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

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

TOTAL QUALITY LOGISTICS, LLC AND VICTORY EQUIPMENT & SERVICES, LLC'S LIMITED OBJECTION TO ENTRY OF SALE ORDER AND SUPPLEMENT TO LIMITED OBJECTION AND RESERVATION OF RIGHTS TO THE DEBTORS' FIRST NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES [DOCKET NO. 240]

Total Quality Logistics, LLC ("TQL") and Victory Equipment & Services, LLC ("Victory," and together with TQL, the "Objecting Parties"), by and through undersigned counsel, hereby submit this *Objection to Entry of Sale Order and Supplement to Limited Objection and Reservation of Rights to the Debtors' First Notice to Contract Parties to Potentially Assumed Executory Contracts and Unexpired Leases [Docket No. 240]* (the "Limited Objection and Supplement"), which constitutes both a limited objection to entry of the Proposed Sale Order (as defined below) and a supplement to the Objecting Parties' Limited Objection and Reservation of Rights [Docket No. 329] (the "Assignment Limited Objection"), filed on May 15, 2026.[2] In support thereof, the Objecting Parties respectfully state as follows:

PRELIMINARY STATEMENT

1. The Objecting Parties incorporate by reference the facts, arguments, and reservations of rights set forth in the Assignment Limited Objection as if fully restated herein. As

[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.
[2] The Debtors agreed to extend the time for the Objecting Parties to file this objection until 5:00 p.m. prevailing Central Time on June 26, 2026.

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set forth in the Assignment Limited Objection, TQL is a third-party logistics provider that entered into written agreements (the "TQL Agreements") with the Debtors pursuant to which TQL provides logistics and related services in support of the Debtors' operations, including arranging for the Debtors' use of certain trailers and a parking facility (through its service provider, Victory). The TQL Agreements include two executory contracts at issue: (1) a Drop Trailer Rate Addendum dated November 8, 2024 for the use of Victory-provided trailers (the "Victory Trailers"), which upon information and belief are currently primarily used by the Debtors to store the Debtors' lithium-ion batteries (the "Batteries"); and (2) a Secure Lot Parking Rate Confirmation dated November 8, 2024 for the use of approximately 400 parking spaces at a parking lot located in Lithonia, Georgia (the "Parking Facility") in which the Victory Trailers and certain other trailers are parked (collectively, and as amended or supplemented, the "Executory Contracts").

2. On June 20, 2026, the Debtors filed the *Notice of (I) Designation of R3 Lithium, Inc. as Successful Bidder for the Debtors' Covington, Georgia Assets and (II) Cancellation of Auction with Respect to Such Assets* [Docket No. 487] (the "Purchaser Notice"), attaching a proposed Asset Purchase Agreement dated June 19, 2026 (the "APA") between Ascend Elements, Inc. and R3 Lithium, Inc. (the "Purchaser"), whereby the Purchaser has proposed to acquire certain assets that were described in the Purchaser Notice as being "with respect to the Debtors' Covington, Georgia assets" (the "Covington Assets") in exchange for the assumption of assumed liabilities and $3.0 million in cash, plus payment of the Purchaser's allocated portion of cure costs. The Notice also includes as an attachment the Debtors' proposed Sales Orde with respect to the sale of Covington Assets (the " Proposed Sale Order" and upon entry, the "Sale Order"), which is the subject of this Limited Objection and Supplement.

3. The proposed APA defines "Acquired Assets" to include, among other things, "all Contracts to which Seller is a party that support, facilitate, or relate to the Business and the other Acquired Assets or any Assumed Liabilities, including without limitation those listed on Schedule 1.1(b) [of the APA]." However, given that the schedules to the proposed APA were not included in the attachments to the Purchaser Notice, it is unclear as of the date of this filing what is included in the Acquired Assets. Accordingly, the Objecting Parties are in the process of confirming with Debtors whether the proposed APA includes any of the Debtors' assets being stored in the Victory Trailers or otherwise in the other trailers located at the Parking Facility and whether the Objecting Parties' two Executory Contracts are included among the Assigned Contracts and Leases (the "Assigned Contracts") as defined in the *Order (A) Approving Bid Procedures, (B) Authorizing Designation of a Stalking Horse Bidder, (C) Scheduling an Auction, Related Deadlines, and a Sale Hearing, and (D) Granting Related Relief* [Docket No. 120] to be assumed and assigned to the Purchaser under the APA.

