

**ENTERED**

May 22, 2024

Nathan Ochsner, Clerk

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

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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. 8

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**INTERIM ORDER (I) AUTHORIZING  
 THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF  
 (A) CRITICAL VENDORS, (B) LIEN CLAIMANTS, (C) FOREIGN CLAIMANTS,  
 AND (D) 503(B)(9) CLAIMANTS, (II) CONFIRMING ADMINISTRATIVE EXPENSE  
 PRIORITY OF OUTSTANDING ORDERS AND AUTHORIZING THE DEBTORS  
 TO SATISFY SUCH OBLIGATIONS, AND (III) GRANTING RELATED RELIEF**

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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**”), pursuant to sections 105(a), 363, 503(b), 1107(a), 1108, and 1129 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Bankruptcy Local Rule 9013-1, (a) authorizing the Debtors to pay in the ordinary course of business and consistent with their prepetition practice certain prepetition claims held by (i) Critical Vendors, (ii) Lien Claimants, (iii) Foreign Claimants, and (iv) 503(b)(9) Claimants, (b) confirming the administrative expense priority status of the Outstanding Orders; (c) scheduling a hearing to consider approval of the Motion on a final basis, and (d) 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

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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.kccllc.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 have the meanings ascribed to them in the Motion.



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 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 June 17, 2024 at 2:00 p.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 June 10, 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, pursuant to sections 105(a), 363(b), 503(b), 1107(a), 1108, and 1129 of the Bankruptcy Code, in the reasonable exercise of their business judgment, and subject to the terms of this Order, to honor, pay, or otherwise satisfy, in the ordinary course of business and in accordance with the Debtors’ prepetition practice, the prepetition Trade Claims (or a portion thereof) comprising Critical Vendor Claims, Lien Claims, Foreign Claims, and 503(b)(9) Claims, as described in the motion, in an aggregate amount not to exceed \$4,500,000 on an interim basis, and in each instance, subject to and in accordance with the Cash Collateral Order (defined

below). In the event the Debtors will exceed the aggregate amounts in any category as detailed in the Motion during the interim period, the Debtors shall file a notice with the Court describing the category and overage amount prior to payments. If no objections are filed with the Court and served on the Debtors within five (5) business days, such overage shall be authorized to be paid.

3. Prior to entry of a Final Order, the Debtors shall not pay any obligations under this Interim Order unless they are due or are deemed necessary to be paid in the Debtors' reasonable business judgment to ensure ongoing provision of goods or services or otherwise to avoid an adverse effect on operations.

4. Any party that accepts payment from the Debtors on account of any prepetition Trade Claims (or a portion thereof) comprising Critical Vendor Claims, Lien Claims, Foreign Claims, and 503(b)(9) Claims shall (i) be deemed to have agreed to the terms and provisions of this Interim Order and shall be deemed to have waived, to the extent so paid, any and all prepetition claims, of whatever type, kind or priority, against the Debtors, their properties and estates up to the paid amount; provided that, prior to making any payment pursuant to this Interim Order, the Debtors shall provide such party with a copy of this Interim Order (unless previously provided to such party); and (ii) at the Debtors' request, take all actions necessary to remove any mechanics' liens, possessory liens, or similar state law trade liens on the Debtors' assets such party may have based upon such Trade Claims at such party's sole expense.

5. As a condition to receiving payment pursuant to this Interim Order on account of a Trade Claim, the Debtors shall condition payment of Trade Claims upon each Trade Claimant's Trade Agreement, which may be obtained via email, to continue providing goods and services to the Debtors in accordance with Customary Trade Terms during the pendency of the chapter 11 cases that are at least as favorable as those existing in the twelve months prior to the Petition Date.

The Debtors reserve the right to require additional favorable trade terms with any Trade Claimant as a condition to payment of any Trade Claim. Any party that accepts payment from the Debtors on account of a Trade Claim shall be provided with a copy of this Interim Order and are deemed to have agreed to the terms and provisions of this Interim Order.

