast majority of the Bank Accounts at Bank of America and have additional accounts at Amegy, Frost, JPMorgan, Wells Fargo, PNC, TCB, and US Bank. Each of these Cash Management Banks is designated as an authorized depository by the U.S. Trustee pursuant to the U.S. Trustee Guidelines.

18. The two remaining Cash Management Banks—ANB and IBC—are not authorized depositories. The Debtors maintain four Operating Accounts at ANB that are used in the day-to-day operations of the Debtors' businesses. ANB is a secured lender under the Debtors' prepetition credit facilities. The Operating Accounts provide ANB with important ancillary business and were an inducement for ANB's agreement to provide loans under the Debtors' prepetition credit agreement. ZII maintains one Bank Account at IBC, which holds \$5 million of cash collateral in connection with a letter of credit related to the Debtors' legacy workers compensation insurance program. ANB and IBC are well capitalized, financially stable, and reputable institutions and are insured by the Federal Deposit Insurance Corporation (the "FDIC"). These financial institutions are well positioned to continue performing depository and cash management functions during these chapter 11 cases.

19. Cause exists to allow the Debtors to continue using the existing Bank Accounts at each of the Cash Management Banks, including ANB and IBC, in each case in the ordinary course of business and consistent with the Debtors' prepetition practice. The Cash Management System is complex and critical to the ongoing stability of the Debtors' businesses and smooth transition into chapter 11. Requiring the Debtors to immediately transfer the funds in these Bank Accounts to a designated authorized depository would place a needless administrative burden on the Debtors and impose material costs upon the Debtors' estates. The Debtors will work in good faith with the U.S. Trustee to address any concerns regarding the continued use of these Bank Accounts on a

postpetition basis, but request authority to continue using such accounts in the ordinary course until the Debtors can coordinate an orderly reallocation of the funds in these Bank Accounts to the extent necessary.

#### **V. Business Forms and Books and Records**

20. As part of the Cash Management System, the Debtors use a variety of preprinted business forms (including checks, letterhead, correspondence forms, invoices, and other business forms) in the ordinary course of business (collectively, the “**Business Forms**”). The Debtors also maintain books and records to document their financial results and a wide array of operating information (collectively, the “**Books and Records**”). To avoid significant disruption to their business operations, minimize unnecessary additional expenses to their estates, and avoid confusion on the part of employees, customers, vendors, and suppliers during the pendency of these chapter 11 cases, the Debtors request authorization to continue using their Business Forms and Books and Records in a manner consistent with prepetition practice, without reference to the Debtors’ status as debtors in possession.

#### **VI. Credit Card Programs**

21. As part of the Cash Management System, the Debtors maintain several credit card programs administered by US Bank (the “**US Bank Program**”), Comerica Bank (the “**Comerica Program**”), GE Fleet Services (the “**GE Fleet Program**”), and Comdata Inc. (the “**Comdata Program**” and, together with the other programs, collectively, the “**Credit Card Programs**”). Through the Credit Card Programs, the Debtors incur expenses directly in the ordinary course of business, without the Debtors’ employees incurring any reimbursable expenses. It is essential to the continued operation of the Debtors’ business that the Debtors continue making direct payments for such expenses.

22. **US Bank Program.** The Debtors provide US Bank commercial credit cards (the “**US Bank Cards**”) to approximately 1,522 employees pursuant to a commercial card master agreement between the Debtors and US Bank for ordinary course expenses incurred by employees to perform their jobs, including travel expenses. The Debtors remit payments on the US Bank Cards balances on a bi-monthly basis. All submitted expenses are subject to the Zachry Group Travel Policy and expense reports must go through, at a minimum, a two-step approval process consisting of a compliance review and a final approval. On average, the Debtors pay approximately \$1.5 million per month on account of the US Bank Program. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of the US Bank Program.

23. **Comerica Program.** The Debtors provide Comerica commercial credit cards (the “**Comerica Cards**”) to approximately 25 employees of Madison Industrial Services Team, LLC pursuant to a service agreement between the Debtors and Comerica for ordinary course expenses incurred by employees of Madison Industrial Services Team, LLC to perform their jobs, including travel expenses. The Debtors remit payments on the Comerica Cards balances monthly. All submitted expenses are subject to an internal review process. On average, the Debtors pay approximately \$23,600 per month on account of the Comerica Program. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of the Comerica Program.

24. **GE Fleet Program.** In connection with the master services agreement for fleet-related services between the Debtors and GE Fleet Services, approximately 467 fuel cards have been assigned to ZII (the “**GE Fleet Cards**”) to be used by employees to pay expenses incurred for fuel and maintenance for leased vehicles from GE Fleet Services. Expenses of \$500 or above on account of fuel or vehicle maintenance require prior approval, with such approval sent to an

operations manager via text message. The Debtors remit payments on the GE Fleet Cards balances on a weekly, bi-monthly, or monthly basis. On average, the Debtors pay approximately \$190,560 per month on account of the GE Fleet Program. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of the GE Fleet Program.

25. **Comdata Program.** Pursuant to an agreement with Comdata Inc., the Debtors provide (i) approximately 2,640 employees of J.V. Industrial Companies, Ltd. with prepaid cards for the purpose of paying such employees' per diem (the "**Comdata Per Diem Cards**") and (ii) approximately 80 employees with fuel cards (the "**Comdata Fuel Cards**") to pay in-transit fuel costs incurred by employees in connection with travel between multiple work sites and field offices. While there is no review process for charges incurred with a Comdata Per Diem Card if an employee qualifies for per diem, expenses incurred in connection with the Comdata Fuel Cards are submitted for review by an equipment analyst. The Comdata Fuel Cards are prefunded on a bi-monthly basis and have a target aggregate balance of approximately \$300,000. As of the Petition Date, the Debtors do not believe they owe any prepetition amounts on account of the Comdata Program.

## **VII. Intercompany Transactions**

26. The Debtors engage in routine business transactions with each other and with non-Debtor subsidiaries and affiliates, including making payments or providing services for each other's benefit (collectively, the "**Intercompany Transactions**"), which result in intercompany receivables and payables (collectively, the "**Intercompany Claims**"). Intercompany Transactions include, among other things, transactions related to the collection of cash and payment of salaries, wages, benefits, contract labor, supplies, professional fees, purchased services, taxes, fees, and insurance.

27. For instance, certain of the Company's taxes and insurance are paid on a consolidated basis. Pursuant to the terms of the Company's tax sharing agreement, Debtor entities fund payment of income and franchise taxes related to their or their subsidiaries' operations by making intercompany transfers to a non-Debtor parent entity, Zachry Industries, Inc., which in turn pays the Debtor-related (and non-Debtor-related) obligations to the applicable taxing authority authorities on a consolidated basis.<sup>7</sup> Similarly, a non-Debtor entity, Zachry Consolidated, LLC ("ZCL"), pays the applicable insurance brokers and third-party administrators for the Company's insurance needs on a consolidated basis, then collects the allocated cost of such insurance from the appropriate Debtor (and non-Debtor) Company affiliates through Intercompany Transactions. As discussed in the Insurance Motion,<sup>8</sup> for most of the Company's policies, Zachry entities are allocated their share of the applicable policy premium and any fees or claims through an intercompany payable to ZCL. With respect to the Company's workers' compensation, general liability, and automobile insurance, however, ZCL pays the premium amounts for the Company's high-deductible policies and bears the risk of any claims up to the deductible amounts. In turn, ZCL charges the other Zachry entities based on rate schedules that reflect such entities' share of those policies as if they were being charged premiums for zero-dollar deductible policies, which, in effect, is what such other entities are receiving because ZCL bears the risk for covering any claims up to the actual high-deductibles under the Company's policies.

28. At any given time, ordinary-course operations may result in Intercompany Claims being owed by one Debtor or non-Debtor affiliate to another Debtor or non-Debtor affiliate.

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<sup>7</sup> Since the second quarter of 2023, Debtor ZII has paid the Company's income and franchise taxes on a consolidated basis due to liquidity constraints at the non-Debtor parent entity that typically makes those payments.

<sup>8</sup> The "**Insurance Motion**" is the *Debtors' Emergency Motion for Entry of an Order (I) Authorizing Debtors to (A) Continue Insurance Program and Surety Bond Program and (B) Pay All Obligations with Respect Thereto, (II) Granting Relief from Automatic Stay with Respect to Workers' Compensation Claims, and (III) Granting Related Relief*, filed concurrently herewith.

29. Intercompany Claims are generally reflected as receivables and payables in each Debtor's general ledger. Intercompany Transactions are generally not settled by actual transfers of cash, but instead are reconciled and cleared monthly on a consolidated basis on the applicable Debtor's balance sheet. The Debtors closely track all fund transfers in their accounting systems and, therefore, can trace and account for all Intercompany Transactions. The Debtors will continue tracking Intercompany Transactions on a postpetition basis substantially consistent with historical practice and will be able to ascertain, trace, and account for the Intercompany Transactions.

30. The Intercompany Transactions are an essential component of the Debtors' complex operations. They are integral to the Debtors' ability to process payroll and payments to third party vendors, provide enterprise-wide management and support services, and otherwise facilitate operations. The Debtors would be unduly burdened, both financially and logistically, if the Debtors were required to halt Intercompany Transactions or otherwise make material changes to the Cash Management System. The Debtors seek the authority to continue the Intercompany Transactions in the ordinary course of business on a postpetition basis and to grant administrative expense status to Intercompany Claims, subject and junior to any claims granted in connection with the use of cash collateral in accordance with any interim and final orders approving the Debtors' use of cash collateral (any such order, a "**Cash Collateral Order**").<sup>9</sup>

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<sup>9</sup> This Motion provides an overview of the Debtors' typical Intercompany Transactions. The relief requested herein is applicable with respect to all Intercompany Transactions and is not limited to those Intercompany Transactions described in this Motion. To the extent that there are any outstanding prepetition obligations related to Intercompany Transactions not described herein, the Debtors seek authority to honor such obligations.

**Basis for Relief**

**I. The Court Should Approve the Debtors' Use of the Cash Management System and the Payment of the Bank Fees.**

31. The U.S. Trustee Guidelines require debtors in possession to, among other things, (a) close all existing bank accounts and open new debtor-in-possession bank accounts, (b) establish one debtor-in-possession account for all estate monies required for payment of taxes including payroll taxes, (c) physically set aside all monies required by law to be withheld from employees or collected from others for taxes, (d) open a new set of books and records as of the commencement date of the case, (e) use new business forms indicating the debtor-in-possession status of the chapter 11 debtor, including checks that bear the designation "debtor in possession" and reference the bankruptcy case number on such checks, and (f) make all disbursements of estate funds by check with a notation representing the reason for the disbursement. *See* U.S. Trustee Guidelines. These guidelines are intended to provide a clear line of demarcation between prepetition and postpetition transactions and operations and to prevent inadvertent payment of prepetition claims. Considering the breadth and complexity of the Debtors' financial affairs and the volume of collections, disbursements, and movement of funds through the Cash Management System daily, enforcement of these provisions of the U.S. Trustee Guidelines during these chapter 11 cases would severely disrupt, if not cripple, the Debtors' operations. The Debtors request that the Court allow them to operate each of the Bank Accounts that comprise the Cash Management System as each was maintained in the ordinary course of business before the Petition Date and as described herein.

32. Continuation of the Cash Management System is permitted pursuant to section 363(c)(1) of the Bankruptcy Code, which authorizes the debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." Bankruptcy



courts treat requests for authority to continue utilizing existing cash management systems as a relatively “simple matter.” See *In re Baldwin-United Corp.*, 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987). Courts have also recognized that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys. Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff’d in part and rev’d in part*, 99 F.2d 1039 (3d Cir. 1993); see also *In re BJ Servs., LLC*, Case No. 20-33627 (MI) (Bankr. S.D. Tex. July 22, 2020) (approving the debtors’ continued use of existing cash management systems); *In re Brazos Elec. Power Cooperative, Inc.*, Case No. 21-30725 (DRJ) (Bankr. S.D. Tex. Mar. 3, 2021) (same). As a result, courts have concluded that the requirement to maintain all accounts separately “would be a huge administrative burden and economically inefficient.” See *Columbia Gas*, 997 F.2d at 1061; see also *In re Southmark Corp.*, 49 F.3d 1111, 1114 (5th Cir. 1995) (cash management system allows debtor “to administer more efficiently and effectively its financial operations and assets”).

33. Requiring the Debtors to adopt a new, segmented cash management system during these chapter 11 cases would be expensive, burdensome, and unnecessarily disruptive to the Debtors’ operations. The Cash Management System provides the Debtors with the ability to quickly assess the location and amount of funds, which, in turn, allows management to track and control such funds, ensure cash availability, and reduce administrative costs through a centralized method of coordinating the collection and movement of funds. Any disruption of the Cash Management System could have a severe adverse effect on the Debtors’ operational stability. Maintaining the current Cash Management System will facilitate the Debtors’ smooth transition into chapter 11 by minimizing delays in paying postpetition debts and eliminating administrative inefficiencies. Maintaining the current Cash Management System will also allow the Debtors’

treasury employees to focus on their daily responsibilities as opposed to reconstructing the Cash Management System.

