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UNITED STATES
BANKRUPTCY COURT
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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA

Case No. BK-N-
Chapter 11

In re

WASHINGTON GROUP
INTERNATIONAL, INC. et al.,

**ORDER REGARDING STIPULATED
RAYTHEON ISSUES**

Debtors.

Hearing Date: May 14, 2001
Hearing Time: 1:00 p.m.

This matter having come before the Court pursuant to
the stipulation of the parties, and good cause having been shown,
it is hereby ORDERED as follows:

1. Definitions:

(a) "Sithe Project Contract" means the E&C Contracts
by and between a Debtor and an owner or higher
tier contractor as to which Raytheon Company

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3 ("Raytheon") or Raytheon Engineers & Constructors
4 International, Inc., ("RECI") has furnished a
5 Support Agreement, relating to the projects com-
6 monly referred to as the "Sithe Mystic" and "Sithe
7 ForeRiver" projects.

8 (b) "Designated Receivable" means the "Existing Re-
9 ceivables," as that term is defined in that cer-
10 tain Receivables Termination Agreement dated July
11 7, 2000.

12 (c) "E&C Contract" means a contract for the provision
13 of engineering, construction, and/or related ser-
14 vices.

15 (d) "The Hague" means Washington Group International,
16 B.V. and its subsidiaries.

17 (e) "Indemnified Project" means each of the Jindal,
18 Ratchaburi, Posven, and Saltend projects.

19 (f) "Open Projects" means the following projects:

20 Umatilla; Pine Bluff; San Roque; Hudson Bergen;
21 Tallahassee; AES Warrior Run; DTE Sparrow Point;
22 and Ampco.

23 (g) "Proceeds" means any payment received by a Debtor
24 or an affiliate thereof from an owner or higher
25 tier contractor in respect of a Sithe Project
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3 Contract, an Indemnified Project or a Designated
4 Receivable.

5 (h) "Support Agreement" means, in connection with any
6 E&C Contract to which any Debtor is a party, a
7 guaranty furnished by Raytheon or RECI or any
8 affiliate thereof, or a reimbursement or indemni-
9 fication or other similar agreement furnished by
10 Raytheon or RECI or any affiliate thereof, in
11 favor of the issuer of a letter of credit or a
12 party that has furnished a performance, comple-
13 tion, or payment bond.

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15 2. Until further order of this Court, the Debtors
16 shall promptly turn over to Raytheon and RECI all Proceeds paid
17 directly by a project owner in respect of each Sithe Project
18 Contract; PROVIDED THAT the Debtors may continue to be paid and
19 retain payments made to them by higher tier contractors for work
20 performed by a Debtor or one of their non-Debtor affiliates
21 including pursuant to the Agreement for Consulting and Profes-
22 sional Services between Raytheon Company and Washington Group
23 International, Inc., (the "Services Agreement") and, PROVIDED
24 THAT nothing herein shall be deemed to constitute any extension,
25 modification, assumption or rejection of that agreement.

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27 3. Until further order from this Court, in accordance
28 with and as provided by the terms of the Project Completion

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3 Agreement (as defined in that certain Stock Purchase Agreement
4 dated as of April 14, 2000) for each Indemnified Project, if the
5 Debtors receive any payments from the project owners of the
6 Indemnified Projects, the Debtors shall promptly turn over all
7 such funds(if any); PROVIDED THAT Raytheon and RECI continue to
8 make all payments to the Debtors pursuant to the Project Comple-
9 tion Agreements for each Indemnified Project. Nothing herein
10 shall be deemed to constitute a modification, extension, assump-
11 tion or rejection of any of the Project Completion Agreements or
12 any other related agreement.

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14 4. Until further order of this Court, the Debtors
15 shall account for and turn over to Raytheon and RECI all Proceeds
16 with respect to Designated Receivables in accordance with the
17 terms of the Receivables Termination Agreement dated as of July
18 7, 2000, or such other terms or practices as Raytheon and the
19 Debtor may agree, and Raytheon, RECI and their affiliates shall
20 perform all of their obligations thereunder; PROVIDED THAT
21 nothing herein shall be deemed to constitute any extension,
22 modification, assumption or rejection of that agreement or any
23 related agreement.

24 5. Notwithstanding anything to the contrary herein,
25 all other legal and equitable rights and remedies of any party
26 (if any), Proceeds of Indemnified Projects, Proceeds of Desig-
27 nated Receivables with respect to any E&C Contract for which
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Raytheon or RECI has furnished a Support Agreement (if any), and all legal and equitable interests in any other property (if any), including liens and security interests (if any), of Raytheon Company, RECI, any Debtor, or non-Debtor affiliate of a Debtor, the Pre-Petition Lenders, the Post-Petition Lenders or any other creditor of a Debtor, or of any other entity, shall be unaffected as a result of the entry of this Order. Further, nothing in this Order shall prejudice any rights, claims or interests or constitute a defense to any claim that any party may have against Raytheon Company, RECI, any Debtor, or non-Debtor affiliate of a Debtor, the Pre-Petition Lenders, the Post-Petition Lenders or any other creditor of a Debtor, or of any other entity, with respect to the proceeds of any letters of credit drawn in connection with any project.

