

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SOUTHCROSS ENERGY PARTNERS, L.P.,
et al.,

Debtors.¹

Chapter 11

Case No. 19-10702 (MFW)

Jointly Administered

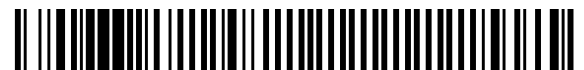
RE: D.I. 4

**ORDER AUTHORIZING DEBTORS TO EMPLOY AND RETAIN KURTZMAN
CARSON CONSULTANTS LLC AS NOTICE AND CLAIMS AGENT FOR DEBTORS
NUNC PRO TUNC TO THE PETITION DATE**

Upon the application (the “**Application**”)² of Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession in the Chapter 11 Cases (collectively, the “**Debtors**”), for entry of an order pursuant to section 156(c) of title 28 of the United States Code and section 503(b) of the Bankruptcy Code, Bankruptcy Rules 2002(f) and 2016, and Local Rule 2002-1(f), authorizing the Debtors to employ and retain Kurtzman Carson Consultants LLC (“**KCC**”) as its Notice and Claims Agent, as more fully described in the

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.



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Application; and the Court having jurisdiction to consider the matters raised in the Application pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Application pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Application and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Application and opportunity for a hearing on the Application having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Application, the Jordan Declaration, and the Howe Declaration; and the Court having held a hearing on the Application (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and the Court having found that the relief requested in the Application being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Application is hereby granted as set forth herein.
2. The Debtors are authorized to employ and retain KCC as their Notice and Claims Agent in accordance with the terms set forth in the Application and the Services Agreement *nunc pro tunc* to the Petition Date. Notwithstanding the terms of the Services Agreement, attached to the Application as Exhibit B, the Application is approved solely as set forth in this Order.
3. KCC shall serve as the custodian of court records and shall be designated as the authorized repository for all proofs of claim filed in the Chapter 11 Cases. KCC is authorized

and directed to maintain official Claims Registers for each of the Debtors, to provide public access to every proof of claim unless otherwise ordered by the Court, and to provide the Clerk with a certified duplicate thereof upon the request of the Clerk.

4. KCC is authorized to take such other action to comply with all duties set forth in the Application.

5. The Debtors may, in their sole discretion, submit a separate retention application, pursuant to 11 U.S.C. § 327 and/or any applicable law, for work that is to be performed by KCC but is not specifically authorized by this Order.

6. KCC is authorized and directed to provide an electronic interface for filing proofs of claim and to obtain a post office box or address for the receipt of proofs of claim.

7. KCC shall maintain records of all services showing dates, categories of services, fees charged, and expenses incurred, and shall serve monthly invoices on the Debtors, the U.S. Trustee, counsel to the Debtors, counsel to any official committee appointed in the Chapter 11 Cases monitoring the expenses of the Debtors, and any party in interest who specifically requests service of the monthly invoices.

8. Pursuant to section 503(b)(1)(A) of the Bankruptcy Code, the fees and expenses of KCC incurred pursuant to the Services Agreement are to be treated as an administrative expense of the Debtors' estates.

9. Without further order of the Court, the Debtors are authorized to compensate and reimburse KCC in accordance with the terms and conditions of the Services Agreement upon KCC's submission to the Debtors of invoices summarizing, in reasonable detail, the services rendered and the reasonable and necessary expenses incurred in connection therewith and

without the necessity for KCC to file an application for compensation or reimbursement with the Court.

10. KCC may apply the Retainer against all prepetition fees and expenses; thereafter, the Retainer shall be replenished to the Original Retainer Amount and KCC may hold the Retainer during the Chapter 11 Cases as security for the payment of fees and expenses incurred under the Services Agreement.

11. If any dispute arises relating to the Services Agreement or KCC's monthly invoices, the disputing party and KCC shall meet and confer in an attempt to resolve such dispute; *provided* that the parties may seek resolution of the matter from the Court if resolution is not achieved.

12. If the Chapter 11 Cases convert to cases under chapter 7 of the Bankruptcy Code, KCC will continue to be paid for its services until the claims filed in the Chapter 11 Cases have been completely processed, at which time KCC will cooperate with the Clerk to turn over any reasonably requested materials to the Clerk or a new claims agent; if a claims agent representation is necessary in the converted chapter 7 cases, KCC will continue to be paid in accordance with section 156(c) of title 28 of the United States Code under the terms set forth in the Services Agreement and this Order.

13. The Debtors shall not be authorized to terminate KCC's services, nor shall KCC withdraw from the engagement, absent further Court order (which may be sought by KCC on expedited notice by filing a request with the Court with notice of such request to be provided by overnight or facsimile delivery to the Debtors, the U.S. Trustee, and counsel to any official committee appointed in the Chapter 11 Cases); *provided, however*, that KCC shall be compensated for any unpaid fees and expenses in accordance with the terms of the Services

Agreement and this Order; *provided further* that the foregoing does not obligate a successor trustee to utilize KCC's services.

