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

In re:	)	Chapter 11
ZACHRY HOLDINGS, INC., *et al.*[1]	)	Case No. 24-90377 (MI)
Debtors.	)	(Jointly Administered)

DECLARATION OF
MOHSIN Y. MEGHJI,
CHIEF RESTRUCTURING OFFICER
OF ZACHRY HOLDINGS, INC. IN SUPPORT OF
(I) APPROVAL OF THE DISCLOSURE STATEMENT
ON A FINAL BASIS AND (II) CONFIRMATION OF THE
FURTHER MODIFIED FIRST AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF ZACHRY HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

I, Mohsin Y. Meghji, the Chief Restructuring Officer of Zachry Holdings, Inc. ("**ZHI**"), declare pursuant to 28 U.S.C. § 1746 as follows:

Background and Qualifications

1. I am the Chief Restructuring Officer ("**CRO**") of ZHI. I am also the Managing Partner of M3 Advisory Partners, LP ("**M3**"), which is the Debtors' restructuring advisor in the above-captioned Chapter 11 Cases.

2. I submit this declaration (this "**Declaration**") in support of final approval of the *Disclosure Statement for the Modified First Amended Joint Chapter 11 Plan of Reorganization of Zachry Holdings, Inc. and Its Debtor Affiliates* [Docket No. 1986] (the "**Disclosure Statement**")

[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.

and confirmation of the *Further Modified First Amended Joint Chapter 11 Plan of Reorganization of Zachry Holdings, Inc. and Its Debtor Affiliates* (the "**Plan**") [Docket No. 2362].[2]

3. Unless otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge and my opinions based upon my experience and knowledge as a restructuring professional.

4. I am over the age of 18 and authorized to submit this Declaration on behalf of the Debtors. I am not being specifically compensated for this testimony other than through payments received by M3, as a professional retained by the Debtors. If called upon to testify, I would testify to each of the facts set forth in this Declaration.

5. I graduated from the Schulich School of Business, York University, Canada with a Bachelor of Business Administration. I have over 25 years of restructuring experience, specializing in business plan development and review, liquidity and working capital management forecasting, and chapter 11 planning. M3 is an independent corporate turnaround and advisory firm providing operational, strategic, and financial advice for clients. On a combined basis, M3's principals have served as CRO in more than 20 engagements and have worked on more than 250 restructurings throughout their respective careers.

6. M3 and I have worked closely with the Debtors' management and other professionals in assisting with these Chapter 11 Cases, including formulating the Disclosure Statement and the Plan. Consequently, M3 and I have developed significant, relevant experience and expertise regarding the Debtors and these Chapter 11 Cases.

[2] Capitalized terms used but not defined in this Declaration have the meanings ascribed to them in the Plan or the Disclosure Statement, as applicable.

The Disclosure Statement Contains Adequate Information

7. I participated in the preparation of the Disclosure Statement in order to ensure that it provides adequate information sufficient to allow parties entitled to vote on the Plan to make an informed decision about whether to vote to accept or reject the Plan. The Disclosure Statement contains, among other things, (a) an overview of the Debtors' corporate history, prepetition corporate and capital structure, and business operations, (b) a description of the events leading to the commencement of these Chapter 11 Cases, (c) a description of material developments during these Chapter 11 Cases, (d) the classification and treatment of Claims and Interests, (e) the sources of consideration for and description of Plan distributions and the means for implementing the Plan, (f) the releases, injunction, and exculpations under the Plan, which are clearly outlined and displayed, (g) the statutory requirements for confirmation of the Plan, (h) the Financial Projections, (i) the Liquidation Analysis, (j) the Valuation Analysis, (k) risk factors related to the Plan, and (l) certain consequences under U.S. federal tax law that may arise from the implementation of the Plan.

8. The Court entered an order conditionally approving the Disclosure Statement (the "**Disclosure Statement Order**") [Docket No. 1991] for solicitation in accordance with the solicitation procedures set forth in the Disclosure Statement (the "**Solicitation Procedures**") and the other requirements set forth in the Disclosure Statement Order. The Debtors provided the Claims, Noticing, and Solicitation Agent with the information necessary to cause the Plan and the Disclosure Statement to be solicited in a manner consistent with the approved Solicitation Procedures.

The Plan Satisfies the Requirements of Confirmation

9. I describe the following facts in order to allow the Court to find that the Plan satisfies the applicable Bankruptcy Code requirements for confirmation of a plan of reorganization.

I. The Plan Complies with the Applicable Provisions of the Bankruptcy Code

10. This section describes the Plan as well as certain events leading up to, and that have occurred during, these Chapter 11 Cases.

A. Classification of Claims and Interests.

11. The Plan places Claims and Interests against each Debtor entity into the following separate classes: Class 1 (Other Secured Claims); Class 2 (Other Priority Claims); Class 3 (Prepetition Credit Facility Claims); Class 4 (Deferred Compensation Plan Claims); Class 5 (Convenience Claims); Class 6 (General Unsecured Claims); Class 7 (Intercompany Claims); Class 8 (Intercompany Interests); and Class 9 (Zachry Interests). This classification scheme is premised on, among other things, (a) the secured or unsecured status of the underlying obligation, (b) the priority of such obligation based on certain prepetition documents and the relevant provisions of the Bankruptcy Code that I have reviewed with counsel to the Debtors, and (c) the legal nature of the underlying obligation. Only Claims and Interests that are substantially similar have been classified together in a particular Class under the Plan. The Plan's classification scheme was not proposed to manufacture a consenting Impaired Class to manipulate voting.