4. As stated in the Assignment Limited Objection, the Objecting Parties do not object to assumption and assignment of the Executory Contracts in principle, provided that the requirements of section 365 of the Bankruptcy Code are satisfied. The Objecting Parties file this Limited Objection and Supplement to address continuing concerns regarding compliance with applicable laws, including environmental law compliance, relating to use of the Victory Trailers and Parking Facility, the condition of the Victory Trailers and Parking Facility, the adequacy of the Purchaser's assurances regarding these matters, the adequacy of the Purchaser's insurance coverage—including whether the Purchaser will maintain sufficient coverage for, among other things, pollution liability, hazardous materials and/or waste (including transport and storage), physical loss or damage to the Victory Trailers, and also including all insurance requirements as

are set forth in the TQL Agreements and the Victory End User Terms[3], and Purchaser's provision of other adequate assurance information in connection with any proposed assumption and assignment of the Executory Contracts, including further information about Purchaser's ability to satisfy financial and other obligations under the Executory Contracts, as more fully set forth below. The Objecting Parties further file this Limited Objection and Supplement to object to entry of the proposed form of the "Proposed Sale Order to the extent the Proposed Sale Order, together with the APA, has the potential to leave TQL and/or Victory with the risk of responsibility for environmental and other conditions relating to the Victory Trailers and the Parking Facility that should be borne by the Purchaser, and to supplement the Assignment Limited Objection as set forth below.

5. In reviewing the APA and Proposed Sale Order, the Objecting Parties identified provisions directly implicating the environmental and compliance issues raised in this Limited Objection and Supplement. Section 1.3(a) of the APA limits the Purchaser's assumed liabilities under Assigned Contracts (as defined in the APA) to post-Closing (as defined in the APA) liabilities and obligations but only to the extent arising out of facts, circumstances, conditions or events that first occur or first come into existence after Closing. Section 1.3(b) of the APA, to the extent applicable,[4] limits the Purchaser's assumed liabilities to remediation at the Acquired Leased Real Property arising from a "Release of Hazardous Materials first occurring after the Closing" and expressly provides that "no Liability arising out of any Release of Hazardous Materials, condition or violation of Environmental Law in existence on or prior to the Closing Date (**whether**

[3] Capitalized terms not defined herein shall have the meaning affixed to them in the Assignment Limited Objection.
[4] It is unknown whether the Debtors and Purchaser intend for the Parking Facility to be considered an "Acquired Leased Real Property" under the APA. Although the Debtors only have a right to utilize the Parking Facility (and the Victory Trailers) pursuant to the Executory Contracts, which are not leases, Section 11.1(hhh) APA broadly defines "Leased Real Property" to include "any real property used in the Business that is leased, subleased, licensed or otherwise occupied by Seller" and Section 1.1(a) defines "Acquired Leased Real Property" as the Leased Real Property listed on Schedule 1.1(a)" (however, no schedules were attached to the APA filed with the Purchaser Notice).

or not known to either Party or first identified or manifested following Closing) shall be an Assumed Environmental Liability" (emphasis added). Section 1.4(d) of the APA classifies all other environmental liabilities as "Excluded Liabilities" and specifically lists as an Excluded Liability "any Liability arising out of any Release of Hazardous Materials, condition, exceedance or violation of any Environmental Law first occurring or first in existence on or prior to the Closing Date, **whether or not known to either Party or first identified or manifested following the Closing**" (emphasis added).

6. Section 5.2 of the APA directs that the Sale Order provide the Purchaser bears no responsibility for such liabilities, including successor or vicarious liability. The Proposed Sale Order implements these limits through paragraphs 13–15, which disclaim successor liability, prohibit assumption of excluded liabilities, and enjoin claims against the Purchaser. Read together, these provisions as currently written would leave TQL and/or Victory with the risk of all liability which could arise from pre-Closing environmental conditions—including conditions that are unknown to TQL and Victory, yet could be known to the Debtors and the Purchaser—despite the Purchaser's post-Closing ownership and operation of the assets and requirements of Section 365(b) and (f) of the Bankruptcy Code.[5] Accordingly, the Objecting Parties supplement their Assignment Limited Objection and object to entry of the Proposed Sale Order to this extent.