34. Parties in interest will not be harmed by the Debtors' maintenance of the Cash Management System, including maintenance of the Bank Accounts and the Intercompany Transactions, because the Debtors have implemented appropriate mechanisms to ensure that Debtor entities will not make unauthorized payments on account of prepetition obligations. With the assistance of their advisors, the Debtors have implemented internal control procedures that prohibit payments on account of prepetition debts without the prior approval of the Debtors' treasury department. In light of such protective measures, maintaining the Cash Management System is in the best interests of the Debtors' estates and creditors.

**II. Authorizing the Banks to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course of Business Is Warranted.**

35. The Debtors request that the Court authorize the Cash Management Banks to receive, process, honor, and pay, to the extent funds are available in each applicable Bank Account, any and all checks, electronic fund transfers, credit card payments, ACH payments and other instructions, and drafts payable through, or drawn or directed on, such Bank Accounts after the Petition Date by holders, makers, or other parties entitled to issue instructions with respect thereto, irrespective of whether such checks, drafts, electronic fund transfers, credit-card, or ACH payments are dated prior or subsequent to the Petition Date. The Debtors also request that, to the extent a Cash Management Bank honors a prepetition check or other item drawn on any account that is the subject of this Motion, either at the direction of the Debtors or in a good-faith belief that the Court has authorized such prepetition check or item to be honored, such Cash Management Bank will not be deemed to be liable to the Debtors or their estates on account of such prepetition check or other item honored postpetition. Such relief is reasonable and appropriate because the

Cash Management Banks are not able to independently verify or audit whether the Debtors may pay a particular item in accordance with a Court order or otherwise. The Debtors need to conduct transactions by debit, electronic fund, ACH payments, and other similar methods. If the Debtors are denied the opportunity to conduct transactions by debit, electronic fund, ACH payments, or other methods used in the ordinary course of business, the Debtors likely would have difficulty performing on their contracts and the Debtors' business operations would be disrupted unnecessarily, burdening the Debtors and their creditors with additional costs.

**III. The Debtors Should Be Granted Authority to Use Existing Business Forms and Books and Records.**

36. The Debtors request that they be authorized to continue to use their Business Forms and Books and Records, substantially in the form existing immediately before the Petition Date, without reference to their status as debtors in possession. Parties doing business with the Debtors undoubtedly will be aware of their status as debtors in possession and, thus, changing forms such as letterhead would be an unnecessary additional expense and unduly burdensome.

37. The Debtors should be permitted to maintain their existing Books and Records rather than open a new set as required under the U.S. Trustee Guidelines. The Debtors use a sophisticated recordkeeping system that enables them to consolidate their Books and Records for financial reporting purposes while maintaining separate records on an entity-by-entity basis to track the operations and results of individual entities across their corporate structure. Continued use of the Debtors' current Books and Records will maximize efficiency and decrease administrative burden while maintaining the precise entity-by-entity reporting contemplated by the U.S. Trustee.

**IV. Payment of Bank Fees and Prepetition Obligations Related to the Bank Accounts Will Facilitate a Smooth Transition into Chapter 11.**

38. The Debtors can pay prepetition Bank Fees and continue satisfying Bank Fees as they arise during these chapter 11 cases because such payments are ordinary course. *See* 11 U.S.C. § 363(c) (“If the business of the debtor is authorized to be operated under section . . . 1108 . . . and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.”). This motion seeks authority to pay such fees and satisfy such obligations out of an abundance of caution to the extent that payment of these obligations is not considered ordinary course.

39. Subject to court approval, section 363(b) of the Bankruptcy Code permits a debtor to pay prepetition obligations where a sound business purpose exists for doing so. *See In re Ionosphere Clubs*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989) (noting that section 363(b) of the Bankruptcy Code provides “broad flexibility” to authorize a debtor to honor prepetition claims where supported by an appropriate business justification). Under section 1107(a) of the Bankruptcy Code, a debtor in possession has, among other things, the “implied duty of the debtor-in-possession to ‘protect and preserve the estate, including an operating business’ going-concern value.” *See In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)).

40. Under section 105(a) of the Bankruptcy Code, “the Court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code.” 11 U.S.C. § 105(a); *see also In re CoServ*, 273 B.R. at 497 (finding that sections 105 and 1107 of the Bankruptcy Code provide the authority for a debtor in possession to pay pre-petition claims); *In re Mirant Corp.*, 296 B.R. 427, 429 (Bankr. N.D. Tex. 2003) (noting that non-payment

of prepetition claims may seriously damage a debtor's business). The above-referenced sections of the Bankruptcy Code have been interpreted to authorize the postpetition payment of prepetition claims when the payments are critical to preserving the going-concern value of the debtor's estate, as is the case here. *See, e.g., In re CoServ*, 273 B.R. at 497 (“[I]t is only logical that the bankruptcy court be able to use [s]ection 105(a) of the [Bankruptcy] Code to authorize satisfaction of the prepetition claim in aid of preservation or enhancement of the estate.”).

41. The Debtors request authority to pay prepetition Bank Fees as they become due in the ordinary course. Authority to make such payments is necessary to the Debtors' operations, which are predicated on an uninterrupted flow of funds between Bank Accounts. If the Debtors do not pay their Bank Fees, their crucial relationships with the Cash Management Banks may be materially damaged. The Debtors' management and advisors may also be forced to spend time and resources on unnecessary disputes with the Cash Management Banks at this critical juncture. Any interference or delay in any of these programs is unnecessary and unduly burdensome.

**V. The Court Should Authorize the Debtors to Engage in Intercompany Transactions and Grant Administrative Expense Status to Intercompany Claims.**

42. The Debtors seek authority to enter into such Intercompany Transactions in the ordinary course of business and consistent with historical practice. The Debtors will continue to maintain records of Intercompany Transactions, including records of all current intercompany accounts receivables and payables. Discontinuing the Intercompany Transactions would disrupt the Cash Management System and related administrative controls. The Debtors' continued performance of the Intercompany Transactions postpetition is in the best interests of the Debtors' estates and stakeholders.

43. To ensure that the Debtors' creditors are sufficiently protected, the Debtors request that each payment (or other transfer of cash, whether to or from the Debtors) from a Debtor to

another Debtor under any postpetition Intercompany Transaction be granted administrative expense status under section 503(b) of the Bankruptcy Code.<sup>10</sup> This relief will ensure that each entity receiving payments from a Debtor will continue to bear ultimate repayment responsibility for such ordinary course transactions, thereby reducing the risk that these transactions would jeopardize the recoveries available to each Debtors' respective creditors (subject and junior to any claims granted pursuant to any Cash Collateral Order).

**VI. Cause Exists for Waiving the U.S. Trustee Guidelines Regarding Authorized Depositories on an Interim and Final Basis.**

44. Section 345(a) of the Bankruptcy Code authorizes deposit or investment of money of estates, such as cash, as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” For deposits that are not “insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States,” section 345(b) of the Bankruptcy Code provides that the estate must require from the entity with which the money is deposited or invested a bond in favor of the United States secured by the undertaking of a corporate security, “unless the court for cause orders otherwise.” Additionally, under the U.S. Trustee Guidelines, debtors in possession must, among other things, close prepetition bank accounts and open new “debtor in possession” operating, payroll, and tax accounts at one or more authorized depositories.

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<sup>10</sup> Notwithstanding the administrative expense status requested for the Intercompany Transactions between and among Debtors, each Debtor reserves the right to dispute any Intercompany Transaction (or payment made on account of an Intercompany Transaction) on any ground, including the methodology for calculation of such transaction or payment, and to claw back or avoid such transactions and/or payments.

45. Courts may waive compliance with section 345 of the Bankruptcy Code for “cause.” In evaluating whether “cause” exists, courts have considered a number of factors such as:

- (i) the sophistication of the debtor’s business;
- (ii) the size of the debtor’s business operations;
- (iii) the amount of the investments involved;
- (iv) the bank ratings (Moody’s and Standard & Poor) of the financial institutions where the debtor in possession funds are held;
- (v) the complexity of the case;
- (vi) the safeguards in place within the debtor’s own business for ensuring the safety of the funds;
- (vii) the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions;
- (viii) the benefit to the debtor;
- (ix) the harm, if any, to the debtor;
- (x) the harm, if any, to the estate; and
- (xi) the reasonableness of the debtor’s request for relief from section 345(b) requirements in light of the overall circumstances of the case.

*See In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

46. The Bank Accounts comply with section 345(b) of the Bankruptcy Code because such Bank Accounts are maintained at banks insured by the FDIC. *See* 11 U.S.C. § 345(b). Additionally, because the Bank Accounts are vital to the Cash Management System, requiring the Debtors to transfer funds to other banks would be unduly burdensome to the Debtors’ operations and would potentially have consequences detrimental to the Debtors’ estates. These financial institutions are well positioned to continue performing depository and cash management functions during these chapter 11 cases. Therefore, the Debtors submit that cause exists to waive

the U.S. Trustee Guidelines and allow the Debtors to continue to maintain the Bank Accounts in the ordinary course of business. Nonetheless, the Debtors propose to engage with the U.S. Trustee to determine what modifications, if any, to the Bank Accounts and Cash Management System would be appropriate under the circumstances. Accordingly, the Debtors request an initial 45-day extension (without prejudice to their rights to request additional extensions) to come into compliance with the U.S. Trustee Guidelines or to make other arrangements that would be acceptable to the U.S. Trustee.

**Processing of Checks and Electronic Fund Transfers Should Be Authorized**

47. The Debtors have sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from ongoing business operations. Under the Debtors' existing cash management system, the Debtors can readily identify checks or wire transfer requests as relating to an authorized payment in respect of the relief requested herein. There is minimal risk that checks or wire transfer requests that the Court has not authorized will be honored inadvertently. The Debtors request that the Court authorize and direct all applicable financial institutions, when requested by the Debtors, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

**Emergency Consideration**

48. Bankruptcy Rule 6003 empowers a court to grant relief within the first twenty-one days after the Petition Date "to the extent that relief is necessary to avoid immediate and irreparable harm." Failure to receive the relief requested in this Motion during the first 21 days of these chapter 11 cases would severely disrupt the Debtors' operations at this critical juncture. The Debtors have satisfied the "immediate and irreparable" harm standard in Bankruptcy Rule 6003 and request that the Court approve the relief requested on an emergency basis.



**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

49. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**Reservation of Rights**

50. Nothing contained in this Motion nor any action taken pursuant to the relief requested herein is intended or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a waiver of any claim or cause of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to this Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to an order of the Court is not intended and should not be construed as an admission as to the validity or priority of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

**Notice**

51. The Debtors will provide notice of this Motion to: (a) the United States Trustee for the Southern District of Texas; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the United States Attorney's Office for the Southern District of Texas; (d) the state attorneys general for the states in which the Debtors operate; (e) the Internal Revenue Service; (f) the United States Securities and Exchange Commission; (g) the Cash Management Banks; (h) counsel to the Prepetition Agent; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested, no other or further notice need be provided.

The Debtors request that the Court enter the Interim Order and Final Order granting the relief requested in this Motion and such other and further relief as the Court deems appropriate under the circumstances.

Dated: May 21, 2024  
Houston, Texas

*/s/ Charles R. Koster*

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*Proposed Counsel to the Debtors and  
Debtors in Possession*

**Certificate of Accuracy**

I certify that the foregoing statements are true and accurate to the best of my knowledge. This statement is being made pursuant to Bankruptcy Local Rule 9013-1(i).

/s/ Charles R. Koster

Charles R. Koster

**Certificate of Service**

I certify that on May 21, 2024, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/Charles R. Koster