B. Contents of the Plan.

12. The Plan includes each of the following:

a) The Plan establishes nine different Classes of Claims and Interests and does not classify Administrative Claims, Professional Fee Claims, Priority Tax Claims, and Restructuring Expenses, as set forth in **Article II** of the Plan.

b) **Article III** of the Plan states that Class 1 (Other Secured Claims), Class 2 (Other Priority Claims), Class 4 (Deferred Compensation Plan Claims), Class 5 (Convenience Claims), and Class 9 (Zachry Interests) are

Unimpaired. That same provision also indicates that Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests) are either Unimpaired or Impaired, at the discretion of the Debtors.

c) The Plan provides the same treatment on account of each Claim or Interest in a particular Class, unless the Holder of a particular Claim or Interest has agreed to less favorable treatment of its Claim or Interest.

d) **Article IV** of the Plan provides details regarding how the Restructuring Transactions will be implemented. Among other things, **Article IV** of the Plan: (a) constitutes a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan, including all General Unsecured Claims and GPX Claims; (b) authorizes the Debtors and/or the Reorganized Debtors (as applicable) to take all actions necessary to effectuate the Plan, including those actions necessary or appropriate to effectuate the Restructuring Transactions; (c) authorizes the Reorganized Debtors to enter into the A&R Credit Facility Documents, the GUC Note Documents, the Parent Capital Contribution, and all related documents; (d) authorizes the Reorganized Debtors to adopt and reaffirm the Organizational Documents; (e) provides for the continuation of the current directors and officers of each respective Debtor at each Reorganized Debtor; (f) preserves the Debtors' corporate existence following the Effective Date (except as otherwise provided in the Plan); (g) provides for the vesting of Estate assets in the Reorganized Debtors; (h) provides for the preservation and vesting of Claims and Causes of Action not released pursuant to the Plan in the Reorganized Debtors; (i) provides for the assumption of the Deferred Compensation Plan and Other Employee Obligations; (j) authorizes the Reorganized Debtors to issue, execute, and assume certain contracts and other agreements, including certain agreements with the Debtors' employees and management; (k) provides for the cancellation of existing securities and agreements (except as otherwise provided in the Plan); (l) authorizes and approves all corporate actions contemplated under the Plan; and (m) authorizes the Debtors or Reorganized Debtors to take all actions necessary or appropriate to effectuate the Plan. I believe that each of these transactions will facilitate the implementation of the Plan.

C. Principal Purpose of the Plan.

13. The purpose of the Plan is not to avoid taxes or the application of section 5 of the Securities Act of 1933. No party has requested that the Court decline to confirm the Plan on such grounds.

D. The Plan's Releases, Exculpation and Injunction Provisions.

14. The Plan includes release, exculpation, and injunction provisions that are necessary and integral components of the Restructuring Transactions and are the product of extensive and protracted negotiations with certain key parties in interest that are sophisticated and represented by counsel.

1. Debtor Releases

15. **Article VIII.C** of the Plan contains a release of Claims and Causes of Action against the Released Parties by the Debtors (the "**Debtor Releases**"). The Debtor Releases represent a fair compromise of the released Claims and Causes of Action because they are either being released in exchange for value provided to the Estates under the Plan, or, based on the investigation conducted by the Debtors and their advisors, lack material value.

16. I reviewed the analysis prepared by the Debtors' advisors regarding prepetition transfers made by the Debtors to insiders and other non-Debtor third parties. This analysis was conducted at my direction to determine whether any viable Claims and Causes of Action exist to avoid and recover such transfers under the Bankruptcy Code or applicable state law. The Debtors' advisors examined (i) all transfers to non-insiders made within ninety days prior to the Petition Date and (ii) all transfers to insiders made between January 1, 2020 and the Petition Date. These prepetition transfers were made without fraudulent intent, for reasonably equivalent value, in the ordinary course of business, or are otherwise subject to specific defenses that bar their avoidance.

17. The Debtor Releases are part of a global settlement that is critical to bringing closure to the Debtors and all parties in interest and maximizing recoveries for all stakeholders. These discretionary provisions are the product of extensive good-faith, arms'-length negotiations, are supported by the Debtors and their key constituents, and, as I have been advised, are consistent with applicable precedent. Each Released Party has played an integral role in the Chapter 11

Cases, made substantial concessions that underpin the consensual resolution of the Chapter 11 Cases that will allow the Debtors to expeditiously exit bankruptcy with a deleveraged capital structure, and may be unwilling to support the Plan without the Debtor Release.

18. I participated in the negotiation process and discussions that the Debtors and their advisors had with various parties in interest that were involved with the development of the Plan. These provisions were negotiated at arms' length and in good faith between such parties. The Debtor Releases are: (a) essential to confirmation of the Plan; (b) being given in exchange for good and valuable consideration provided by the Released Parties, including certain of the Released Parties' contributions to the development of the Restructuring Transactions and the Plan; (c) a good-faith settlement and compromise of the Claims and Causes of Action being released; (d) in the best interests of the Debtors and all Holders of Claims and Interests; (e) fair, equitable, and reasonable; and (f) given and made after sufficient notice and opportunity for hearing. The Debtor Releases are also mutual, which is beneficial to the Debtors because these releases provide finality after the Effective Date as to any potential liabilities relating to the parties that have not opted out of the Third-Party Release.

2. Third-Party Releases

19. **Article VIII.D** of the Plan describes a consensual release of Claims or Causes of Action against the Released Parties by the Releasing Parties (the "**Third-Party Release**"). The Third-Party Release was a heavily negotiated term, given in exchange for valuable consideration provided by the Released Parties, and is integral to confirmation of the Plan. In addition to being consensual, the Third-Party Release is (a) specific in language, (b) essential to confirmation as a key inducement for certain Released Parties to support the Plan and, without it, they would withdraw their support for the Plan, (c) given for consideration as the contributions of the Released Parties will allow the Debtors to maximize the value of the Debtors' Estates, (d) is fair, equitable,

and reasonable, and (e) provides the Debtors and the Released Parties with a substantial level of finality that is beneficial to the Debtors as well as all parties in interest.

