

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

In re:)	Chapter 11
)	
ZACHRY HOLDINGS, INC.,)	Case No. 24-90377 (MI)
<i>et al.</i> , ¹)	
)	Jointly Administered
Debtors.)	

VACO LLC'S OBJECTION AND RESERVATION OF RIGHTS REGARDING
ASSUMPTION OF EXECUTORY CONTRACTS PURSUANT TO FURTHER
MODIFIED FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION
OF ZACHRY HOLDINGS, INC. AND ITS DEBTOR AFFILIATES
(RELATES TO DOCKET NOS. 2362, 2431, 2732)

Vaco LLC ("Vaco") hereby submits this Objection and Reservation of Rights (this "Objection") with respect to the Debtors' proposed assumption of executory contracts pursuant to the *Further Modified First Amended Joint Chapter 11 Plan of Reorganization of Zachry Holdings, Inc. and Its Debtor Affiliates* [Docket No. 2362] (the "Plan"), as follows:

BACKGROUND

1. The Debtors commenced these bankruptcy cases by filing petitions for relief under chapter 11 of the Bankruptcy Code on May 21, 2024 (the "Petition Date").
2. Prior to the Petition Date, effective as of June 22, 2023, Vaco and Zachry Holdings, Inc. ("Zachry Holdings"), executed that certain Master Services Agreement. Among other things, the Master Services Agreement provides that Vaco will deliver to Zachry Holdings and its affiliates certain services, resources, and other deliverables.
3. Pursuant to the Master Services Agreement, Vaco has provided and continues to

¹ 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 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.



provide certain staffing services to the Debtors.

4. On April 10, 2025, the Debtors' filed their *Assumption List* [Docket No. 2732, Ex. A] (the "Assumption List"). The Assumption List included the Master Services Agreement as an executory contract for assumption pursuant to the Plan with a cure amount of \$0.00.

OBJECTION

5. Vaco objects to the assumption of the Master Services Agreement because the Debtors have failed to accurately state the cure amount owed to Vaco.

6. Section 365 of the Bankruptcy Code provides that a debtor may not assume an executory contract, unless at the time of the assumption of such contract, the debtor cures any defaults, compensates for any actual pecuniary loss resulting from such defaults, and provides adequate assurance of future performance. 11 U.S.C. §§ 365(b)(1), 365(f)(2).

7. As of April 10, 2025, the cure amount due to satisfy all amounts owing to Vaco under the Master Services Agreement is \$121,682.84, plus all interest and other legally recoverable charges that continue to accrue on the amounts owed to Vaco. A summary of unpaid invoices as of April 10, 2025 is attached as **Exhibit A**.

8. Amounts owing to Vaco may continue to accrue. Vaco demands payment in full of all accrued and accruing invoices and attorneys' fees as a condition to assumption of the Master Services Agreement.

RESERVATION OF RIGHTS

9. Vaco does not release or waive any claim, right or remedy arising under the Master Services Agreement, any related agreements, the Bankruptcy Code, or other applicable law.

10. Without limitation, Vaco expressly reserves the right to assert that amounts due and owing to Vaco are administrative expense claims under section 503 of the Bankruptcy Code and other applicable law.

11. Similarly, Vaco may continue to provide services to the Debtors. Vaco reserves the right to assert additional cure claims for any and all amounts that may remain outstanding under the Master Services Agreement at the time that assumption of the Master Services Agreement is proposed to be effective. Any and all such amounts must be paid under section 365 of the Bankruptcy Code in order for the Debtors to assume the Master Services Agreement.

WHEREFORE, Vaco respectfully requests that the Court sustain this Objection, compel the Debtors to pay all amounts due and owing to Vaco, and grant Vaco such other and further relief as the Court deems to be just and proper.

Dated: April 10, 2025

By: /s/ James B. Bailey

BRADLEY ARANT BOULT CUMMINGS LLP

James B. Bailey

One Federal Place

1819 Fifth Avenue North

Birmingham, Alabama 35203

Telephone: (205) 521-8000

Email: jbailey@bradley.com

Counsel to Vaco LLC

CERTIFICATE OF SERVICE

I hereby certify that on April 10, 2025, I electronically filed the foregoing with the Clerk of the Court and served the following using the CM/ECF system which will electronically transmit notification of such filing to CM/ECF participants in the above referenced case.

/s/ James B. Bailey

OF COUNSEL

EXHIBIT A

Transaction Type	Date	Document Number	Due Date	Age	Open Balance
Payment	4/22/2024	88248694	4/22/2024	353	(\$600.00)
Invoice	12/13/2024	108062993	1/12/2025	88	\$8,885.65
Invoice	12/13/2024	108062998	1/12/2025	88	\$5,527.20
Invoice	12/27/2024	108066109	1/26/2025	74	\$8,063.14
Invoice	12/27/2024	108066111	1/26/2025	74	\$6,316.80
Invoice	1/10/2025	108072007	2/9/2025	60	\$7,028.45
Invoice	1/10/2025	108071983	2/9/2025	60	\$4,737.60
Invoice	1/24/2025	108077247	2/23/2025	46	\$7,501.20
Invoice	1/24/2025	108077256	2/23/2025	46	\$8,524.71
Invoice	2/7/2025	108083467	3/9/2025	32	\$9,075.95
Invoice	2/7/2025	108083469	3/9/2025	32	\$8,093.40
Invoice	2/21/2025	108088696	3/23/2025	18	\$8,044.05
Invoice	2/21/2025	108088704	3/23/2025	18	\$8,240.31
Invoice	3/7/2025	108095010	4/6/2025	4	\$7,599.90
Invoice	3/7/2025	108095019	4/6/2025	4	\$8,951.24
Invoice	3/21/2025	108100250	4/20/2025	-10	\$6,316.80
Invoice	3/21/2025	108100269	4/20/2025	-10	\$9,376.44
TOTAL					\$121,682.84