7. The Objecting Parties have been in contact with counsel for both the Debtors and the Purchaser, and they are hopeful that the parties will be able to reach an agreement on acceptable

[5] It should be noted that the Objecting Parties have only arranged and/or provided use of the Victory Trailers and Parking Facility to the Debtors, and do not operate the Debtors' business operations at the Parking Facility (including storage of any Batteries or any other products in the Victory Trailers or otherwise at the Parking Facility). As such, the Objecting Parties do not have knowledge of the exact materials being stored by the Debtors at the Victory Trailers or the Parking Facility and the condition thereof (although the Executory Contracts do impose certain obligations on the Debtors such as Debtors' compliance with laws). Accordingly, the Objecting Parties are unable to independently verify the Debtors' compliance with applicable laws, including environmental laws, with respect to the materials stored in the Victory Trailers or otherwise at the Parking Facility (or otherwise fully ascertain their condition).

terms to resolve the concerns raised in this Limited Objection and Supplement (and the Assignment Limited Objection). However, given the number of outstanding issues, the Objecting Parties file this Limited Objection and Supplement to preserve their rights in the event that a resolution cannot be reached.

JURISDICTION AND VENUE

8. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a "core" proceeding according to 28 U.S.C. § 157(b), and venue in this Court is proper under 28 U.S.C. §§ 1408 and 1409.

9. The statutory predicate for the relief requested herein is section 365(b) and (f) of title 11 of the United States Code (the "Bankruptcy Code").

LIMITED OBJECTION TO ENTRY OF SALE ORDER AND SUPPLEMENT TO ASSIGNMENT LIMITED OBJECTION

A. Compliance with Laws and Contractual Requirements and Maintenance Concerns Remain Unresolved.

10. The Debtors have not provided the Objecting Parties with sufficient documentation or assurances to confirm that the Batteries and any other products stored in the Victory Trailers or otherwise stored at the Parking Facility comply with all applicable laws, including any applicable environmental regulations and laws, that the Debtors are complying with contractual requirements, or that the Victory Trailers and Parking Facility have been properly maintained in good condition. The Objecting Parties also request assurance from the Debtors, consistent with Debtors' obligations under the Executory Contracts and the incorporated Victory End User Terms, that the Batteries and any other products stored in or at the Victory Trailers and the Parking Facility are not in a condition that poses a risk of fire, explosion, or casualty event. The Objecting Parties

request such documentation and assurances be provided to the Objecting Parties as a condition to any assumption and assignment of the Executory Contracts.

B. The Purchaser Has Not Provided Adequate Assurance of Future Performance.

11. The Purchaser Notice and the potential assignment of the Executory Contracts to the Purchaser raise additional concerns regarding whether the Purchaser will be able to satisfy the requirements of section 365(b)(1)(C) and (f)(2) of the Bankruptcy Code with respect to adequate assurance of future performance under the Executory Contracts. The Objecting Parties have not received sufficient information regarding the Purchaser to provide adequate assurance that the Purchaser is willing and able to meet the financial obligations under the Executory Contracts and comply with other obligations relating to the Executory Contracts and the use of the Victory Trailers and Parking Facility, including, without limitation, compliance with applicable laws, including applicable environmental laws, relating to the use of the Victory Trailers and Parking Facility, and compliance with maintenance, insurance, indemnification, and other obligations set forth in the TQL Agreements and the incorporated Victory End User Terms.

C. The Objecting Parties Request Certain Conditions in Connection with Assumption and Assignment of the Executory Contracts.

12. Accordingly, the Objecting Parties respectfully request that, as a condition to the assumption and assignment of the Executory Contracts, the Debtors and/or the Purchaser provide the following:

a) A written acknowledgment from the Debtors that the Batteries and any other products stored in or at the Victory Trailers and the Parking Facility, along with Debtors' use of the Victory Trailers and Parking Facility, are currently in compliance as of the Closing Date with all applicable federal, state, and local laws, statutes, regulations, orders,

