




CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed July 26, 2017

  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

ARMADA LEASING, LLC

HIGH COUNTRY  
TRANSPORTATION, INC.,

Debtors.

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

Case No. 17-32498-11

Case No. 17-32503-11

[Jointly Administered Under  
Case No. 17-32498-11]

Chapter 11

**ORDER ON DEBTOR'S MOTION, PURSUANT TO BANKRUPTCY CODE SECTIONS 105(a); 363, AND 365, AND BANKRUPTCY RULES 2002, 6004, AND 6006 FOR ENTRY OF AN ORDER: (I) APPROVING ABBREVIATED NOTICE AND SALE PROCEDURES; (II) AUTHORIZING DEBTORS' SALE OF CERTAIN ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (III) APPROVING ADEQUATE PROTECTION FOR EQUIPMENT LESSORS; AND, (IV) GRANTING RELATED RELIEF**

Upon the Motion (the "Motion"), of High Country Transportation, Inc. and Armada Leasing, LLC in the above-referenced Chapter 11 cases, as debtors and debtors in possession

(collectively, the “Debtors”), for an order (this “Order”) pursuant to sections 363 and 365 of the Bankruptcy Code, and Bankruptcy Rules 6004 and 6006, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (i) the Office of the United States Trustee; (ii) the holders of the 20 largest unsecured claims against the Debtors; (iii) the Debtors’ secured creditors and equipment lessors; and, (iv) the Internal Revenue Service (collectively, the “Notice Parties”); and due to the urgency of the circumstances surrounding this Motion and the nature of the requested relief; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, the creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court finding that the relief sought would serve judicial economy; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein;
2. The Debtors are authorized, but not directed, to sell Equipment<sup>1</sup> free and clear of all liens as set forth herein:
  - a. Upon the Debtors’ entry into an agreement to sell Equipment (a “Proposed Sale”), the Debtors shall file and serve a Notice of Proposed Sale substantially

---

<sup>1</sup> Capitalized terms not defined herein shall have the meaning set forth in the Motion.

in the form attached hereto as **Exhibit A** and a proposed order approving such sale (a “Sale Order”).

- b. Each proposed Sale Order shall, *inter alia*, provide for: (i) the approval of the Proposed Sale to be consummated and the transferee to take the tractor and/or trailer free and clear of any liens, encumbrances, rights or interests; and (ii) that proceeds of a Proposed Sale shall be applied as follows:
  - i. The proceeds of the Proposed Sale (“Sale Proceeds”) shall be held by the Debtors in a segregated account and any liens, claims, encumbrances, and other interests currently asserted against the Equipment shall attach to the proceeds of the sale with the same validity, in the same amount, with the same priority as, and to the same extent that any such liens, claims, and encumbrances had with respect to the Equipment on the Petition Date, subject to any claims and defenses that the Debtors may possess with respect thereto.
  - ii. Within seven (7) days following the entry of a Sale Order (“Lien Noticing Period”), any party that is not listed as a Secured Lender on the applicable Notice of Proposed Sale but whom claims a security interest in the Sale Proceeds shall file with the Court a notice of security interest (“Alleged Lien”), which notice shall identify: (i) the nature of the lien asserted; (ii) the basis for perfection, if any; (iii) the amount of the secured claim; and (iii) the Equipment subject to such lien. Parties in interest, including the Debtors, shall have until fourteen (14) days following entry of a Sale Order to object to the

validity, amount, priority, or extent of any Alleged Lien or to assert a claim or defense related thereto (“Lien Objection”). If no Alleged Liens are filed during the Lien Noticing Period, the Sale Proceeds shall be paid to the applicable Secured Lender(s) with any remainder to the Debtors. If, however, Alleged Lien(s) are filed, but no Lien Objection(s) are filed, then the Sale Proceeds shall be applied first to satisfy any lien(s), including Alleged Liens and Secured Lender(s) liens, in the priority asserted, with any remainder to the Debtors. If a Lien Objection is filed, the Debtor shall hold all Sale Proceeds in a segregated account pending resolution of the Lien Objection.