Charles R. Koster

**Exhibit A**

**Bank Accounts**

<b>Debtor Bank Accounts</b>				
<b>Entity</b>	<b>Account Type</b>	<b>Financial Institution</b>	<b>Bank Account #</b>	<b>Currency</b>
Zachry Holdings, Inc.	Operating	Bank of America	x6305	USD
Zachry Holdings, Inc.	PAC	Bank of America	x4993	USD
Zachry Engineering Corporation	Operating	Bank of America	x8034	USD
Zachry Engineering Corporation	Payroll Tax	Bank of America	x8050	USD
Zachry Engineering Corporation	Tax	Bank of America	x8047	USD
Zachry Engineering Corporation	Disbursement	Bank of America	x0213	USD
Zachry Engineering Corporation	Payroll	Frost National Bank	x1168	USD
Zachry Engineering Corporation	Operating	JPMorgan Chase Bank	x5223	USD
Zachry Engineering Corporation	Disbursement	JPMorgan Chase Bank	x5538	USD
Zachry High Voltage Solutions, LLC	Operating	Amarillo National Bank	x0354	USD
ZEC New York, Inc.	Operating	Amarillo National Bank	x6310	USD
U E Properties, Inc.	Operating	Amarillo National Bank	x4685	USD
ZEC Michigan, Inc.	Operating	Amarillo National Bank	x0714	USD
ZEC Michigan, Inc.	Payroll	Frost National Bank	x2076	USD
Zachry Industrial, Inc.	Operating	Bank of America	x7300	USD
Zachry Industrial, Inc.	Tax	Bank of America	x0198	USD
Zachry Industrial, Inc.	Payroll Tax	Bank of America	x3652	USD
Zachry Industrial, Inc.	Petty Cash	Bank of America	x2985	USD
Zachry Industrial, Inc.	Operating	Bank of America	x4721	USD
Zachry Industrial, Inc.	Giftshop	Bank of America	x0999	USD
Zachry Industrial, Inc.	Tax	Bank of America	x2800	USD
Zachry Industrial, Inc.	Payroll	Bank of America	x2531	USD
Zachry Industrial, Inc.	Disbursement	Bank of America	x1584	USD
Zachry Industrial, Inc.	Disbursement	Bank of America	x2560	USD
Zachry Industrial, Inc.	Payroll	Frost National Bank	x0220	USD
Zachry Industrial, Inc.	Payroll	Frost National Bank	x7938	USD
Zachry Industrial, Inc.	Payroll	Frost National Bank	x3565	USD

<b>Debtor Bank Accounts</b>				
<b>Entity</b>	<b>Account Type</b>	<b>Financial Institution</b>	<b>Bank Account #</b>	<b>Currency</b>
Zachry Industrial, Inc.	Operating	International Bank Of Commerce	x6378	USD
Zachry Constructors, LLC	Operating	Bank of America	x1359	USD
Zachry Constructors, LLC	Payroll	Frost National Bank	x9162	USD
Moss Point Properties, LLC	Operating	Bank of America	x9020	USD
Zachry Enterprise Solutions LLC	Operating	Bank of America	x1375	USD
Zachry Enterprise Solutions LLC	Payroll	Frost National Bank	x9146	USD
Zachry Nuclear Inc.	Operating	Bank of America	x3492	USD
Zachry Nuclear Construction Inc.	Operating	Bank of America	x3557	USD
Zachry Nuclear Engineering Inc	Operating	Bank of America	x0126	USD
Zachry Nuclear Engineering Inc	Operating	PNC	x4355	USD
Zachry Nuclear Engineering Inc	Operating	Texas Capital Bank	x4865	USD
Zachry Nuclear Engineering Inc	Credit Card	US Bank	x5974	USD
Zachry Nuclear Engineering Inc	Payroll	Frost National Bank	x6589	USD
Zachry Plant Services Holdings, Inc.	Operating	Bank of America	x9376	USD
Zachry Plant Services Holdings, Inc.	Payroll	Frost National Bank	x7365	USD
JVIC Fabrication, LLC	Operating	Amegy	x9402	USD
JVIC Fabrication, LLC	Payroll	Frost National Bank	x9170	USD
Zachry Industrial Americas, Inc.	Operating	Bank of America	x4246	USD
Zachry Maintenance Services, LLC	Operating	Bank of America	x1362	USD
Zachry Maintenance Services, LLC	Payroll	Frost National Bank	x9138	USD
J.V. Industrial Companies, LLC	Sweep	Amegy	x7567	USD
J.V. Industrial Companies, LLC	Operating	Amegy	x5286	USD
J.V. Industrial Companies, LLC	Disbursement	Amegy	x5681	USD
J.V. Industrial Companies, LLC	Payroll	Wells Fargo Bank	x7829	USD
Madison Industrial Services Team, LLC	Operating	Amegy	x0515	USD
Madison Industrial Services Team, LLC	Payroll	Bank of America	x6494	USD
Madison Industrial Services Team, LLC	Payroll	Wells Fargo Bank	x1374	USD

