

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

In re: §  
§ Case No. 24-90377  
**ZACHRY HOLDINGS, INC., et al.,**<sup>1</sup> §  
§ Chapter 11  
**DEBTORS.** §  
§ *(Jointly Administered)*  
§

**SECOND LIMITED OBJECTION OF MOBILE MODULAR MANAGEMENT CORP.  
AND MCGRATH RENTCORP TO DEBTORS’ FIRST MOTION FOR ENTRY OF AN  
ORDER AUTHORIZING THE ASSUMPTION AND ASSIGNMENT  
OF CERTAIN GPX PROJECT EXECUTORY CONTRACTS**

Mobile Modular Management Corp. f/k/a Vesta Modular and McGrath RentCorp (collectively, “McGrath”) makes this second limited objection to the Debtors’ First Motion for Entry of an Order Authorizing the Assumption and Assignment of Certain GPX Project Executory Contracts (ECF No. 767) (the “Motion”). This objection is in response to the Debtor’s Notice of Reconciled Cure Amounts (ECF No. 1001) (the “Notice”).

**PRELIMINARY STATEMENT**

McGrath’s objection is limited to the Reconciled Cure Amount<sup>2</sup> for its contracts. According to the Notice, the Debtor proposes a cure amount of \$0.00. After receipt of \$1,002,237.33 as payment for some of its outstanding invoices in connection with the GPX Project, McGrath is still owed \$79,393.50 as of the date of this Objection. It will be owed an additional \$70,394.69 by the end of next month.

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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’ claims and noticing agent at <https://www.veritaglobal.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.



### BACKGROUND

1. McGrath rents trailers, storage units and modular buildings to the Debtor for use in connection with the GPX Project. As required by its contracts with the Debtor, McGrath delivered its equipment for use on the GPX Project to the Golden Pass LNG Terminal and to a second location, TGS Cedar Port Industrial Park, that the Debtor used as a staging facility. McGrath charged the Debtor a monthly fee which varied by contract depending upon the equipment covered by that contract. The Debtor has not paid McGrath since August 2023 but has continued to use and occupy McGrath's equipment to this day.

2. Taking into account the \$1,002,237.33 paid to date, the Debtor currently owes McGrath \$98,082.87 on its various GPX Project contracts (the "Contracts") as set forth below:

<b>Contract</b>	<b>Balance</b>
714203329 Total	\$ 691.56
730202764 Total	\$ 14,856.94
730203323 Total	\$ 1,683.13
730203324 Total	\$ 2,946.24
730203325 Total	\$ 19,770.00
730203326 Total	\$ 9,885.00
730203327 Total	\$ 3,655.00
730400453 Total	\$ 13,665.00
730400468 Total	\$ 13,665.00
730400481 Total	\$ 17,265.00
	\$ 98,082.87

Attached as Exhibit 1 is a list identifying each outstanding invoice.<sup>3</sup> As part of the \$1,002,237.33 paid post-petition, the Debtor (or Golden Pass on its behalf) paid \$18,689.37 on invoice 231796-

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<sup>3</sup> McGrath will make the invoices available upon request.

230610RB, which the Debtor had previously paid and was not included in Exhibit 1.<sup>4</sup> Crediting this double payment, Zachry is currently owed \$79,393.50.

3. The Contracts remain in force and the Debtor continues to use McGrath's buildings, but McGrath has not been paid. As a result, the cure amount continues to increase with each passing day. As of the end of October, McGrath will be owed an additional \$70,394.69. A list of the invoices coming due in October is included on Exhibit 1.<sup>5</sup>

#### OBJECTION

4. McGrath is owed \$79,393.50 under the Contracts as of September 27, 2024 after taking into account payments to date. In addition, the Debtor's liability under the Contracts continues to grow as it continues to use McGrath's buildings without paying for them. McGrath requests that the Court set \$79,393.50 as the cure amount if the Contracts are assumed this month. If the Contracts are not assumed until later, McGrath requests that the Court set the cure amount as set forth on Exhibit 1. McGrath objects to any lower amount being set as the cure amount.

5. The Contracts are executory contracts. Both the Debtor and McGrath have continuing obligations to perform under the Contracts until the Contracts are terminated. Neither party has terminated the Contracts. By the Motion, the Debtor seeks to assume and assign them – to which McGrath has no objection except as to the cure amount.

6. Section 365(b)(1) provides that to assume an executory contract, the debtor in a Chapter 11 case must cure any defaults. As set forth above, the Debtor is in default under the Contracts. Before it can assume and assign them as set forth in the Motion, the Debtor must cure the defaults under the Contracts.

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<sup>4</sup> Golden Pass also paid \$6,407.39 on eight invoices owed by MZJV-GPX that the joint venture had previously paid.

<sup>5</sup> McGrath will make these invoices available upon request.

ACCORDINGLY, McGrath respectfully requests that the Court set the cure amount under the Contracts as set forth herein; and award McGrath such other and further relief as this Court deems just.