- c. Parties in interest shall have seven (7) days following the filing of a Notice of Proposed Sale to object to a Proposed Sale or a proposed Sale Order. Upon expiration of seven (7) days following the filing of a Notice of Proposed Sale, if no objection is filed, the Court shall enter a Sale Order. If an objection is filed, the Court shall set a hearing on the Proposed Sale as soon as is practicable.
3. The Debtors are further authorized, but not directed to return Equipment to the respective Secured Lender(s) and, if applicable, reject the any unexpired lease contract(s) associated therewith (“Voluntary Surrender”) as provided herein:
    - a. Upon the agreement of the Debtors and a Secured Lender to surrender Equipment, the Debtors shall file a Notice of Proposed Surrender substantially in the form attached hereto as **Exhibit B** and proposed order modifying the automatic stay to permit the Voluntary Surrender (a “Surrender Order”).

- b. Each proposed Surrender Order shall, *inter alia*, provide: (i) modification of the automatic stay to permit a Voluntary Surrender; (ii) to the extent applicable, such Voluntary Surrender shall be deemed to constitute a valid rejection of any unexpired lease or executory contract solely as such lease pertains to surrendered Equipment; (iii) an order requiring the Debtors to return the subject Equipment to the Secured Lender to be sold and/or disposed of in a commercially reasonable manner; (iv) waiving the Debtors' right to any further notice prior to such commercially reasonable sale; and (v) modification/termination of the automatic stay to permit the Secured Lender to sell any surrendered Equipment and apply the proceeds of such sale to the Secured Lender's claim.
- c. Parties in interest shall have seven (7) days following the filing of a Notice of Proposed Surrender to object to a Voluntary Surrender or a proposed Surrender Order. Upon expiration of seven (7) days following the filing of a Notice of Proposed Surrender; if no objection is filed the Court shall enter the Surrender Order. If an objection is filed, the Court shall set a hearing on the Voluntary Surrender as soon as is practicable.

4. Until such time as the Debtors' Equipment is either sold in accordance with the Sale Procedures set forth above or voluntarily surrendered, the Debtors are authorized to use Equipment in accordance with the Debtors' pre-petition practices. As adequate protection for such use, the Debtors are authorized to and shall make monthly installment payments to each Secured Lender in such amounts as are provided in the Pre-Petition Agreements ("Monthly Installments"). As further adequate protection, to the extent that any Equipment is sub-leased to

a third-party for an amount exceeding the Monthly Installments (a “Surplus”), such Surplus shall be remitted to the applicable Secured Lender for application against such Secured Lenders’ claim. Nothing in this Order shall prevent a Secured Lender from seeking or the Debtors from granting additional adequate protection for the use of collateral post-petition.

5. Where this Order requires the Debtors to serve a notice approved herein, such service shall be accomplished by providing a copy of such notice the Court’s CM/ECF system, via first class mail upon the Debtors’ Master Service List, with copy to the Office of the United States Trustee, and, as to any Secured Lender(s) identified in such notice, via e-mail, facsimile, or over-night mail (as such information is available to the Debtors).

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion; and,

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

**### END OF ORDER ###**

**Submitted by:**

**OKIN ADAMS LLP**

By:           /s/ Matthew S. Okin          

Matthew S. Okin  
Texas Bar No. 00784695  
David L. Curry, Jr.  
Texas Bar No. 24065107  
1113 Vine St., Suite 201  
Houston, Texas 77002  
Tel: 713.228.4100  
Fax: 888.865.2118  
[mokin@okinadams.com](mailto:mokin@okinadams.com)  
[dcurry@okinadams.com](mailto:dcurry@okinadams.com)

and

Raymond J. Urbanik  
Texas Bar No. 20414050  
Okin Adams LLP  
3811 Turtle Creek Boulevard, Suite 780  
Dallas, Texas 75219  
Tel: 214.382.4995  
Fax: 888.865.2118  
[rurbanik@okinadams.com](mailto:rurbanik@okinadams.com)

**PROPOSED ATTORNEYS FOR THE DEBTORS**

EXHIBIT A



Matthew S. Okin  
David L. Curry, Jr.  
**OKIN ADAMS LLP**  
1113 Vine St, Suite 201  
Houston, Texas 77002  
Tel: 713.228.4100  
Fax: 888.865.2118

Raymond J. Urbanik  
**OKIN ADAMS LLP**  
3811 Turtle Creek Blvd., Suite 780  
Dallas, Texas 75219  
Tel: 214.382.4995  
Fax: 888.865.2118