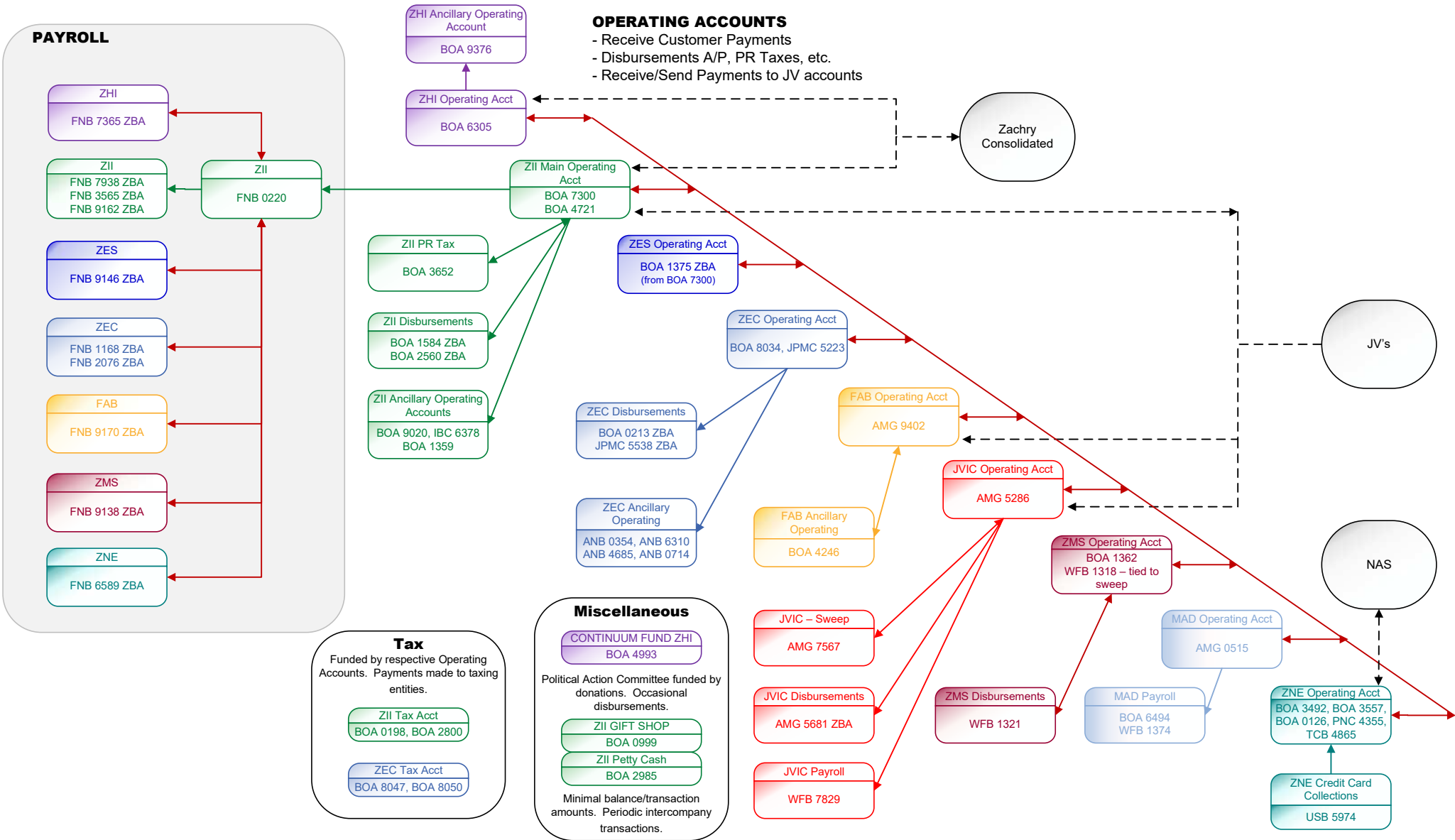
<b>JV Bank Accounts</b>				
<b>Entity</b>	<b>Account Type</b>	<b>Financial Institution</b>	<b>Bank Account #</b>	<b>Currency</b>
CCZJV-GPX	Operating	Bank of America	x8116	USD
CCZJV-GPX	Operating	Bank of America	x6655	USD
CCZJV-GPX	Operating	Bank of America	x0025	GBP
CCZJV-GPX	Operating	Bank of America	x0017	EUR
CCZJV-GPX	Operating	Bank of America	x0033	CAD
CCZJV-GPX	Operating	Bank of America	x0041	JPY
MZJV-GPX	Operating	Bank of America	x1943	USD
CB&I-Chiyoda-Zachry Venture	Joint Operating	Bank of America	x6051	USD
CB&I-Zachry Joint Venture	Operating	Bank of America	x1999	USD
CB&I-Zachry Joint Venture	Disbursement	Bank of America	x8215	USD
KZJV LLC	Operating	Bank of America	x4579	USD
KZJV LLC	Investment	Bank of America	x4877	USD
Zachry Daelim Joint Ventures	Operating	Bank of America	x2592	USD
Zachry Daelim Joint Ventures	Investment	Bank of America	x7678	USD
BMZ Third Coast Partners	Operating	Bank of America	x0727	USD
BMZ Third Coast Partners	Investment	Bank of America	x7553	USD



**Exhibit B**

**Cash Management System Schematic**

**SIMPLIFIED CASH MANAGEMENT SCHEMATIC**



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

In re:	)	
	)	Chapter 11
ZACHRY HOLDINGS, INC., <i>et al.</i> <sup>1</sup>	)	Case No. 24-90377 (MI)
	)	
Debtors.	)	(Joint Administration Requested)
	)	Re: Docket No. ____

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO  
(A) CONTINUE OPERATING THEIR CASH MANAGEMENT SYSTEM AND  
MAINTAIN EXISTING BANK ACCOUNTS, (B) CONTINUE TO PERFORM  
INTERCOMPANY TRANSACTIONS, (C) MAINTAIN EXISTING BUSINESS  
FORMS AND BOOKS AND RECORDS, AND (D) CONTINUE UTILIZING  
CORPORATE CREDIT CARD PROGRAMS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) for entry of an interim order (this “**Interim Order**”), (a) authorizing the Debtors to (i) continue operating their Cash Management System and maintain their existing Bank Accounts, including honoring certain prepetition obligations related thereto, (ii) continue to perform Intercompany Transactions and funding as set forth herein, (iii) maintain existing Business Forms and Books and Records in the ordinary course of business, and (iv) continue utilizing corporate credit card programs, and (b) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that venue of this proceeding and the Motion in this district is proper

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<sup>1</sup> The last four digits of Zachry Holdings, Inc.’s tax identification number are 6814. A complete list of each of the Debtors in these chapter 11 cases and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.kcellc.net/zhi>. The location of the Debtors’ service address in these chapter 11 cases is: P.O. Box 240130, San Antonio, Texas 78224.

<sup>2</sup> 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. §§ 1408 and 1409; and due, sufficient, and proper notice of the Motion having been provided under the circumstances and in accordance with the Bankruptcy Rules and the Bankruptcy Local Rules, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and upon consideration of the First Day Declaration and the record of the Hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, their stakeholders, and all other parties in interest, and that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The final hearing (the “**Final Hearing**”) on the Motion shall be held on \_\_\_\_\_, 2024 at \_\_:\_\_.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on \_\_\_\_\_, 2024. In the event no objections to entry of the final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

2. The Debtors are authorized, on an interim basis, to: (a) continue operating the Cash Management System, substantially as illustrated in Exhibit B to the Motion; (b) designate, maintain, close, and continue to use the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit A attached to the Motion; (c) pay any Bank Fees, irrespective of whether such fees arose prior to the Petition Date, and perform the Debtors’ obligations under the documents and arrangements governing the Bank Accounts; and (d) continue to perform Intercompany Transactions and take any actions related thereto in the ordinary course of business substantially consistent with the Debtors’ prepetition practice.

3. To the extent any of the Debtors' Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee's requirements or guidelines, the Debtors shall have until forty-five days from the Petition Date, without prejudice to seek an additional extension or waiver, to come into compliance with section 345(b) of the Bankruptcy Code; *provided* that nothing herein shall prevent the Debtors or the U. S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of the period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

4. Those agreements existing between the Debtors and the Cash Management Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Banks and, subject to applicable bankruptcy or other law, the provisions of such agreements, including the termination, fee provisions, rights, benefits, collateral, offset rights, and remedies afforded under such agreements shall remain in full force and effect. The Debtors and the Cash Management Banks may, without further order of this Court, agree to implement changes to the Cash Management System in the ordinary course of business pursuant to the terms of those certain existing agreements, including, without limitation, the opening and closing of Bank Accounts; *provided* that the Debtors shall provide seven days' prior written notice to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing of any Bank Account and such opening or closing shall be timely reported in the Debtors' monthly operating reports.

5. The Debtors are authorized to continue using, in their present form, the Business Forms as well as checks and other documents related to the Bank Accounts existing immediately

before the Petition Date without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of checks, the Debtors shall ensure that any new checks are clearly labeled "Debtor In Possession" within ten business days.