3. Exculpation

20. **Article VIII.E** of the Plan provides that each Exculpated Party will be released and exculpated from any Claim or Cause of Action arising out of acts or omissions in connection with these Chapter 11 Cases and certain related transactions, except for acts or omissions that are found to have been the product of willful misconduct, gross negligence, or actual fraud (the "**Exculpation Provision**"). The Exculpated Parties should be afforded such protections because they have made substantial contributions to the success of the Debtors' reorganization and were necessary to ensuring that the Debtors' business continued to operate smoothly during the pendency of these Chapter 11 Cases, preserving value for the benefit of all parties in interest. The Exculpated Parties also worked constructively alongside key stakeholders to reach settlements that provided material value to the Estates and to develop a Plan that is feasible, confirmable, and the best path forward for the Debtors. The Exculpation Provision is an integral component of the global settlement and the GPX Settlement embodied in the Plan and is the product of good-faith, arms'-length negotiations. Finally, the Exculpation Provision is narrowly tailored to the Debtors, the Committee, and each member of the Committee, excludes acts of willful misconduct, gross negligence, and actual fraud, and relates only to acts or omissions in connection with or arising out of the administration of the Chapter 11 Cases or the Debtors' restructuring.

4. Injunction

21. **Article VIII.F** of the Plan provides that all Holders of Claims and Interests and other parties in interests are enjoined from taking any actions that will interfere with the Plan's implementation in relation to any Claim or Interest that is extinguished, discharged, or released under the Plan (the "**Injunction Provision**"). The Injunction Provision is a necessary part of the

Plan because it enforces the discharge, the Debtor Release, the Third-Party Release, and the Exculpation Provision, which are critical components of the Restructuring Transactions. The Injunction Provision provides the Debtors and their stakeholders a greater degree of certainty with respect to the finality of the Chapter 11 Cases and the implementation of the Restructuring Transactions contemplated under the Plan.

II. The Plan Complies with the Applicable Provisions of the Bankruptcy Code

22. The following facts establish that the Plan satisfies all applicable provisions of section 1129 of the Bankruptcy Code for confirmation of a plan.

A. The Plan Complies with Bankruptcy Code Section 1129(a)(1).

1. *Mandatory Plan Provisions*

23. **Section 1122 of the Bankruptcy Code. Article III** of the Plan designates the classification of Claims and Interests. The classification structure of the Plan is rational, as each class contains only Claims or Interests that are substantially similar to one another and have the same or similar rights against the Debtors.

24. The Plan's separate classification of Deferred Compensation Plan Claims, Convenience Claims, and General Unsecured Claims is reasonable. With respect to Deferred Compensation Plan Claims, Holders of those Claims include current employees vital to the Reorganized Debtors' success. Reinstatement of those Claims will allow the Debtors and the Reorganized Debtors to preserve their relationships with, and demonstrate their commitment to, their employees and attract and retain highly skilled talent in order to emerge as a strong and competitive company. Reinstatement of Deferred Compensation Plan Claims will, thus, facilitate satisfaction of the Reorganized Debtors' obligations under the Plan, including servicing post-emergence debt.

25. Similarly, designation of the Convenience Claims Class is reasonable and necessary for administrative convenience under the circumstances. The Debtors have a legitimate reason for designating a convenience class because it will ease the Debtors' administrative burden of having to distribute GUC Promissory Notes to hundreds of creditors holding small claims. The Convenience Claim Amount was set at the threshold necessary to satisfy that goal and is in line with convenience class amounts approved in other cases.

26. **Section 1123(a)(1) of the Bankruptcy Code. Article III.A** of the Plan designates Classes of Claims and Interests.

27. **Section 1123(a)(2) of the Bankruptcy Code. Article III.C** of the Plan specifies whether each Class of Claims or Interests is Impaired or Unimpaired under the Plan.

28. **Section 1123(a)(3) of the Bankruptcy Code. Article III.C** of the Plan sets forth the treatment of any Impaired Class of Claims or Interests.

29. **Section 1123(a)(4) of the Bankruptcy Code.** The Plan provides that the treatment of each Claim against or Interest in the Debtors, in each respective Class, is the same as the treatment of each other Claim or Interest in such Class, except as may be otherwise agreed by the applicable Holders of such Claims or Interests.

30. **Section 1123(a)(5) of the Bankruptcy Code. Article IV** of the Plan, as well as other Plan provisions, provide adequate means for the implementation of the Plan. Among other things, **Article IV** of the Plan: (a) constitutes a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan, including all General Unsecured Claims and GPX Claims; (b) authorizes the Debtors and/or the Reorganized Debtors (as applicable) to take all actions necessary to effectuate the Plan, including those actions necessary or appropriate to effectuate the Restructuring Transactions; (c) authorizes the Reorganized Debtors

to enter into the A&R Credit Facility Documents, the GUC Note Documents, the Parent Capital Contribution, and all related documents; (d) authorizes the Reorganized Debtors to adopt and reaffirm the Organizational Documents; (e) provides for the continuation of the current directors and officers of each respective Debtor at each Reorganized Debtor; (f) preserves the Debtors' corporate existence following the Effective Date (except as otherwise provided in the Plan); (g) provides for the vesting of Estate assets in the Reorganized Debtors; (h) provides for the preservation and vesting of Claims and Causes of Action not released pursuant to the Plan in the Reorganized Debtors; (i) provides for the assumption of the Deferred Compensation Plan and Other Employee Obligations; (j) authorizes the Reorganized Debtors to issue, execute, and assume certain contracts and other agreements, including certain agreements with the Debtors' employees and management; (k) provides for the cancellation of existing securities and agreements (except as otherwise provided in the Plan); (l) authorizes and approves all corporate actions contemplated under the Plan; and (m) authorizes the Debtors or Reorganized Debtors to take all actions necessary or appropriate to effectuate the Plan.

31. **Section 1123(a)(6) of the Bankruptcy Code.** The Plan does not provide for the issuance of any non-voting equity securities, and the Confirmation Order proposed by the Debtors prohibits the Debtors from issuing nonvoting equity securities.