judgments, opinions or ordinances, including without limitation any environmental laws and regulations governing the storage, handling, and transportation of lithium-ion batteries and any materials that may constitute hazardous waste, and that after due investigation there are no known environmental incidents, spills, releases, contamination or other conditions of concern under any environmental laws or regulations that have occurred relating to the Victory Trailers or the Parking Facility or any conditions reasonably known to the Debtors that could give rise to any of the foregoing, and that the Batteries and any other products stored in or at the Victory Trailers and Parking Facility are not in a condition that poses a risk of fire, explosion or other casualty event;

b) A written acknowledgment from the Debtors that the Victory Trailers and the Parking Facility have all been properly maintained and are in good condition and free of any damage relating to Debtors' use, possession, maintenance, custody or control thereof, consistent with the obligations of Debtors set forth in the TQL Agreements and the Victory End User Terms;

c) A written confirmation from the Debtors and photographic evidence that as of the Closing Date all Victory Trailers and other trailers located at the Parking Facility are properly spaced apart as required by applicable laws, statutes, regulations, orders, judgments, opinions or ordinances, and in compliance with any applicable permit and/or safety requirements; and that any failure to comply with the spacing requirements existing prior to the Closing Date has been rectified;

d) A written acknowledgment from the Purchaser that to Purchaser's knowledge, after reasonable inquiry of Debtors and investigation: (a) the Batteries and any other products stored in or at the Victory Trailers and Parking Facility are not in violation of applicable

laws, including any applicable environmental laws, as of the Closing Date under the APA; (b) the Victory Trailers and Parking Facility are in good condition and not in need of any material repairs as of the Closing Date under the APA; (c) there are no known environmental incidents, spills, releases, contamination or other conditions of concern under any applicable environmental laws or regulations relating to the Victory Trailers or the Parking Facility, or any conditions reasonably known to the Purchaser that could give rise to any of the foregoing, as of the Closing Date; and (d) the Batteries and any other products stored in or at the Victory Trailers and Parking Facility are not in a condition that poses a risk of fire, explosion or other casualty event as of the Closing Date.

e) Evidence that the Purchaser will obtain, and upon closing of the proposed sale will have in place, adequate insurance to cover all liability concerns arising from the Executory Contracts, including generally all environmental-related liability and, specifically, adequate coverage extending to liability arising from hazardous materials and/or waste (in transport and in storage), pollution liability, physical loss or damage to the Victory Trailers and other potential risks associated with use of the Victory Trailers and the Parking Facility, and insurance as is required under the TQL Agreements and the Victory End User Terms; and

f) Financial records or documentation and other documentation relating to Purchaser sufficient to demonstrate that the Purchaser has the ability to perform its financial and other obligations with respect to the Executory Contracts, including the ability to satisfy the requirements of sections 365(b)(1)(C) and 365(f)(2) of the Bankruptcy Code regarding adequate assurance of future performance and evidence that the Purchaser has obtained, or has submitted applications sufficient to obtain prior to or promptly following the Closing

Date, all permits, licenses, registrations and governmental authorizations necessary to perform its obligations under the Executory Contracts.

13. The Objecting Parties submit that, in addition to all amounts owed (including post-petition amounts) and other defaults existing under the Executory Contracts being cured as a condition to assumption and assignment, the foregoing information and assurances are also necessary for the Court to determine whether the requirements of section 365 of the Bankruptcy Code have been met with respect to the assumption and assignment of the Executory Contracts to the Purchaser. Without such information and assurances, the Objecting Parties cannot evaluate whether the proposed assumption and assignment adequately protects their rights under the Executory Contracts and applicable law.

D. The APA and the Proposed Sale Order Should be Modified to Confirm the Purchaser's Assumption of Environmental and Casualty Responsibilities.

14. The Objecting Parties further request that, as a condition to the assumption and assignment of the Executory Contracts, the Purchaser agree and the APA and the Sale Order be modified to reflect that, notwithstanding anything to the contrary in the APA (including, without limitation, Sections 1.3(a), 1.3(b) (to the extent applicable) and 1.4(d) of the APA) or the Sale Order (including, without limitation, paragraphs 13, 14 and 15 thereof), the Purchaser assumes all responsibility for compliance with Environmental Laws (as defined in the APA) and any responsibilities and liabilities arising from the Release or threatened Release of any Hazardous Materials (each as defined in the APA), or any fire, explosion or casualty event, relating to the Batteries and any other products stored in or at the Victory Trailers and Parking Facility from and after the Closing Date, regardless of when any underlying condition first arose, as against TQL and/or Victory. For the avoidance of doubt, the limitations set forth in Section 1.3(a) and 1.3(b) (to the extent applicable) of the APA and the exclusions set forth in Section 1.4(d) of the APA,