Dated: September 27, 2024

Respectfully submitted,

By: /s/ Michael D. Napoli  
David W. Parham  
State Bar No. 15459500  
Michael D. Napoli  
State Bar No. 14803400

**AKERMAN LLP**  
2001 Ross Avenue, Suite 3600  
Dallas, TX 75201  
Telephone: (214) 720-4300  
Facsimile: (214) 981-9339  
david.parham@akerman.com  
michael.napoli@akerman.com

ATTORNEYS FOR MOBILE MODULAR  
MANAGEMENT CORP. AND  
McGRATH RENTCORP

**CERTIFICATE OF SERVICE**

This is to certify that on September 27, 2024, a true and correct copy of the foregoing was served via the Court's Electronic Case Filing System to all parties registered or otherwise entitled to receive electronic notices.

/s/ Michael D. Napoli  
Michael D. Napoli

## **EXHIBIT No. 1**

## EXHIBIT 1

## GOLDEN PASS PROJECT - OPEN INVOICES

Invoices Due as of September 27, 2024

Customer No.	Invoice No.	Invoice Date	Due Date	Contract	Customer PO	Original Amt	Balance	Age	Site Address	Project Name
R1003075	2610971	31-Aug-24	30-Sep-24	730203324	112280-613470	736.56	736.56	25	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2609463	27-Aug-24	26-Sep-24	730400468	112280-613470	4,555.00	4,555.00	29	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2605782	18-Aug-24	17-Sep-24	730203325	112280-613470	9,885.00	9,885.00	38	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2604056	13-Aug-24	12-Sep-24	714203329	112280-613470	691.56	691.56	43	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2601812	7-Aug-24	6-Sep-24	730203327	112280-613470	3,655.00	3,655.00	49	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2601419	6-Aug-24	5-Sep-24	730203326	112280-613470	9,885.00	9,885.00	50	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2601420	6-Aug-24	5-Sep-24	730400481	112280-613470	17,265.00	17,265.00	50	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2600445	4-Aug-24	3-Sep-24	730203323	112280-613470	1,683.13	1,683.13	52	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2599609	1-Aug-24	31-Aug-24	730203324	112280-613470	736.56	736.56	55	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2596780	28-Jul-24	27-Aug-24	730400468	565568	4,555.00	4,555.00	59	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2579228	14-Jun-24	14-Jul-24	730202764	112280-565568 CO#10	23,966.94	23,966.94	103	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2575592	4-Jun-24	4-Jul-24	730202764	112280-565568 CO#10	(3,416.25)	(3,416.25)	113	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2577992	4-Jun-24	4-Jul-24	730202764	112280-565568 CO#10	(1,138.75)	(1,138.75)	113	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2574249	2-Jun-24	2-Jul-24	730203324	112280-565568	736.56	736.56	115	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2575591	6-May-24	5-Jun-24	730202764	112280-565568 CO#10	(3,416.25)	(3,416.25)	142	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2577991	6-May-24	5-Jun-24	730202764	112280-565568 CO#10	(1,138.75)	(1,138.75)	142	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2555798	19-Apr-24	19-May-24	730400453	565568	13,665.00	13,665.00	159	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2486614	5-Nov-23	5-Dec-23	730203324	112280-565568	736.56	736.56	325	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2486461	1-Nov-23	1-Dec-23	730400468	565568	4,555.00	4,555.00	329	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2555877	20-Apr-24	20-May-24	730203325	112280-565568	9,885.00	9,885.00	158	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
							98,082.87			

EXHIBIT 1

GOLDEN PASS PROJECT - OPEN INVOICES

Invoices Due in October 2024

Customer No.	Invoice No.	Invoice Date	Due Date	Contract	Customer PO	Original Amt	Balance	Age	Site Address	Project Name
R1003075	2618750	17-Sep-24	17-Oct-24	730203325	112280-613470	9,885.00	9,885.00	8	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2618365	16-Sep-24	16-Oct-24	730400453	112280-613470	13,665.00	13,665.00	9	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2616865	12-Sep-24	12-Oct-24	714203329	112280-613470	691.56	691.56	13	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2614722	6-Sep-24	6-Oct-24	730203327	112280-613470	3,655.00	3,655.00	19	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2614825	6-Sep-24	6-Oct-24	730400452	112280-613470	13,665.00	13,665.00	19	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2614115	5-Sep-24	5-Oct-24	730203326	112280-613470	9,885.00	9,885.00	20	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2614049	5-Sep-24	5-Oct-24	730400481	112280-613470	17,265.00	17,265.00	20	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
R1003075	2613493	3-Sep-24	3-Oct-24	730203323	112280-613470	1,683.13	1,683.13	22	3752 S GULFWAY Sabine Pass TX	Golden Pass LNG Terminal
							70,394.69			

Due now: 98,082.87  
 Due in October: 70,394.69  
 Total Due 168,477.56