6. The Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the ordinary course of business and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, ACH transfers, and other electronic transfers of any kind issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be (including the completion of any such transaction commenced on or before the Petition Date but not completed until on or after the Petition Date).

7. The Debtors are authorized, in the ordinary course of business, to open any new bank accounts or close any existing Bank Accounts and enter into any ancillary agreements, including new deposit account control agreements, related to the foregoing, as they may deem necessary and appropriate, subject to the terms and provisions of the Debtors' agreement with the Cash Management Banks, as applicable; *provided* that all accounts opened by the Debtors on or after the Petition Date shall be designated as "Debtor in Possession" accounts at depositories that are (a) insured by the FDIC or the Federal Savings and Loan Insurance Corporation, (b) designated as an authorized depository by the U.S. Trustee pursuant to the U.S. Trustee Guidelines, and (c) with a bank that agrees to be bound by the terms of this Interim Order; *provided further* that the Debtors shall provide seven days' prior written notice to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing of any Bank Account and such opening or closing shall be timely indicated on the Debtors' monthly operating reports.

8. The relief granted in this Interim Order is extended to any new bank account opened by the Debtors in the ordinary course of business and consistent with historical practice after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank.

9. Each Cash Management Bank is authorized to charge, and the Debtors are authorized to pay, honor, or allow any Bank Fees or charges associated with the Bank Accounts, and charge back returned items to the Bank Accounts in the ordinary course, including any prepetition amounts. Any fees, costs, charges, and expenses, including Bank Fees, or charge-backs or any other reimbursement or payment obligations payable to the Banks after the Petition Date are hereby accorded priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

10. Each Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business without the need for any further order of this Court for: (a) all checks drawn on the Bank Accounts which are cashed at the Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to or after the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with the Cash Management Bank prior to or after the Petition Date which have been dishonored or returned unpaid for any reason, including returned items that result from wire transfers, ACH transactions, or other electronic transfers of any kind, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to or after the Petition Date; (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business; and (d) any postpetition amounts due and owing to the

Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business.

11. Each Cash Management Bank may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Interim Order or any other order of this Court, and such Cash Management Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

12. The Debtors are authorized to enter into, engage in, and satisfy any payments in connection with the Intercompany Transactions and to take any reasonable actions related thereto, in each case, in the ordinary course and consistent with the Debtors' prepetition practices. The Debtors are authorized to set off mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System in the ordinary course of business consistent with the Debtors' prepetition practices. The Debtors are authorized to continue Intercompany Transactions arising from or related to the operation of their business in the ordinary course and consistent with historical practice. All postpetition obligations owing by a Debtor to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code; *provided* that any such administrative expense status claim shall be junior and subordinate to the carve out and approved superpriority administrative expense claims provided for in any order, including a Cash Collateral Order.

13. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current and complete records with respect to all Intercompany Transactions, including all transfers of cash, so that all Intercompany Transactions may be readily ascertained, traced,



properly recorded on intercompany accounts, and distinguished between prepetition and postpetition transactions. Such records shall be made available upon request by the U.S. Trustee and any statutory committee. To the extent that the transfers within the Cash Management system are disbursements, they will be noted and reflected on the monthly operating reports. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity makes the disbursements or pays those disbursements.

14. The Debtors shall provide reasonable notice to the U.S. Trustee and any statutory committee of material changes to the Cash Management System and procedures.

15. The Debtors are authorized to continue issuing credit cards and reimbursing expenses incurred under the Credit Card Programs in the ordinary course of business consistent with prepetition practices, including by paying obligations outstanding with respect thereto and applying any charges against prepetition deposits on a prepetition and postpetition basis, subject to the limitations of this Interim Order.

16. The Debtors are authorized to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Interim Order.

17. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

18. The Debtors are authorized to issue postpetition checks or effect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are inadvertently dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

19. Notwithstanding anything to the contrary contained in the Motion or this Interim Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors' use of cash collateral (any such order, including, for the avoidance of doubt, the approved cash collateral budget, a "**Cash Collateral Order**"). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Interim Order and the terms of any Cash Collateral Order, the terms of the Cash Collateral Order will govern.

20. Nothing contained in the Motion or this Interim Order, nor any action taken pursuant thereto, nor any payment made pursuant to the authority granted thereby, is intended to be or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a waiver of any claims or causes of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual,

common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

21. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

22. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

23. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

24. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: \_\_\_\_\_, 2024  
Houston, Texas

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UNITED STATES BANKRUPTCY JUDGE



pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and due, sufficient, and proper notice of the Motion having been provided under the circumstances and in accordance with the Bankruptcy Rules and the Bankruptcy Local Rules, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “**Hearing**”); and upon consideration of the First Day Declaration and the record of the Hearing and all of the proceedings had before the Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, their stakeholders, and all other parties in interest, and that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY ORDERED THAT:

1. The Debtors are authorized, on a final basis, to: (a) continue operating the Cash Management System, substantially as illustrated in Exhibit B to the Motion; (b) designate, maintain, close, and continue to use the Bank Accounts in existence as of the Petition Date, including those Bank Accounts identified on Exhibit A attached to the Motion; (c) pay any Bank Fees, irrespective of whether such fees arose prior to the Petition Date, and perform the Debtors’ obligations under the documents and arrangements governing the Bank Accounts; and (d) continue to perform Intercompany Transactions and take any actions related thereto in the ordinary course of business consistent with the Debtors’ prepetition practice.

2. To the extent any of the Debtors’ Bank Accounts are not in compliance with section 345(b) of the Bankruptcy Code or any of the U.S. Trustee’s requirements or guidelines, the Debtors shall have until forty-five days from the Petition Date, without prejudice to seek an additional extension or waiver, to come into compliance with section 345(b) of the Bankruptcy

Code; *provided* that nothing herein shall prevent the Debtors or the U. S. Trustee from seeking further relief from the Court to the extent that an agreement cannot be reached. The Debtors may obtain a further extension of the period referenced above by entering into a written stipulation with the U.S. Trustee and filing such stipulation on the Court's docket without the need for further Court order.

3. Those agreements existing between the Debtors and the Cash Management Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Banks and, subject to applicable bankruptcy or other law, the provisions of such agreements, including the termination, fee provisions, rights, benefits, collateral, offset rights, and remedies afforded under such agreements shall remain in full force and effect. The Debtors and the Cash Management Banks may, without further order of this Court, agree to implement changes to the Cash Management System in the ordinary course of business pursuant to the terms of those certain deposit agreements, including, without limitation, the opening and closing of Bank Accounts; *provided* that the Debtors shall provide seven days' prior written notice to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing of any Bank Account and such opening or closing shall be timely reported in the Debtors' monthly operating reports.

