



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

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

Signed June 6, 2025

United States Bankruptcy Judge

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

In re:

ZIPS CAR WASH, LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 25-80069 (MVL)
)
) (Jointly Administered)
)
) **Re: Docket Nos. 320, 360, and 363**
)

**ORDER OVERRULING BVLY PARTNERS
CLTZ TYVOLA, LLC AND BVLY PARTNERS CLTZ
WILKINSON, LLC'S OBJECTION TO NOTICE OF ASSUMPTION OF CERTAIN
LEASES AND GRANTING THE DEBTORS' NOTICE OF LEASE ASSUMPTION**

Upon the Debtors' *Notice of Filing of Plan Supplement* [Docket No. 320] and *Notice of Filing of Amended Plan Supplement* [Docket No. 360] (collectively, the "Plan Supplement") and *BVLY Partners CLTZ Tyvola, LLC and BVLY Partners CLTZ Wilkinson, LLC's Objection to*

¹ The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification numbers, are Zips Car Wash, LLC (3045); Express Car Wash Holdings, LLC (6223); Zips 2900 Wade Hampton, LLC (N/A); Zips 3107 N. Pleasantburg, LLC (N/A); Zips 6050 Wade Hampton, LLC (N/A); Zips Operating Holdings, LLC (2161); Zips Portfolio I, LLC (9999); Zips Portfolio II, LLC (1864); Zips Portfolio III, LLC (N/A) and Zips Portfolio IV, LLC (N/A). The location of Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is 8400 Belleview Drive, Suite 210, Plano, Texas 75024.

Notice of Assumption of Leases [Docket No. 363] (the “Objection”), filed by BVLV Partners CLTZ Tyvola, LLC and BVLV Partners CLTZ Wilkinson, LLC (collectively, the “Landlords”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Plan Supplement in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having reviewed the Plan Supplement and the Objection,

FOUND, CONCLUDED AND DETERMINED THAT:²

1. Landlords and Debtor Zips Car Wash, LLC are parties to: (1) the Land and Building Lease Agreement dated May 2, 2019 for the property located at 1036 Tyvola Rd., Charlotte, NC 28217, to which BVLV Partners CLTZ Tyvola, LLC is the counterparty (Store Number/Property ID 952 - NCCHA_Tyvola); and (2) the Land and Building Lease Agreement dated May 2, 2019 for the property located at 3401 Wilkinson Blvd., Charlotte, NC 28208, to which BVLV Partners CLTZ Wilkinson, LLC is the counterparty (Store Number/Property ID 953 - NCCHA_Wilkinson) (together, as amended, modified, and assigned, the “Leases”).

2. Landlords previously filed the *BVLV Partners CLTZ Tyvola, LLC and BVLV Partners CLTZ Wilkinson, LLC’s Motion for Relief from the Automatic Stay to Remove the Debtor from Leased Premises* [Docket No. 137] (the “Stay Relief Motion”), seeking to lift the stay and to evict the Debtors from the premises covered by the Leases, arguing, among other things, that the

² The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Debtors cannot assume the Leases because Landlords validly terminated the Leases before the Debtors filed their chapter 11 petition.

3. On April 23, 2025, the Court held a hearing on the Stay Relief Motion (the “Hearing”). During the Hearing, the Court admitted into evidence and considered Declaration of David Head in Support of the Motion [Docket No. 137-1] and Exhibits 1–13 attached thereto, the Supplemental Declaration of David Head in Support of the Motion [Docket No. 362-2] and Exhibits 14-16 attached thereto, the Declaration of Sophie Teague in Support of the Motion [Docket No. 362-1] and Exhibits 17-18 attached thereto, the Declaration of Kevin Nystrom, Chief Transformation Officer of Zips Car Wash, LLC, in Support of the Objection [Docket No. 273] and Exhibit 1 attached thereto, and the Joint Stipulation of Facts Regarding the Motion [Docket No. 370]. At the Hearing, the Court denied the Stay Relief Motion and stated the reasons for its ruling on the record. The Court later issued a written order incorporating the bench ruling issued at the Hearing [Docket No. 400] (the “Stay Order”).³

4. At the Hearing, the Court determined that the Leases were property of the estate to which the automatic stay applied upon commencement of these chapter 11 cases, such that sections 362(b)(10) and 541(b)(2) of the Bankruptcy Code were not applicable. The Court then determined that cause did not exist under section 362(d)(1) of the Bankruptcy Code to lift the automatic stay to allow termination of the Leases.

5. The Objection incorporates by reference the arguments and evidence submitted in support of the Stay Relief Motion, namely, the argument that the Debtors cannot assume the Leases because the Landlords validly terminated the Leases before the Debtors filed their chapter 11 petition. The Landlords did not object to assumption of the Leases on any other basis.

³ The Landlords timely appealed the Stay Order on May 12, 2025 [Docket No. 428] (the “Appeal”).

6. On June 3, 2025, the parties appeared at a status conference on the Objection. The Landlords confirmed that if the assumption of the Leases is effective as of April 30, 2025, they have no other objections to assumption other than those in the Objection. The Debtors shall cure any breaches or defaults under the Leases that arise following the April 30, 2025 assumption date pursuant to the terms of the Leases.

IT IS HEREBY ORDERED THAT:

1. Based on the record during the Hearing, the Leases are property of the estate and section 365(c)(3) of the Bankruptcy Code is not applicable.

2. The Objection is overruled, and the Leases shall be assumed effective as of April 30, 2025.

3. The Court's bench ruling issued at the Hearing with respect to the Stay Relief Motion is hereby fully incorporated by reference herein.

4. Pursuant to 11 U.S.C. § 365, the Debtors may assume the Leases.

5. Except as it pertains to the matters on Appeal, this Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

END OF ORDER