including the exclusion of liabilities arising from conditions existing on or prior to the Closing Date whether or not known to either party or first identified or manifested following the Closing, and the no successor liability, no assumption and injunction provisions set forth in paragraphs 13, 14 and 15 of the Sale Order, shall not limit, impair, or extinguish the Purchaser's obligations to TQL and/or Victory as set forth herein.

GENERAL RESERVATION OF RIGHTS

15. Without limiting the foregoing, each of the Objecting Parties expressly reserves all rights set forth in the Assignment Limited Objection, including the right to further supplement this filing or the Assignment Limited Objection to assert any updated cure amounts and additional cure objections. For the avoidance of doubt, the current cure amount is $628,935, which includes (i) $442,735 in pre-petition amounts as referenced in the Assignment Limited Objection, and (ii) an additional $186,200 in post-petition amounts that have been invoiced as of this filing, plus additional charges that continue to accrue. The Objecting Parties further reserve the right to object to any proposed assumption and/or assignment to the extent the Debtors or the Purchaser cannot demonstrate that sufficient funds exist to satisfy all cure obligations (including all post-petition amounts owed) at the time of assumption and/or assignment, to object to any proposed assumption and/or assignment based on lack of adequate assurance, and to otherwise object with respect to any proposed assumption and/or assignment and/or to the terms of any proposed sale. The Objecting Parties further reserve all rights to the extent there is any attempt by the Debtors or the Purchaser to store assets at or in the Victory Trailers or the Parking Facility following the Closing without assumption and assignment of the Executory Contracts, including, without limitation, any arrangement whereby the Debtors would purport to store assets on behalf of the Purchaser, which would constitute an unauthorized use of the Victory Trailers and Parking Facility under the

Executory Contracts and incorporated Victory End User Terms—to which the Objecting Parties do not consent—and may violate applicable laws, including applicable environmental permits and registrations.

CONCLUSION

WHEREFORE, for the foregoing reasons, and the reasons set forth in the Assignment Limited Objection, the Objecting Parties respectfully request that the Court (A) sustain this Limited Objection and Supplement and the Assignment Limited Objection; (B) decline to enter the Proposed Sale Order unless and until it is modified to incorporate the protections requested herein; and (C) grant the relief requested in the Assignment Limited Objection together with the following additional relief as set forth in this Limited Objection and Supplement: (i) require the Debtors to provide such written acknowledgments, confirmations and other support as set forth in Paragraphs 12(a)-(c) above; (ii) require a written acknowledgment from the Purchaser as detailed in Paragraph 12(d) above; (iii) require evidence that the Purchaser will obtain and have in place, upon closing of the proposed sale under the APA, adequate insurance as set forth in Paragraph 12(e) above; (iv) require the Purchaser to provide financial records or documentation and other documentation relating to Purchaser demonstrating the Purchaser's financial and other ability to perform with respect to the Executory Contracts as set forth in Paragraph 12(f) above; (v) require, as a condition to the assumption and assignment of the Executory Contracts, that the Purchaser agree, and that the APA and the Proposed Sale Order be modified to reflect, that the Purchaser assumes all responsibility for compliance with Environmental Laws and any responsibilities and liabilities arising from the Release or threatened Release of Hazardous Materials, or any fire, explosion or casualty event, relating to the Victory Trailers and the Parking Facility as set forth in Paragraph 14 above; (vi) reserve and preserve all rights set forth in the Assignment Limited

Objection and this Limited Objection and Supplement; and (vii) grant such other and further relief as the Court deems just and proper.

Date: June 26, 2026

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COUNSEL FOR CREDITORS TOTAL QUALITY LOGISTICS LLC AND VICTORY EQUIPMENT & SERVICES, LLC

CERTIFICATE OF SERVICE

I certify that on June 26, 2026, a true and correct copy of the foregoing was served by electronic mail via the Court's ECF system to all parties authorized to receive electronic notice in this case.

/s/ Mark A. Platt

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