6. The Hague is not a Debtor and, as such, cash of the Hague, and amounts received by or payable to the Hague in respect of its E&C Contract obligations, shall remain with the Hague and shall not be distributed to the Debtors, absent further order from this Court. Any amount paid by a project owner to a Debtor in respect of the BASF Antwerp, BASF Ludwigshaven, Norsk Hydro, Statoil or Slovnaft (if any) jobs will be turned over to the Hague.

7. If the Debtors receive any payments from the project owners on the jobs known as "Red Oak" or "Ilijan," the

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3 Debtors shall hold such funds in escrow pending further order of
4 this Court. The Debtors shall provide five (5) days prior
5 written notice to Raytheon prior to walking off either of such
6 jobs.

7 8. The Debtors shall continue to work on all Open
8 Projects as provided in the applicable E&C Contract and shall pay
9 in full all amounts due and payable to subcontractors,
10 materialmen, vendors and employees with respect to any Open
11 Project in the ordinary course of business as provided in the
12 applicable E&C Contract, and shall not cease to do so without
13 providing five (5) days prior written notice to Raytheon, with
14 copies to Bingham Dana LLP, attention John R. Utzschneider, Esq.;
15 provided, however, that nothing herein shall be an assumption or
16 rejection of the contracts relating to any such Open Project, and
17 all rights are reserved with respect thereto.
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19 9. The Debtors shall provide Raytheon and RECI, with
20 copies to Bingham Dana LLP, attention John R. Utzschneider, Esq.,
21 with any reports produced for third parties regarding any project
22 for which Raytheon or RECI is a guarantor. Further, the Debtors
23 will respond to any reasonable request for other information
24 related to Raytheon or RECI guaranteed projects and will take
25 reasonable steps to comply with such request in a reasonable
26 amount of time in order to enable Raytheon to monitor the perfor-
27 mance and payments relating to such contracts, and ready itself
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3 for performance of any guarantee or related obligation. If the
4 parties cannot reach agreement with respect to any additional
5 information requests, the Court shall resolve such disputes. The
6 parties agree to endeavor to develop more specific procedures to
7 deal with such information requests and upon agreeing to such
8 measures will include them in the stipulation to be provided to
9 the Court at the final hearing regarding the DIP lending facil-
10 ity.

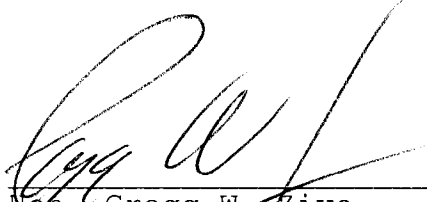
11 10. All information provided by the Debtors to
12 Raytheon and/or RECI pursuant to this stipulation shall be
13 deemed strictly confidential and will not, without the express
14 written consent of WGI (or as ordered by a court of competent
15 jurisdiction), be provided to any other party other than Raytheon
16 and RECI and their legal and financial advisors, PROVIDED THAT
17 they have acknowledged in writing that they are bound this Order.
18 Notwithstanding, the foregoing after service by WGI of a notice
19 pursuant to paragraph 7 or 8 hereof, information concerning such
20 project may be disclosed by Raytheon, subject to any controls the
21 project owners shall place thereon, to potential bidders for
22 purposes of restaffing or rebidding such project. The parties
23 also agree that in addition to the confidentiality provisions of
24 this stipulation, they will make good faith efforts to enter into
25 a separate confidentiality agreement regarding the information
26 provided pursuant to this Order and otherwise.
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3 11. Any of Raytheon, RECI, or the Debtors, on five (5)
4 days notice to counsel for one another as well as to the United
5 States Trustee and counsel for the Official Committee of Unse-
6 cured Creditors, the post-petition lenders, the pre-petition
7 lenders and any affected E&C Contract project owner, may be heard
8 in this Court with respect to disputes arising out of any issue
9 that is the subject of this Order.

10 12. No Proceeds received by Raytheon or RECI while
11 this Order is in effect shall be subject to disgorgement or any
12 claims by the Debtor or any party in interest, including the
13 Debtors' DIP Lenders under the DIP lending facility, or the
14 Debtors' pre-petition secured lenders as defined in the DIP
15 Facility Order and Adequate Protection Order.
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17 13. The Debtors will timely pay in full amounts due
18 and owing pursuant to section 8.17 of the Stock Purchase Agree-
19 ment for administrative services actually provided by Raytheon to
20 the Debtors after the Petition Date as an administrative claim in
21 the ordinary course of business; PROVIDED THAT nothing contained
22 herein shall be deemed to be an assumption or rejection of the
23 Stock Purchase Agreement.

24 Dated: Reno, Nevada
25 May 15, 2001
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27 
28 Hon. Gregg W. Zive
UNITED STATES BANKRUPTCY JUDGE