32. **Section 1123(a)(7) of the Bankruptcy Code.** The Plan is consistent with the interests of all stakeholders with respect to the manner of selection of the Reorganized Debtors' directors and officers. **Article IV.K** of the Plan provides that on the Effective Date, the directors and officers of each Reorganized Debtor shall consist of the current directors and officers of each respective Debtor. This is consistent with the interests of creditors and equity security holders and

with public policy, in each case to the extent applicable (and the Plan does not select any other director, officer, or trustee).

2. *Permissive Plan Provisions*

33. **Section 1123(b)(1) of the Bankruptcy Code. Article III** of the Plan provides that: Class 1 (Other Secured Claims), Class 2 (Other Priority Claims), Class 4 (Deferred Compensation Plan Claims), Class 5 (Convenience Claims), and Class 9 (Zachry Interests) are Unimpaired; Class 3 (Prepetition Credit Facility Claims) and Class 6 (General Unsecured Claims) are Impaired; and Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests) are either Unimpaired or Impaired, at the discretion of the Debtors.

34. **Section 1123(b)(2) of the Bankruptcy Code. Article V.A** of the Plan provides that, as of the Effective Date, the Debtors shall be deemed to have assumed each Executory Contract and Unexpired Lease unless such Executory Contract or Unexpired Lease: (1) is identified on the Rejection List; (2) previously expired or terminated pursuant to its own terms; (3) was previously assumed or rejected by the Debtors, including pursuant to the GPX Settlement; (4) is the subject of a motion or notice to reject pending as of the Effective Date; or (5) has an effective date of rejection that is after the Effective Date. The Plan also provides that entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. The Plan Supplement includes the Assumption List, which specifies Executory Contracts and Unexpired Leases that will be assumed through the Plan as of the Effective Date, subject to the applicable provisions of the Plan.

35. **Sections 1123(b)(3) of the Bankruptcy Code.** The Plan includes mutual, consensual, and customary releases of Claims held by the Debtors and parties in interest. This global settlement is critical to bringing closure to the Debtors and all parties in interest, and to

maximize recoveries for all stakeholders. These discretionary provisions are the product of extensive good-faith, arms'-length negotiations, are supported by the Debtors and their key constituents, and are consistent with what is typical in other chapter 11 cases. The Plan resolves a host of alleged Claims and Causes of Action in exchange for payment in full, which, if not consensually resolved through the Plan, could have potentially caused extensive delay, cost, and uncertainty in these Chapter 11 Cases, while adversely affecting the Debtors' businesses and operations.

36. The same is true with respect to the GPX Settlement, the terms of which, as approved by the GPX Final Settlement Order and/or set forth in the GPX Excess Claims Stipulation included in the Plan Supplement, are incorporated into, and are an integral part of, the Plan, as discussed in Part III, below.

37. **Section 1123(b)(5) of the Bankruptcy Code. Article III** of the Plan modifies the rights of Holders of secured and unsecured claims in the following Classes: Prepetition Credit Facility Claims (Class 3), General Unsecured Claims (Class 6), and, to the extent applicable, Intercompany Claims (Class 7) and Intercompany Interests (Class 8). The Plan leaves unaffected the rights of Holders of Other Secured Claims (Class 1), Other Priority Claims (Class 2), Deferred Compensation Plan Claims (Class 4), Convenience Claims (Class 5), and Zachry Interests (Class 9) and, to the extent applicable, Intercompany Claims (Class 7) and Intercompany Interests (Class 8), unless any such Holder has agreed to a different treatment of any such Claim.

38. **Section 1123(b)(6) of the Bankruptcy Code.** All provisions of the Plan are consistent with the Bankruptcy Code, including the Exculpation Provision and the Injunction Provision discussed further in Part I.D. above.

B. The Plan Satisfies Bankruptcy Code Section 1129(a)(2).

39. The Debtors, as proponents of the Plan, have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126 regarding disclosure and plan solicitation. In the Disclosure Statement Order, the Debtors received conditional approval of the Disclosure Statement and approval of the Solicitation Procedures in connection therewith. The Debtors have complied with the notice and solicitation requirements of section 1125 of the Bankruptcy Code and the requirements of the Disclosure Statement Order, and I am not aware of any party having asserted otherwise.

C. The Plan Is Proposed In Good Faith and Not by Any Means Forbidden by Law Pursuant to Bankruptcy Code Section 1129(a)(3).

40. Throughout these Chapter 11 Cases, the Debtors have focused on maximizing value for their stakeholders. Under the Plan, the Debtors will restructure their Prepetition Credit Facility on favorable terms, fully satisfy their obligations to general unsecured creditors, preserve thousands of jobs, and emerge with sufficient capital to operate the reorganized businesses, positioning the Reorganized Debtors for future growth and success. The Plan has been proposed in good faith and for the legitimate purpose of reorganizing the Debtors while maximizing the returns available to various stakeholders. The Plan, the Plan Supplement, and the transactions contemplated by the Plan were developed after substantial analysis and arms'-length negotiations between the Debtors and other key constituents, including the Prepetition Lenders, the Committee, and Golden Pass, among others. I am confident that the Plan has been proposed in good faith and will achieve a result consistent with the objectives and purposes of the Bankruptcy Code.

D. The Plan Complies with Bankruptcy Code Section 1129(a)(4).

41. All payments for professional services provided to the Debtors during these Chapter 11 Cases that require Court approval will continue to be subject to such requirement through the

Effective Date. **Article II.B** of the Plan includes procedures for the final allowance of Professional Fee Claims. Additionally, the Court will retain jurisdiction after the Effective Date to grant or deny applications for compensation of professional fees.

E. The Plan Satisfies Bankruptcy Code Section 1129(a)(5), to the Extent Applicable.

42. As set forth in **Article IV.K** of the Plan, the current officers and directors of each of the Reorganized Debtors shall consist of the current officers and directors of each respective Debtor. Although the nature and terms of these officers and directors' go-forward relationship with the Reorganized Debtors remain subject to ongoing discussions, it is expected that the compensation for these officers and directors will be on terms substantially similar to their current compensation. I understand that the directors and officers of the Debtors have ample experience in the engineering, procurement, and construction industry as well as financial and management matters. Additionally, the directors and officers possess extensive institutional knowledge of the Debtors, enabling them to effectively guide the Reorganized Debtors post-Effective Date.

F. Bankruptcy Code Section 1129(a)(6) Is Not Applicable.

43. Section 1129(a)(6) of the Bankruptcy Code is not applicable here because there is no regulatory commission that has or will have jurisdiction over the rates of the Debtors after confirmation of the Plan.

G. The Plan Complies with Bankruptcy Code Section 1129(a)(7).

44. Each holder of a claim or equity interest in an impaired class has either (a) accepted the Plan or (b) is receiving at least as much value under the Plan as it would receive in a hypothetical chapter 7 liquidation.

45. I personally oversaw the preparation of the Debtors' hypothetical, reasonable, and good-faith estimate of the proceeds that would be generated if the Debtors were liquidated in

accordance with chapter 7 of the Bankruptcy Code (the "**Liquidation Analysis**"), which was attached to the Disclosure Statement as **Exhibit C** (along with a complete description of its process and results). I am familiar with the methods used and the conclusions reached in the preparation of the Liquidation Analysis.

46. As demonstrated by the Liquidation Analysis and shown below, members of Impaired Classes will receive estimated recoveries under the Plan that are no less than what they would receive in a hypothetical chapter 7 liquidation:

Impaired Class	Claim	Estimated Chapter 7 Recovery ($)	Estimated Chapter 7 Recovery (%)	Estimated Plan Recovery ($)	Estimated Plan Recovery (%)
3	Prepetition Credit Facility Claims	$146.05 million[3]	19.5%	$281.25 million[4]	100%
5	General Unsecured Claims	$0.00	0.0%	$57.40 million[5]	100%

47. Based on my involvement in the preparation of the Liquidation Analysis and my experience as a restructuring advisor, I believe that the methodology used to prepare the Liquidation Analysis is appropriate and the assumptions and conclusions set forth therein are fair and reasonable under the circumstances. I believe that the recoveries under the Plan are equal to or exceed those under a hypothetical liquidation, as set forth in the Liquidation Analysis.

H. The Plan Complies with Bankruptcy Code Section 1129(a)(8).

48. As will be set forth in the Voting Report (as defined in the Disclosure Statement Order), Classes 3 and 6—the only Impaired Classes entitled to vote on the Plan—have voted to

[3] Includes prepetition letters of credit assumed to be drawn.

[4] The amount excludes contingent Prepetition L/C Claims and all other fees, premiums, and accrued and unpaid interest due and owing to Holders of Prepetition Credit Facility Claims under the Prepetition Credit Facility as of the Petition Date.

[5] The projected amount of Allowed General Unsecured Claims excludes various trade claims that are otherwise treated as Administrative Expense Claims, Other Secured Claims, and Other Priority Claims.

accept the Plan. Classes 1, 2, 4, 5, and 9 are Unimpaired and are deemed to have accepted the Plan. Classes 7 and 8 are potentially composed of Unimpaired Claims and presumed to accept the Plan.

49. The only Impaired Classes not voting to accept the Plan are those statutorily deemed to accept or reject the Plan, to the extent applicable and at the Debtors' discretion: Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests). Nevertheless, as discussed more fully in Part II.O, below, section 1129(b) of the Bankruptcy Code allows the Debtors to "cram down" these rejecting classes under certain conditions that are satisfied here.

I. The Plan Complies with Bankruptcy Code Section 1129(a)(9).

50. The Plan satisfies Administrative Claims, Priority Tax Claims, and Other Priority Claims in the Allowed amount of each such Claim, subject to the terms of such section, unless the Holder of a particular Claim agrees to different treatment with respect to such Claim.

51. **Article II** and **III** of the Plan provide for the payment in Cash of Administrative Claims, Priority Tax Claims, Other Priority Claims, and Restructuring Expenses in accordance with section 1129(a)(9) of the Bankruptcy Code. Sufficient funds will be available under the Plan for the Debtors to make these payments, as described further below.

J. The Plan Complies with Bankruptcy Code Section 1129(a)(10).

52. As will be indicated in the Voting Report, Class 3 (Prepetition Credit Facility Claims) and Class 6 (General Unsecured Claims) have voted to accept the Plan, determined without including any acceptance of the Plan by an insider.

K. The Plan Complies with Bankruptcy Code Section 1129(a)(11).

53. The Debtors will have sufficient earnings to meet their obligations under the Plan.

54. For purposes of determining whether the Plan satisfies the feasibility requirement, my team assisted the Debtors' management to develop and prepare the consolidated financial

projections for the Debtors for the period beginning March 1, 2025 (first day after the assumed Effective Date) through December 31, 2027, a copy of which is annexed as **Exhibit B** to the Disclosure Statement (as may be amended, supplemented, or otherwise modified, the "**Financial Projections**"). The Financial Projections encompass and reflect the combined operations of the Debtors. The assumptions on which the Financial Projections are based are described in **Exhibit B** to the Disclosure Statement. I am familiar with the methods used, the assumptions made, and the conclusions reached in the preparation of the Financial Projections.

55. During the Chapter 11 Cases, the Debtors were able to right-size their business by (i) exiting, and resolving their obligations related to, the GPX Project; (ii) successfully defending against certain litigation claims; (iii) consolidating the vendors and suppliers the Reorganized Debtors will use on a go-forward basis, expected to result in cost savings; (iv) streamlining operational inefficiencies that became apparent during the course of these Chapter 11 Cases, (v) implementing a new approach to risk management when selecting which projects to bid, and (vi) restructuring the Reorganized Debtors' capital structure. The Financial Projections demonstrate consistent increase in operating income, cash flow, and unrestricted cash balance and reduction in total pro forma debt.

