Docket #0184 Date Filed: 05/05/2026

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

In re: ASCEND ELEMENTS, INC., *et al.*, [1] Debtors.	Chapter 11 Case No. 26-90440 (CML) (Jointly Administered)

CITY OF HOPKINSVILLE'S LIMITED OBJECTION TO DEBTORS' CASH COLLATERAL MOTION

The City of Hopkinsville (the "City"), a senior secured creditor with a recorded mortgage as well as tax liens, files this Limited Objection and reservation of rights to the *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection for the Use of Cash Collateral, (III) Scheduling a Final Heairng, and (IV) Granting Related Relief* [Docket No. 18] (the "Cash Collateral Motion").

The City objects to the Cash Collateral Motion to the extent that it improperly prioritizes prepetition and/or adequate protection liens and claims the above-captioned debtors (collectively, the "Debtor") have stipulated to for the benefit of certain prepetition lenders described therein (collectively, the "Prepetition Lenders").

The City has been in communications with certain of the Prepetition Lenders and the Debtor to resolve the City's limited objection and is hopeful that the parties can reach agreement on language to include in a prospective final cash collateral order.

This Limited Objection is supported by the entire record before the Court and the following points and authorities.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Ascend Elements, Inc. (2893) and Ascend Elements US, LLC (8309). The location of the Debtors' service address is: 133 Flanders Road, Westborough, MA 01581.

LIMITED OBJECTION AND RESERVATION OF RIGHTS

1. On November 15, 2022, Debtor Ascend Elements, Inc. ("Ascend"), and the City executed that certain Grant Agreement, under which the City agreed to grant Ascend the sum of $3,642,000 in property and/or cash for the purpose of, among other things, acquiring real property for the Debtor's Kentucky facility (commonly referred to as the Apex 1 facility), which funds were to be secured by a mortgage against the real property. Consistent with the terms of the Grant Agreement, on or around December 15, 2022, the City paid Ascend a total of $3,642,000 and recorded a Real Estate Mortgage against the real property. The City previously filed true and correct copies of the Real Estate Mortgage and Grant Agreement at Docket Number 104.

2. As of April 9, 2026 (the "Petition Date"), no less than $3,642,000 is owed to the City under the Grant Agreement and Real Estate Mortgage. To the extent the City is an oversecured creditor, the City is entitled to seek post-petition interest as well as reasonable attorneys' fees, charges, and costs.

3. In addition to the amount owed under the Real Estate Mortgage and Grant Agreement, as of April 30, 2026, the Debtor owes the City no less than $512,579.61 in real and personal property taxes for 2025, comprising $511,312.50 (secured by Lots 1 and 2 of the Apex 1 facility), and $1,267.11 (secured by personal property). Attached as **Exhibit A** are tax bills, which have been sent to Debtor.

4. These real and personal property taxes will continue to be assessed against the Debtor's real and personal properties, and amounts will continue to accrue under the Real Estate Mortgage and Grant Agreement during the pendency of these cases.

5. The interim order entered with respect to the Cash Collateral Motion [Docket 74] (the "Interim Order") states "(ii) the Prepetition Liens are senior in priority over any and all other liens on the Prepetition Collateral, subject only to Permitted Liens . . . ." [Docket 74 at page 8,

¶ (E)(3)]. The term "Permitted Liens" is defined under the various prepetition loan documents executed among the Debtor and the Prepetition.

6. Based on communications with certain Prepetition Lenders, the term "Permitted Liens" contained in the Cash Collateral Motion as well as the Interim Order, is intended to capture the liens arising from the Real Estate Mortgage, Grant Agreement, and the real and personal property taxes owed to the City (collectively, the "**City Liens**").

7. The City, however, is not a party to prepetition loan documents between the Debtor and the Prepetition Lenders. Moreover, certain language in the Interim Order that follows the quoted language above provides that liens arising after the petition date are subordinated to the Prepetition Lenders' liens and claims, including adequate protection liens and claims. *See* Interim Order, at page 8, ¶ (E)(3) ("solely to the extent any such Permitted Liens were valid, property perfected, non-avoidable . . . ***and senior in priority to the Prepetition Liens as of the Petition Date*** . . .").