4. The Debtors are authorized to continue using, in their present form, the Business Forms as well as checks and other documents related to the Bank Accounts existing immediately before the Petition Date without reference to the Debtors' status as debtors in possession; *provided* that once the Debtors have exhausted their existing stock of checks, the Debtors shall ensure that any new checks are clearly labeled "Debtor In Possession" within ten business days.

5. The Cash Management Banks are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession without interruption and in the ordinary course of business and to receive, process, honor, and pay, to the extent of available funds, any and all checks, drafts, wires, ACH transfers, and other electronic transfers of any kind issued and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be (including the completion of any such transaction commenced on or before the Petition Date but not completed until on or after the Petition Date).

6. The Debtors are authorized, in the ordinary course of business, to open any new bank accounts or close any existing Bank Accounts and enter into any ancillary agreements, including new deposit account control agreements, related to the foregoing, as they may deem necessary and appropriate, subject to the terms and provisions of the Debtors' agreement with the Cash Management Banks, as applicable; *provided* that all accounts opened by the Debtors on or after the Petition Date shall be designated as "Debtor in Possession" accounts at depositories that are (a) insured by the FDIC or the Federal Savings and Loan Insurance Corporation, (b) designated as an authorized depository by the U.S. Trustee pursuant to the U.S. Trustee Operating Guidelines, and (c) with a bank that agrees to be bound by the terms of this Final Order; *provided further* that the Debtors shall provide seven days' prior written notice to the U.S. Trustee, and, if appointed, counsel to any statutory committee, email notice being sufficient, of such opening or closing of any Bank Account and such opening or closing shall be timely indicated on the Debtors' monthly operating reports.

7. The relief granted in this Final Order is extended to any new bank account opened by the Debtors in the ordinary course of business and consistent with historical practice after the

date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Cash Management Bank.

8. Each Cash Management Bank is authorized to charge, and the Debtors are authorized to pay, honor, or allow any Bank Fees or charges associated with the Bank Accounts, and charge back returned items to the Bank Accounts in the ordinary course, including any prepetition amounts. Any fees, costs, charges, and expenses, including Bank Fees, or charge-backs or any other reimbursement or payment obligations payable to the Banks after the Petition Date are hereby accorded priority as administrative expenses pursuant to section 503(b)(1) of the Bankruptcy Code.

9. Each Cash Management Bank is authorized to debit the Bank Accounts in the ordinary course of business without the need for any further order of this Court for: (a) all checks drawn on the Bank Accounts which are cashed at the Cash Management Bank's counters or exchanged for cashier's checks by the payees thereof prior to or after the Petition Date; (b) all checks or other items deposited in one of the Bank Accounts with the Cash Management Bank prior to or after the Petition Date which have been dishonored or returned unpaid for any reason, including returned items that result from wire transfers, ACH transactions, or other electronic transfers of any kind, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to or after the Petition Date; (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business; and (d) any postpetition amounts due and owing to the Cash Management Bank as service charges for the maintenance of the Cash Management System, including any Bank Fees incurred in the ordinary course of business.



10. Each Cash Management Bank may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Final Order or any other order of this Court, and such Cash Management Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. The Debtors are authorized to enter into, engage in, and satisfy any payments in connection with the Intercompany Transactions and to take any reasonable actions related thereto, in each case, in the ordinary course and consistent with the Debtors' prepetition practices. The Debtors are authorized to set off mutual postpetition obligations relating to intercompany receivables and payables through the Cash Management System in the ordinary course of business consistent with the Debtors' prepetition practices. The Debtors are authorized to continue Intercompany Transactions arising from or related to the operation of their business in the ordinary course and consistent with historical practice. All postpetition obligations owing by a Debtor to another Debtor under any postpetition Intercompany Transactions authorized hereunder are hereby accorded administrative expense status under section 503(b) of the Bankruptcy Code; *provided* that any such administrative expense status claim shall be junior and subordinate to the carve out and approved superpriority administrative expense claims provided for in any order, including a Cash Collateral Order.

12. In connection with the Intercompany Transactions, the Debtors shall continue to maintain current and complete records with respect to all Intercompany Transactions, including all transfers of cash, so that all Intercompany Transactions may be readily ascertained, traced, properly recorded on intercompany accounts distinguished between prepetition and postpetition transactions. Such records shall be made available upon request by the U.S. Trustee and any

statutory committee. To the extent that the transfers within the Cash Management system are disbursements, they will be noted and reflected on the monthly operating reports. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity makes the disbursements or pays those disbursements.

13. The Debtors shall provide reasonable notice to the U.S. Trustee and any statutory committee of material changes to the Cash Management System and procedures.

14. The Debtors are authorized to continue issuing credit cards and reimbursing expenses incurred under the Credit Card Programs in the ordinary course of business consistent with prepetition practices, including by paying obligations outstanding with respect thereto and applying any charges against prepetition deposits on a prepetition and postpetition basis, subject to the limitations of this Final Order.

15. The Debtors are authorized to execute and deliver such documents and to take and perform all actions necessary to implement and effectuate the relief granted in this Final Order.

16. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

17. The Debtors are authorized to issue postpetition checks or effect postpetition fund transfer requests in replacement of any checks or fund transfer requests that are inadvertently

dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

18. Notwithstanding anything to the contrary contained in the Motion or this Final Order, any payment to be made and any relief or authorization granted hereunder shall be limited by, and shall be subject to, the requirements imposed on the Debtors in any orders entered by this Court authorizing the Debtors' use of cash collateral, including, for the avoidance of doubt, the cash collateral budget (any such order, a "**Cash Collateral Order**"). To the extent of any conflict (but solely to the extent of such conflict) between the terms of this Final Order and the terms of any Cash Collateral Order, the terms of the Cash Collateral Order will govern.

19. Nothing contained in the Motion or this Final Order, nor any action taken pursuant thereto, nor any payment made pursuant to the authority granted thereby, is intended to be or shall be construed as: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a waiver of any claims or causes of action that may exist against any creditor or interest holder; (f) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (g) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the Motion are valid and the Debtors expressly reserve their rights to contest the extent, validity, or perfection or seek avoidance of all such liens.

20. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

21. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

22. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Final Order.

Dated: \_\_\_\_\_, 2024  
Houston, Texas

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UNITED STATES BANKRUPTCY JUDGE