56. During these Chapter 11 Cases, the Debtors and the Prepetition Lenders, with the help of the Debtors' advisors, have developed new risk protocols to consider prior to the Debtors or the Reorganized Debtors (as applicable) bidding on new projects. It is my opinion that the most notable risk protocols include: (i) focusing on projects which the Debtors or the Reorganized Debtors (as applicable) will be able to complete themselves (without requiring the services of other engineering, procurement, and construction contractors), which should eliminate the need for any new joint ventures in the Debtors' or the Reorganized Debtors' (as applicable) projects; (ii) only

completing lump-sum projects for longstanding clients of the Debtors or the Reorganized Debtors (as applicable); and (iii) adjusting the Debtors' or the Reorganized Debtors' (as applicable) risk tolerance when bidding on new projects. I believe these risk protocols will permit the Reorganized Debtors to stay nimble when bidding on future projects and permit them to endure future economic slowdowns.

57. I am of the opinion that the Debtors' current cash on hand and the Reorganized Debtors' anticipated cash receipts will be sufficient to: (i) consummate the Restructuring Transactions set forth in the Plan (including the payment in full of all Administrative Claims, Priority Tax Claims, and Other Priority Claims in accordance with the terms of the Plan); (ii) repay the A&R Credit Facility according to the terms outlined in the consensual A&R Credit Facility Term Sheet; (iii) repay other obligations under the Plan when due; and (iv) cover operating costs on an ongoing basis.

L. The Plan Complies with Bankruptcy Code Section 1129(a)(12).

58. **Article XII.D** of the Plan includes an express provision requiring payment of all fees in compliance with the Bankruptcy Code.

M. The Plan Complies with Bankruptcy Code Section 1129(a)(13).

59. **Article IV.L** of the Plan provides that from and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

N. Bankruptcy Code Sections 1129(a)(14) through 1129(a)(16) Do Not Apply to the Plan.

60. Bankruptcy Code sections 1129(a)(14), 1129(a)(15), and 1129(a)(16) do not apply to the Plan because the Debtors do not owe any domestic support obligations, are not individuals, and are not nonprofit corporations.

O. The Plan Satisfies the "Cramdown" Requirements of Section 1129(b) of the Bankruptcy Code.

61. The only Classes that have rejected the Plan are, to the extent applicable and at the Debtors' discretion, Class 7 (Intercompany Claims) and Class 8 (Intercompany Interests) (the "**Rejecting Classes**"). I believe the requirements for cramdown are satisfied with respect to each of those Classes.

62. There is no unfair discrimination against the Rejecting Classes (to the extent those Classes are deemed to reject the Plan) because there are no similarly situated Classes to these Rejecting Classes who are afforded a higher recovery. To the extent applicable, the Plan's treatment of Class 7 and Class 8 is proper because they are the only classes of Intercompany Claims or Intercompany Interests, respectively, and are not similarly situated to any other Classes given their distinctly different legal characteristics.

63. The Plan is fair and equitable with respect to the Rejecting Classes. In this case, all classes entitled to vote have voted to accept the Plan, and many of the Classes not entitled to vote are Unimpaired. While Holders of General Unsecured Claims will be paid in full under the Plan and Holders of Zachry Interests are Unimpaired, every senior class voted to accept the Plan that provided this distribution and no Holders of Claims in any Classes senior to the Rejecting Classes, to the extent applicable, will be paid more than 100% of their Allowed Claims. The Plan has been proposed in good faith, is reasonable, and meets the requirements and all voting classes have voted to accept the Plan. The treatment of Intercompany Claims and Intercompany Interests under the Plan provides for administrative convenience and is not a distribution under the Plan.

P. The Plan Complies with Bankruptcy Code Section 1129(c).

64. The Debtors are seeking confirmation of only the Plan and no other chapter 11 plans.

Q. The Plan Complies with Bankruptcy Code Section 1129(d).

65. The primary purpose of the Plan is not the avoidance of taxes or the avoidance of the requirements of section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, and there has been no objection filed by any governmental unit asserting such avoidance.

III. The Plan Appropriately Incorporates the GPX Settlement and the GPX Excess Claims Stipulation[6]

66. In the summer of 2024, the Debtors reached a global settlement (the "**GPX Settlement**") with the other GPX Settlement Parties with respect to the GPX Project, which the Court approved by the GPX Interim Settlement Order and the GPX Final Settlement Order. The terms and conditions of the GPX Settlement were set forth in the term sheet attached to the GPX Interim Settlement Order (the "**Settlement Term Sheet**") and the settlement agreement attached to the GPX Final Settlement Order (the "**Settlement Agreement**").

67. Among other agreements, the GPX Settlement provides that Golden Pass will directly pay ZII's share of obligations owed to vendors and subcontractors for certain validly due claims for goods or services in respect of the GPX Project, subject to an agreed upon cap.

68. GPX Claims include validly due obligations that accrued prior to July 25, 2024, to vendors and subcontractors not affiliated with ZII for goods and services in respect of the GPX Project, whether such vendors and subcontractors contracted directly with ZII (the "**ZII Direct Claims**"), or contracted, prior to ZII's withdrawal from CCZJV-GPX on July 25, 2024, with CCZJV-GPX (the "**Pool A Claims**") or MZJV-GPX (the "**Pool B Claims**"). Under the applicable agreements governing the GPX Project, ZII's respective share of valid Pool A Claims is 52% of such Claims and 50% of valid Pool B Claims.

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[6] Capitalized terms used but not otherwise defined in this Section III shall have the meanings ascribed to them in the GPX Settlement Documents.

69. The GPX Settlement further provides that Golden Pass is entitled to make the Scheduled Draws under the GPX L/C in the amounts and pursuant to the schedule set forth in the Settlement Term Sheet. If Golden Pass satisfies claims in excess of the Direct Payment Cap, the GPX Settlement provides that Golden Pass may draw on the GPX L/C, in addition to the Scheduled Draws, in the amount of such excess claims actually paid by Golden Pass (the "**Excess Claims**").

70. The GPX Settlement further provides that the Debtors and Golden Pass shall work in good faith to reconcile and identify valid GPX Claims as expeditiously as reasonably practicable and determine the amount of Excess Claims within 21 days of the Bar Date, as may be extended by the agreement of the Debtors and Golden Pass or by order of the Bankruptcy Court for cause. If the Debtors and Golden Pass cannot determine the amount of Excess Claims on a consensual basis, the GPX Settlement provides that the Court will determine such amount.

71. The Debtors' Plan incorporates the terms of the GPX Settlement Documents.

72. After approval of the GPX Settlement, the Debtors and Golden Pass began a coordinated effort to determine which ZII Direct Claims and ZII Pool Obligations count towards the Direct Payment Cap, and to calculate the amount of Excess Claims, if any. The Parties' reconciliation efforts included:

a) Before the Bar Date, the Debtors and their advisors held numerous meetings with Golden Pass to discuss the Bar Date and information required from claimants to accurately identify claims in respect of the GPX Project. The Debtors and Golden Pass also conferred on the process for reviewing claims after the Bar Date and sharing information to complete the reconciliation of GPX Claims and to identify the Excess Claims, if any.

b) The Debtors, also in consultation with Golden Pass, sent letters to GPX Project vendors and subcontractors, instructing them to submit all invoices for ZII's share of Pool A and Pool B obligations accruing through July 25, 2024, by September 16, 2024, so that the parties could reconcile such invoices pursuant to the GPX Settlement.

c) The Debtors, Golden Pass, and CB&I worked closely on multiple motions requesting authority for ZII to assume and assign certain executory

contracts related to the GPX Project to CB&I, or to reject such contracts, including the reconciliation and payment by Golden Pass of substantial cure claims.

d) After the Bar Date, the Debtors conducted a comprehensive review of filed and scheduled claims for claims potentially related to the GPX Project. The Debtors discussed and shared a claims analysis with Golden Pass to aid in Golden Pass's reconciliation. The Debtors and Golden Pass also collaborated to identify GPX Claims that have been (or will be) paid by Golden Pass. Further, the Debtors have filed omnibus objections asserting certain claims should be disallowed because they have already been (or will be) satisfied by Golden Pass pursuant to the GPX Settlement (collectively, the "**Satisfied Proofs of Claims**").

e) Throughout this process, beginning on July 29, 2024, Golden Pass shared with the Debtors and other required notice parties weekly reports of payments to holders of GPX Claims (the "**Payment Reports**") consistent with the GPX Settlement. The Payment Reports include fields disclosing the payee, invoice number, date of payment, and whether Golden Pass asserted the payment counted against the Direct Payment Cap and includes over 16,000 line-items of payment information. Representatives of the Debtors and Golden Pass discussed any questions as to certain payments' applicability to the Direct Payment Cap throughout this process and adjustments to the Payment Reports were made consistent with these discussions.

f) Starting October 11, 2024, the Debtors and Golden Pass commenced weekly meetings, which also included representatives of Chiyoda, to discuss the reconciliation of potential GPX Claims (including Pool A and Pool B Claims and any ZII Pool Obligations related thereto), to determine the amount of Excess Claims, if any, in accordance with the GPX Settlement. In connection with those weekly meetings, Chiyoda circulated weekly reports of asserted Pool A obligations.

g) The accounting, project, and legal teams at the Debtors and Golden Pass otherwise engaged in regular communications regarding accounting, reconciliation, and payment issues arising in connection with the GPX Settlement, and the Parties have acted in good faith at all times to fulfill their respective obligations regarding the Excess Claims determination.

73. While the Debtors and Golden Pass worked to reconcile the GPX Claims, they agreed to extend any applicable deadline to identify the amount of Excess Claims, if any, pending the completion of their negotiations or the Court's determination of the amount of Excess Claims.

74. In an effort to meet that deadline, on November 20, 2024, representatives of the Debtors, Golden Pass, Chiyoda, and CB&I met to discuss final agreement on the Excess Claims determination (the "**November 20 Meeting**"). At the November 20 Meeting, Chiyoda identified certain categories of alleged potential Pool A Claims that may be outstanding but that had not previously been disclosed. Following the November 20 Meeting, the Debtors and Golden Pass gathered additional information and documents related to these additional alleged Pool A Claims to confirm whether they were: (a) validly due obligations of CCZJV that had accrued as of July 25, 2024 when the Debtors withdrew from CCZJV and the Debtors' liability for further Pool A Claims terminated; or (b) obligations that arose, or will arise, after ZII's withdrawal and that constitute obligations of the reconstituted joint venture, comprised solely of Chiyoda and CB&I, and that are not payable by the Debtors or Golden Pass as GPX Claims, or included in the Excess Claims calculation under the GPX Settlement.

75. On December 13, 2024, the Debtors filed a motion seeking to enforce the GPX Settlement (the "**Settlement Enforcement Motion**"). Through the Settlement Enforcement Motion, the Debtors requested that the Court declare that the alleged potential Pool A Claims Chiyoda identified at the November 20 Meeting—referred to as the "Additional Pool A Claims" in the Settlement Enforcement Motion—are not validly due GPX Claims and do not result in any ZII Pool Obligations or count against the Direct Payment Cap. The Debtors also requested that the Court determine the total amount of Excess Claims, if any, based on the record established at an evidentiary hearing, as contemplated by the GPX Settlement.

76. After the Debtors filed the Settlement Enforcement Motion, the Debtors continued to engage with Golden Pass on good faith analysis, discussions, and information sharing regarding the Additional Pool A Claims and certain additional potential GPX Claims and Direct Payment

Cap issues. Chiyoda provided needed additional information concerning the Additional Pool A Claims to the Debtors and Golden Pass as part of this process and continued to update its Pool A log to reflect all potential Pool A claims. Ultimately, the Debtors and Golden Pass were able to reach agreement on, among other things, which Additional Pool A Claims are GPX Claims in connection with the Excess Claims determination on the terms set forth in the GPX Excess Claims Stipulation that was included in the Plan Supplement. The GPX Excess Claims Stipulation resolves all issues between the Debtors and Golden Pass related to the GPX Settlement or the determination of Excess Claims and confirms that Golden Pass has discharged or will discharge its obligations under the GPX Settlement as set forth in the GPX Excess Claims Stipulation.