8. Based on discussions with certain Prepetition Lenders and the Debtor, it does not appear to be the intent of the Cash Collateral Motion nor the Interim Order to prime or subordinate any of the City Liens. Indeed, such subordination or stipulation would be contrary to the bid procedures order that requires the City, the Debtor, and other parties to work in good faith to resolve lien priority matters among various interested parties. *See* Docket 120 at pages 18-20, ¶ 31. The City, out of an abundance of caution, objects to the Cash Collateral Motion and entry of any final cash collateral order, to the extent the Debtor and Prepetition Lenders attempt to subordinate the City Liens to any creditors' claims, including, liens and claims the Debtor has stipulated to under the Interim Order and any adequate protection liens.

9. To resolve the City's concerns, and to the extent the Court is inclined to enter a final order on the Cash Collateral Motion, the City proposes that the following language replace item (ii) of ¶ (E)(3) of the Interim Order.

(ii) the Prepetition Liens are senior in priority over any and all other liens on the Prepetition Collateral, subject only to only to (a) that certain Real Estate Mortgage, dated as of December 14, 2022 and recorded on December 15, 2022 on Lot 1 of the Company's land in Hopkinsville Industrial Park, Christian County, Kentucky (as described in that certain General Warranty Deed dated November 16, 2022), securing the Company's obligations under that certain Grant Agreement with the City of Hopkinsville (the "**City**") dated as of November 15, 2022 (the "**City Mortgage**"), (b) that certain Commercial Real Estate Mortgage and Assignment of Leases by and between Ascend Elements, Inc. and Hopkinsville Industrial Foundation, Inc., dated November 16, 2022, recorded on November 18, 2022, and collaterally assigned on November 16, 2022 to Planters Bank, Inc. (such collateral assignment recorded on November 18, 2022), on Lot 2 of the Division Plat of Hopkinsville Industrial Foundation, Inc. Property, recorded in Plat Cabinet 12, Slide 519 in the Christian County, Kentucky Clerk's Records in Christian County, Kentucky (being a portion of the property acquired by the Company pursuant to (1) that certain Deed, dated November 16, 2022 and recorded at Deed Book 797 Page 420 in the Christian County, Kentucky Clerk's Office and (2) that certain Deed, dated January 24, 2022, recorded at Deed Book 786, Page 334 in the Christian County, Kentucky Clerk's Office), together with such related rights and interests as granted in such mortgage, securing the Company's obligations under that certain Commercial Term Promissory Note in the amount of $2,856,000 issued on November 16, 2022 in favor of Hopkinsville Industrial Foundation, Inc. (collaterally assigned to Planters Bank, Inc. on November 16, 2022) (the "**Foundation Mortgage**"), (c) the real property taxes and personal property taxes assessed or to be assessed by the City (the "**City Taxes**"), and (d) the Permitted Liens (as defined in the Prepetition Documents)[1], (solely to the extent any such Prepetition Permitted Liens were valid, property perfected, non-avoidable, not subject to recharacterization, offset, or subordination, and, with the exception of the City Taxes, senior in priority to the Prepetition Liens as of the Petition Date, or valid, non-avoidable, senior priority Permitted Liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code; (iii). . .

[1] The City Mortgage, the Foundation Mortgage, the City Taxes, and the Permitted Liens (as defined in the Prepetition Documents) are collectively referred to as the "Prepetition Permitted Liens".

10. Upon the insertion of the above language in its entirety, the City would consider its Limited Objection resolved, subject to review and comment on a proposed final cash collateral order.

11. The City reserves the right to supplement this Limited Objection.

CONCLUSION

WHEREFORE, the City respectfully requests that the Court (i) deny the Cash Collateral Motion to the extent it seeks to prejudice any of the City Liens, (ii) adopt the language proposed in this Limited Objection for any additional order on the Cash Collateral Motion, subject to the City's further review and comment on such order before submission, and (iii) provide such other relief that is appropriate and just under the circumstances.

Dated: May 5, 2026.

SQUIRE PATTON BOGGS (US) LLP

/s/ Kelly Singer

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Counsel to City of Hopkinsville, Kentucky

EXHIBIT A

City of Hopkinsville
715 S Virginia St
P.O. Box 707
Hopkinsville, KY 42241
270-887-4000 or 270-890-0231

158000006802-25

2025 Property Tax Bill

Bill #:	158000006802-25
ASCEND ELEMENTS INC	**Amount Due:** 511,312.50
133 FLANDERS RD	**Date Due:** 4/30/2026
WESTBOROUGH MA 1581	**Account:** 161089

Property Information		Property Assessment	
Account:	161089	**Units:**	0.0000
MAP:	158-00-00-068.02	**Gross:**	225,000,000.00
Location:	6505 JOHN RIVERS RD	**Exemption Code:**	1
Legal Description:		**Exemption:**	0.00
6505 JOHN RIVERS RD LOT 1 & 2		**Taxable Value:**	225,000,000.00

Description	Basis	Tax Rate	Tax Amount	Discount	Base Amount
COMMERCIAL	225,000,000.00	0.00202000	454,500.00	-9,090.00	445,410.00

Pay Online at
https://aca-prod.accela.com/HOPKINSVILLE

If this bill is paid by your Mortgage Company please forward it to them.

If Paid By	
10/31/2025	445,410.00
11/30/2025	454,500.00
12/31/2025	502,222.50
01/31/2026	504,495.00

Make checks payable to City of Hopkinsville.
www.hopkinsvilleky.us

Please remit this portion with your payment

Owner: ASCEND ELEMENTS INC
Location: 6505 JOHN RIVERS RD
Amount Due: 511312.50

Bill #: 158000006802-25
Amount Enclosed: _____
Check #: _____

Pay Online at
https://aca-prod.accela.com/HOPKINSVILLE

If this bill is paid by your Mortgage Company please forward it to them.

If Paid By	
10/31/2025	445,410.00
11/30/2025	454,500.00
12/31/2025	502,222.50
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715 S Virginia St
P.O. Box 707
Hopkinsville, KY 42241
270-887-4000 or 270-890-0231

158000006802-25

City of Hopkinsville
715 S Virginia St
P.O. Box 707
Hopkinsville, KY 42241
270-887-4000 or 270-890-0231

T2500146476-25

2025 Property Tax Bill

		Bill #:	T2500146476-25
ASCEND ELEMENTS INC		**Amount Due:**	1,267.11
133 FLANDERS RD		**Date Due:**	4/30/2026
WESTBOROUGH MA 1581		**Account:**	206233

Property Information		**Property Assessment**	
Account:	206233	**Units:**	0.0000
MAP:	T2500146476	**Gross:**	471,269.00
Location:	6505 JOHN RIVERS RD	**Exemption Code:**	1
Legal Description:		**Exemption:**	0.00
PVA LOCID 25 574		**Taxable Value:**	471,269.00

Description	Basis	Tax Rate	Tax Amount	Discount	Base Amount
TANGIBLE	471,269.00	0.00239000	1,126.33	-22.53	1,103.81

Pay Online at
https://aca-prod.accela.com/HOPKINSVILLE

If this bill is paid by your Mortgage Company please forward it to them.

If Paid By	
10/31/2025	1,103.81
11/30/2025	1,126.33
12/31/2025	1,244.60
01/31/2026	1,250.23

Make checks payable to City of Hopkinsville.
www.hopkinsvilleky.us

Please remit this portion with your payment

Owner: ASCEND ELEMENTS INC
Location: 6505 JOHN RIVERS RD
Amount Due: 1267.11

Bill #: T2500146476-25
Amount Enclosed: _____
Check #: _____

Pay Online at
https://aca-prod.accela.com/HOPKINSVILLE

If this bill is paid by your Mortgage Company please forward it to them.

If Paid By	
10/31/2025	1,103.81
11/30/2025	1,126.33
12/31/2025	1,244.60
01/31/2026	1,250.23

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270-887-4000 or 270-890-0231

T2500146476-25