14. The Debtors shall indemnify KCC under the terms of the Services Agreement as modified pursuant to this Order.

15. KCC shall not be entitled to indemnification, contribution, or reimbursement pursuant to the Services Agreement for services other than the services provided under the Services Agreement unless such services and the indemnification, contribution, or reimbursement therefor are approved by the Court.

16. Notwithstanding anything to the contrary in the Services Agreement, the Debtors shall have no obligation to indemnify KCC, or provide contribution or reimbursement to KCC, for any claim or expense that is either (a) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from KCC's bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence, fraud, or willful misconduct, (b) for a contractual dispute in which the Debtors allege breach of KCC's contractual obligations under the Services Agreement unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003), or (c) settled prior to a judicial determination as to the exclusions set forth in clauses (a) and (b) above, but determined by this Court, after notice and a hearing, to be a claim or expense for which that person should not receive indemnity, contribution, or reimbursement under the terms of the Services Agreement as modified by the Application and Order.

17. If, before the earlier of (a) the entry of an order confirming a chapter 11 plan in the Chapter 11 Cases (that order having become a final order no longer subject to appeal) or (b) the entry of an order closing the Chapter 11 Cases, KCC believes that it is entitled to the

payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution, and/or reimbursement obligations under the Services Agreement (as modified by this Order), including the advancement of defense costs, KCC must file an application before this Court, and the Debtors may not pay any such amounts to KCC before the entry of an order by this Court approving the payment. This paragraph 17 is intended only to specify the period of time under which the Court shall have jurisdiction over any request for payment related to indemnification, contribution, or reimbursement. All parties in interest shall retain the right to object to any demand by KCC for indemnification, contribution, or reimbursement.

18. If KCC seeks reimbursement from the Debtors for attorneys' fees and expenses in connection with the payment of an indemnity claim pursuant to the Application and/or Services Agreement, the invoices and supporting time records for the attorneys' fees and expenses shall be included in KCC's own applications, both interim and final, but determined by this Court after notice and a hearing.

19. For the avoidance of doubt, KCC's limitation of liability and indemnification shall be governed by section IX.C. of the Services Agreement.

20. In the event KCC is unable to provide the services set forth in this Order, KCC shall immediately notify the Clerk and counsel to the Debtors and, upon approval of the Court, turn over all original proofs of claim and computer information to another notice and claims agent with the advice and consent of the Clerk and counsel to the Debtors.

21. After entry of an order terminating KCC's services, upon the closing of the Chapter 11 Cases or for any other reason, KCC shall be responsible for archiving all proofs of claim and transmitting to the Clerk's office all claims in an electronic format, if applicable, and shall be compensated by the Debtors in connection therewith.

22. Except as ordered by the Court pursuant to section 107(b) of the Bankruptcy Code, all papers, dockets, or other material filed in the Chapter 11 Cases with KCC shall be deemed public records open to examination by any entity at reasonable times without charge. KCC may charge a fee for copying requested material, but the fee shall not exceed that charged pursuant to the Bankruptcy Court Fee Schedule issued by the Judicial Conference of the United States in accordance with section 1930(b) of title 28 of the United States Code.

23. KCC shall not cease providing claims processing services during the Chapter 11 Cases for any reason, including nonpayment, without an order of this Court.

24. In the event of any inconsistency between the Services Agreement, the Application, and this Order, this Order shall govern.

25. Nothing in this Order or any action taken by the Debtors in furtherance of the implementation hereof shall be construed as or deemed to constitute an assumption or rejection of any agreement, contract, or lease under section 365 of the Bankruptcy Code, and all of the Debtors' rights with respect to such matters are expressly reserved.

26. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity other than KCC or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

27. Nothing in this Order nor the Debtors' payment of amounts pursuant to this Order shall be construed as or deemed to constitute (a) an agreement or admission by the Debtors as to the validity of any claim against the Debtors on any ground, (b) a grant of third party beneficiary status or bestowal of any additional rights on any third party, (c) a waiver or impairment of any rights, claims, or defenses of the Debtors' rights to dispute any claim on any grounds, (d) a

promise by the Debtors to pay any claim, or (e) an implication or admission by the Debtors that such claim is payable pursuant to this Order.

28. Any Bankruptcy Rule or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

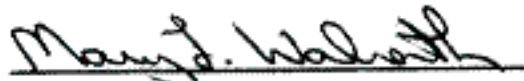
29. The Debtors and KCC are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

30. Proper, timely, adequate, and sufficient notice of the Application has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Application or the entry of this Order shall be required.

31. The Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: April 2nd, 2019
Wilmington, Delaware

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MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE