

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

In re: § Chapter 11
RHODIUM ENCORE LLC, et al.,¹ § Case No. 24-90448 (ARP)
§
§ (Jointly Administered)
Debtors. §

THE COUNTY OF MILAM, TEXAS’
LIMITED OBJECTION TO EMERGENCY MOTION FOR ENTRY OF AN ORDER (I)
APPROVING SETTLEMENT BETWEEN DEBTORS AND WHINSTONE US, INC.; (II)
AUTHORIZING THE USE, SALE, OR LEASE OF CERTAIN PROPERTY OF THE
DEBTORS’ ESTATE PURSUANT TO 11 U.S.C. § 363; AND (III) GRANTING
RELATED RELIEF
(Relates to Doc 880)

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Comes now The County of Milam, Texas (hereinafter “**Milam**”), secured creditor and party-in-interest, and files this Limited Objection to the Debtors’ Emergency Motion for Entry of an Order (I) Approving Settlement Between Debtors and Whinstone US, Inc.; (II) Authorizing the Use, Sale, Or Lease of Certain Property of the Debtors’ Estate Pursuant to 11 U.S.C. § 363; and (III) Granting Related Relief (the “**Motion**”) and respectfully shows the Court as follows:

1. Milam holds an unavoidable, perfected, first priority lien for the 2025 tax year on all of the Debtors’ business personal property located within Milam County pursuant to Texas Property Tax Code Sections 32.01 and 32.05. *In re Winn’s Stores, Inc.*, 177 B.R. 253 (Bankr. W. D. Tex. 1995); *Central Appraisal District of Taylor County v. Dixie-Rose Jewels, Inc.*, 894 S.W.2d

¹ The Debtors in these chapter 11 cases and the last four digits of their corporate identification numbers are as follows: Rhodium Encore LLC (3974), Jordan HPC LLC (3683), Rhodium JV LLC (5323), Rhodium 2.0 LLC (1013), Rhodium 10MW LLC (4142), Rhodium 30MW LLC (0263), Rhodium Enterprises, Inc. (6290), Rhodium Technologies LLC (3973), Rhodium Renewables LLC (0748), Air HPC LLC (0387), Rhodium Shared Services LLC (5868), Rhodium Ready Ventures LLC (8618), Rhodium Industries LLC (4771), Rhodium Encore Sub LLC (1064), Jordan HPC Sub LLC (0463), Rhodium 2.0 Sub LLC (5319), Rhodium 10MW Sub LLC (3827), Rhodium 30MW Sub LLC (4386), and Rhodium Renewables Sub LLC (9511). The mailing and service address of the Debtors in these chapter 11 cases is 2617 Bissonnet Street, Suite 234, Houston, TX 77005.



841 (Tex. App. – Eastland 1995). These liens are *in solido* and attach on January 1 of each year to all business personal property of the property owner and to property subsequently acquired. 11 U.S.C. §362(b)(18) (permits the post-petition attachment of ad valorem tax liens); *In re Universal Seismic Associates, Inc.*, 288 F.3d 205 (5th Cir. 2002); *City of Dallas v. Cornerstone Bank, N.A.*, 879 S.W.2d 264 (Tex. App.-Dallas 1994). Texas Property Tax Code Section 32.01 provides:

- (a) On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property, whether or not the taxes are imposed in the year the lien attaches. The lien exists in favor of each taxing unit having power to tax the property.
- (b) A tax lien on inventory, furniture, equipment, or other personal property is a lien *in solido* and attaches to all inventory, furniture, equipment, and other personal property that the property owner owns on January 1 of the year the lien attaches or that the property owner subsequently acquires.
- ...
- (d) The lien under this section is perfected on attachment and ... perfection requires no further action by the taxing unit.

Texas Property Tax Code Section 32.05(b) provides:

- (b) ... a tax lien provided by this chapter takes priority over the claim of any creditor of a person whose property is encumbered by the lien and over the claim of any holder of a lien on property encumbered by the tax lien, whether or not the debt or lien existed before attachment of the tax lien.

2. Milam does not oppose the settlement, but requests the following language be included in any order entered on the Motion for the protection of its liens:

Notwithstanding anything herein to the contrary and for the avoidance of doubt, the 2025 *ad valorem* tax liens of The County of Milam, Texas on the Transferred Assets are “Permitted Liens”, shall survive the Closing, and shall remain attached to the Transferred Assets until such time as said 2025 taxes, including any penalties and interest that accrue thereon, are fully paid.

WHEREFORE, Milam objects to the Motion and requests the Court order appropriate provisions to assure the protection of Milam’s lien and collateral. Milam further requests such other and further relief to which it may be justly entitled.

Dated: March 24, 2025

Respectfully submitted,

MCCREARY, VESELKA, BRAGG &
ALLEN, P.C.

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ATTORNEYS FOR MILAM COUNTY

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served as reflected below on this 24th day of March, 2025.

/s/ Julie Anne Parsons

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