77. The GPX Settlement is a good-faith compromise and settlement of all disputes, controversies, claims, and causes of action among the GPX Settlement Parties arising out of or otherwise related to the GPX Project and the matters described in the GPX Settlement Term Sheet. The GPX Settlement is the product of extensive arms'-length, good faith negotiations and represents a fair and reasonable compromise among the GPX Settlement Parties. The GPX Settlement is reasonable, fair, equitable, appropriate, and in the best interests of each of the Debtors, their Estates, and all vendors and subcontractors asserting Claims related to the GPX Project, and the Debtors reasonably exercised their business judgment when determining to enter into the GPX Settlement.

78. The same is true of the GPX Excess Claims Stipulation. The Debtors engaged with Golden Pass on good faith and diligent analysis, over several months following the Court's interim and final approval of the GPX Settlement, to identify all GPX Claims, reconcile such GPX Claims, and determine the total amount of potential Excess Claims, in each case in compliance with, and furtherance of, the terms of the GPX Settlement. This work included over seven months (dating

back to July 2024) of intensive work by the Debtors' and Golden Pass's internal and external accounting and professionals. Based upon the Bar Date, the publicity regarding the Chapter 11 Cases and the GPX Project disputes, and the outreach by the Debtors and Golden Pass to vendors potentially asserting Pool A and Pool B obligations, all vendors and subcontractors in respect of the GPX Project have had a reasonable opportunity to identify and assert GPX Claims payable under the GPX Settlement. The schedules to the GPX Excess Claims Stipulation disclose all GPX Claims paid to date by Golden Pass, all GPX Claims to be paid by Golden Pass, and the universe of potentially valid GPX Claims, in each case identified during the Debtors' and Golden Pass's good faith reconciliation of GPX Claims that resulted in their determination of Excess Claims. The schedules are accurate and complete to the best of the Debtors' and Golden Pass's knowledge. The determination of Excess Claims set forth in the GPX Excess Claims Stipulation also included the resolution of the Additional Pool A Claims and certain issues related to the application of the Direct Payment Cap and calculation of Excess Claims. The settlement embodied in the GPX Excess Claims Stipulation is integral to the Plan, including by providing for the reduction of the GPX L/C, allocating responsibility for all remaining GPX Claims among the Debtors and Golden Pass, and otherwise resolving all remaining issues between the Debtors and Golden Pass in regard to the GPX Settlement. It is reasonable under the circumstances and based on the extensive, seven-month, good faith reconciliation and review of all potential GPX Claims conducted by the Debtors and Golden Pass.

79. The GPX Excess Claims Stipulation is a good-faith compromise and settlement of all disputes, controversies, claims, and causes of action among the Debtors and Golden Pass arising out of or otherwise related to the reconciliation and determination of Excess Claims under the GPX Settlement. The GPX Excess Claims Stipulation is the product of extensive arms'-length, good

faith negotiations and represents a fair and reasonable compromise among the Debtors and Golden Pass. The GPX Excess Claims Stipulation is reasonable, fair, equitable, appropriate, and in the best interests of each of the Debtors, their Estates, and all vendors and subcontractors asserting Claims related to the GPX Project. Entry into the GPX Excess Claims Stipulation reflects a sound exercise of the Debtors' business judgment.

IV. Sunbelt Settlement Is a Fair and Reasonable Compromise Between the Debtors and Sunbelt

80. The Debtors and Sunbelt Rentals, Inc. ("**Sunbelt**") have reached an agreement in connection with the treatment of Sunbelt's Cure Claim and filed Proofs of Claim, including a Claim in connection with certain lost tools, on the terms set forth in the Sunbelt Term Sheet attached to the *Stipulation and Agreed Order Regarding Sunbelt Claims* [Docket No. 2284] (the "**Sunbelt Stipulation**").

81. The Sunbelt Stipulation sets forth the Allowed amounts of Sunbelt's Claims and provides that ZHI will issue to Sunbelt, as treatment under the Plan of Sunbelt's Allowed Claims, a second-lien secured promissory note in the amount of $44,102,862 on the terms set forth in the Sunbelt Term Sheet. Sunbelt expressly agreed to this treatment, including to deferred cash payments on account of its Cure Claim, following discussions between the Debtors and Sunbelt. The settlement contemplated by the Sunbelt Stipulation is the product of extensive arms'-length, good faith negotiations and represents a fair and reasonable compromise between the Debtors and Sunbelt. The settlement is reasonable, fair, equitable, appropriate, and in the best interests of each of the Debtors and their Estates in light of the Debtors' need to assume their Executory Contracts with Sunbelt, and the Debtors reasonably exercised their business judgment when determining to enter into the Sunbelt Stipulation.

V. Good Cause Exists to Waive the Stay of the Confirmation Order

82. The Debtors' prompt emergence from chapter 11 is an important component of their restructuring, and delaying emergence at this juncture would be prejudicial to all parties in interest that continue to incur the cost and expense of the Debtors' Chapter 11 Cases, and could create disruption to relationships with key stakeholders, including, among others, the Debtors' employees, customers, and vendors. The restructuring contemplated in the Plan was extensively negotiated among sophisticated parties and is premised on preserving the value of the Debtors as a going concern and expediting distributions to creditors. In addition, to the extent necessary to facilitate closing of the Restructuring Transactions, the Debtors require the ability to immediately begin making payments required under the Plan. Based on the foregoing, I believe that good cause exists to waive any stay imposed by the Bankruptcy Rules so that the proposed Confirmation Order may be effective immediately upon its entry.

83. I respectfully submit that the Plan can and should be confirmed.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 24, 2025

/s/ Mohsin Y. Meghji
Mohsin Y. Meghji
Chief Restructuring Officer of Zachry Holdings, Inc.