6. In the event that a Trade Claimant that receives payment pursuant to this Interim Order does not maintain or reinstate trade terms at least as favorable as those existing in the twelve months prior to the Petition Date during the pendency of the chapter 11 cases, regardless of whether a Trade Agreement has been executed, the Debtors shall have all remedies available at law or in equity with respect to such Trade Claimant and the payment made to such Trade Claimant.

7. The undisputed obligations of the Debtors arising under the Outstanding Orders shall be afforded administrative expense priority status pursuant to section 503(b)(1)(A) 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.

8. The Debtors shall maintain a matrix/schedule of all amounts directly or indirectly paid under the terms and conditions of this Interim Order (the “**Vendor Matrix**”), including the following information: (i) the category of Trade Claims for amount paid, applied, offset or setoff, as further described and classified in the Motion; (ii) the amount of the payment, application, offset or setoff by category; (iii) the Debtor or Debtors that made the payment, application, offset or setoff; (iv) the recipient of the payment, application, offset or setoff; and (v) the date of the payment, application, offset or setoff. The Debtors shall provide a copy of such Vendor Matrix on a confidential basis to the U.S. Trustee and counsel to any statutory committee appointed in this case no later than ten business days following the last day of each calendar month.

9. The Debtors are authorized, pursuant to section 363(c)(1) of the Bankruptcy Code, to pay in the ordinary course of their businesses all undisputed obligations arising from the postpetition delivery or shipment of goods or provision of services under the Outstanding Orders consistent with their customary past practice, subject to and in accordance with the Cash Collateral Order.

10. 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.

11. 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.

12. 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.

13. 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, a "**Cash Collateral Order**"), including, for the avoidance of doubt, the approved cash collateral budget. 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.

14. 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.

15. The Debtors shall not make any payments on account of prepetition amounts owed to an Insider (as such term is defined in section 101(31) of the Bankruptcy Code) pursuant to this Interim Order.

16. Further, nothing herein shall prejudice the Debtors' ability to seek a further order from this Court authorizing the Debtors to exceed the aggregate amounts of any Vendor category as set forth herein during the interim period.

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

18. 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.

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

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

Signed: May 22, 2024

A handwritten signature in black ink, consisting of a stylized 'M' followed by a wavy line and a 'J' with a horizontal stroke.

Marvin Isgur  
United States Bankruptcy Judge

United States Bankruptcy Court  
Southern District of TexasIn re:  
Zachry Holdings, Inc.  
DebtorCase No. 24-90377-mi  
Chapter 11**CERTIFICATE OF NOTICE**District/off: 0541-4  
Date Rcvd: May 22, 2024User: ADIuser  
Form ID: pdf002Page 1 of 3  
Total Noticed: 5

The following symbols are used throughout this certificate:

<b>Symbol</b>	<b>Definition</b>
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

**Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on May 24, 2024:**

<b>Recip ID</b>	<b>Recipient Name and Address</b>
db	+ Zachry Holdings, Inc., 527 Logwood Avenue, San Antonio, TX 78221-1738
op	+ CB&I LLC, 757 North Eldridge Parkway, Houston, TX 77079-4527
op	+ Kurtzman Carson Consultants LLC, 222 N. Pacific Coast Highway, El Segundo, CA 90245-5648

TOTAL: 3

**Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.**

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

<b>Recip ID</b>	<b>Notice Type: Email Address</b>	<b>Date/Time</b>	<b>Recipient Name and Address</b>
cr	Email/Text: julie.parsons@mvalaw.com	May 22 2024 20:13:00	The County of Brazos, Texas, McCreary Veselka Bragg & Allen, P.C, Attn: Julie Anne Parsons, PO Box 1269, Round Rock, TX 78680-1269
cr	+ Email/Text: julie.parsons@mvalaw.com	May 22 2024 20:13:00	The County of Medina, Texas, McCreary, Veselka, Bragg & Allen, P.C., P.O. Box 1269, Round Rock, TX 78680, UNITED STATES 78680-1269

TOTAL: 2

**BYPASSED RECIPIENTS**

The following addresses were not sent this bankruptcy notice due to an undeliverable address, \*duplicate of an address listed above, \*P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