Proposed Attorneys for the Debtors

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**In re:**

**ARMADA LEASING, LLC**

**HIGH COUNTRY  
TRANSPORTATION, INC.,**

**Debtors.**

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

**Case No. 17-32498-11**

**Case No. 17-32503-11**

**[Jointly Administered Under  
Case No. 17-32498-11]**

**Chapter 11**

**DEBTORS' NOTICE OF PROPOSED SALE**

TO THE HONORABLE STACEY G. C. JERNIGAN, U.S. BANKRUPTCY JUDGE:

The above captioned debtors and debtors in possession (collectively, the "Debtors") file this Notice of Proposed Sale (the "Notice"), Pursuant to Bankruptcy Code Sections 105(a); 363; and 365, and Bankruptcy Rules 2002, 6004, and 6006 and this Court's Order [Docket No. \_\_\_\_].

Debtors intend to sell the equipment identified on the attached Exhibit A, pursuant to an Order of the Court in substantially the same form as the Proposed Order attached hereto as Exhibit B.<sup>1</sup>

If any party has an objection to the consummation of this Sale, an Objection to this Notice must be filed and served on or before the expiration of seven (7) days of the entry of this Notice.

If no Objection is filed and served within this time, the Court may deem this Sale as unopposed and in the best interest of the Debtors, creditors, and the estate, and shall enter an Order authorizing the equipment to be sold free and clear of all liens, rights, interests and encumbrances.

---

<sup>1</sup> If the Proposed Sale has been reduced to a written agreement; the written agreement shall be attached hereto as Exhibit C. Irrespective of the existence of a written agreement, the attached Exhibit A contains the pertinent details of the transaction, including but not limited to, purchase price, equipment description, and identity of any secured party(s) and purchaser(s).



EXHIBIT B

Matthew S. Okin  
David L. Curry, Jr.  
**OKIN ADAMS LLP**  
1113 Vine St, Suite 201  
Houston, Texas 77002  
Tel: 713.228.4100  
Fax: 888.865.2118

Raymond J. Urbanik  
**OKIN ADAMS LLP**  
3811 Turtle Creek Blvd., Suite 780  
Dallas, Texas 75219  
Tel: 214.382.4995  
Fax: 888.865.2118

Proposed Attorneys for the Debtors

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**In re:**

**ARMADA LEASING, LLC**

**HIGH COUNTRY  
TRANSPORTATION, INC.,**

**Debtors.**

§  
§  
§  
§  
§  
§  
§  
§  
§  
§

**Case No. 17-32498-11**

**Case No. 17-32503-11**

**[Jointly Administered Under  
Case No. 17-32498-11]**

**Chapter 11**

**DEBTORS' NOTICE OF PROPOSED SURRENDER**  
**[Relates to Docket No. \_\_]**

TO THE HONORABLE STACEY G. C. JERNIGAN, U.S. BANKRUPTCY JUDGE:

The above captioned debtors and debtors in possession (collectively, the "Debtors") file this Notice of Proposed Surrender (the "Notice"), Pursuant to Bankruptcy Code Sections 105(a); 363; and 365, and Bankruptcy Rules 2002, 6004, and 6006 and this Court's Order [Docket No. \_\_]. Debtors intend to surrender the equipment identified on the attached Exhibit A back to

the secured lender, pursuant to an Order of the Court in substantially the same form as the Proposed Order attached hereto as Exhibit B.<sup>1</sup>

If any party has an objection to the Debtors surrendering this equipment back to the secured lender (and rejecting the unexpired lease, if any), an Objection to this Notice must be filed and served on or before the expiration of seven (7) days of the entry of this Notice.

If no Objection is filed and served within this time, the Court shall treat Debtors surrendering said equipment, and rejection of any applicable unexpired lease(s), as unopposed and in the best interest of the Debtors, creditors, and the estate, and shall enter an Order authorizing the relief herein.

---

<sup>1</sup> If the Proposed Surrender is subject to one or more unexpired leases that the Debtors intend to reject, a copy of the lease(s) shall be attached hereto as Exhibit C. Irrespective of whether an unexpired lease is attached hereto, the attached Exhibit A contains the pertinent details of the surrender, including but not limited to, a description of the equipment, identity of secured party(s) and the amount owed to secured party(s).