<b>Recip ID</b>	<b>Bypass Reason</b>	<b>Name and Address</b>
cr		Bank of america, n.a.
intp		Chiyoda International Corporation

TOTAL: 2 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

**NOTICE CERTIFICATION**

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

**Meeting of Creditor Notices only (Official Form 309):** Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: May 24, 2024

Signature: /s/Gustava Winters**CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on May 22, 2024 at the address(es) listed below:



District/off: 0541-4  
Date Rcvd: May 22, 2024

User: ADIuser  
Form ID: pdf002

Page 2 of 3  
Total Noticed: 5

<b>Name</b>	<b>Email Address</b>
Alonso Aquije	on behalf of Debtor Zachry Holdings Inc. alonso.aquije@whitecase.com, mco@whitecase.com
Andrew Jimenez	on behalf of U.S. Trustee US Trustee andrew.jimenez@usdoj.gov
Andrew F. O'Neill	on behalf of Debtor Zachry Holdings Inc. aoneill@whitecase.com, mco@whitecase.com
Barrett Lingle	on behalf of Debtor Zachry Holdings Inc. barrett.lingle@whitecase.com, mco@whitecase.com
Bojan Guzina	on behalf of Debtor Zachry Holdings Inc. bojan.guzina@whitecase.com, mco@whitecase.com
Charles A Beckham, Jr	on behalf of Interested Party Chiyoda International Corporation charles.beckham@haynesboone.com kenneth.rusinko@haynesboone.com;jodi.valencia@haynesboone.com
Charles R. Koster	on behalf of Debtor JVIC Fabrication LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry EPC Holdings LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Engineering Corporation ckoster@whitecase.com mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Maintenance Services LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry High Voltage Solutions LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor J.V. Industrial Companies LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Plant Services Holdings Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Moss Point Properties LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Constructors LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Nuclear Engineering Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Industrial Americas Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Enterprise Solutions Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Nuclear Construction Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Computer Simulation & Analysis Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor ZEC Michigan Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor UE Properties Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Nuclear Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Madison Industrial Services Team LLC ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Industrial Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor Zachry Holdings Inc. ckoster@whitecase.com, mco@whitecase.com
Charles R. Koster	on behalf of Debtor ZEC New York Inc. ckoster@whitecase.com, mco@whitecase.com

District/off: 0541-4  
Date Rcvd: May 22, 2024

User: ADIuser  
Form ID: pdf002

Page 3 of 3  
Total Noticed: 5

Christopher T Greco

on behalf of Other Prof. CB&I LLC christopher.greco@kirkland.com  
alexandra.schwarzman@kirkland.com;hlamparter@excoresources.com;ecf-9b7a1a52c6e8@ecf.pacerpro.com;whitney.fogelberg@kirkland.com;ecf-00163ec7e7ea@ecf.pacerpro.com

Clint Simkins

on behalf of Debtor Zachry Holdings Inc. cjsimkins@gmail.com, mco@whitecase.com

Demetra Liggins

on behalf of Creditor Bank of america n.a. dliggins@mcguirewoods.com, morand@mcguirewoods.com

Evan Gershbein

on behalf of Other Prof. Kurtzman Carson Consultants LLC ECFpleadings@kccllc.com ecfpleadings@kccllc.com

Gabriela Delgado

on behalf of Debtor Zachry Holdings Inc. gabriela.delgado@whitecase.com

Jana Smith Whitworth

on behalf of U.S. Trustee US Trustee jana.whitworth@usdoj.gov

Julie Anne Parsons

on behalf of Creditor The County of Brazos Texas jparsons@mvalaw.com,  
vcovington@mvalaw.com;kalexander@mvalaw.com;julie.parsons@ecf.courtdrive.com

Julie Anne Parsons

on behalf of Creditor The County of Medina Texas jparsons@mvalaw.com,  
vcovington@mvalaw.com;kalexander@mvalaw.com;julie.parsons@ecf.courtdrive.com

Richard James Szuba

on behalf of Debtor Zachry Holdings Inc. rj.szuba@whitecase.com

US Trustee

USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 37