Docket #0640 Date Filed: 08/13/2026
United States Bankruptcy Court
Southern District of Texas
ENTERED
August 13, 2026
Nathan Ochsner, Clerk

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)

STIPULATION AND AGREED ORDER BY AND BETWEEN THE DEBTORS, R3 LITHIUM, INC., TOTAL QUALITY LOGISTICS, LLC, AND VICTORY EQUIPMENT & SERVICES, LLC REGARDING ASSUMPTION AND ASSIGNMENT OF CERTAIN AGREEMENTS

This Stipulation and Agreed Order (this "Stipulation and Order") is entered into by and between: (i) the above-captioned Debtors, (ii) R3 Lithium, Inc. ("R3 Lithium" or "Purchaser") in its capacity as purchaser of the Acquired Assets pursuant to the Covington Sale (each as defined below), and (iii) Total Quality Logistics, LLC ("TQL") and Victory Equipment & Services, LLC ("Victory," together with TQL, the Debtors and R3 Lithium, the "Parties"). The Parties hereby stipulate and agree as follows:

WHEREAS, on April 9, 2026 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court");

WHEREAS, the Debtors and TQL are parties to certain Secure Lot Parking Rate Confirmation and Drop Trailer Rate Addendum, both dated 11/08/2024, under which the Debtors

[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.

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received logistics and related services in support of the Debtors' operations, including agreements for the use of trailers provided by Victory (the "Victory Trailers") and for the use of approximately 400 parking spaces at a parking lot located in Lithonia, Georgia (the "Parking Lot" where such trailers are parked (the "Contracts"), which Contracts incorporate the End User Standard Terms and Conditions of Victory;

WHEREAS, the Debtors seek to assume and assign the Contracts to R3 Lithium pursuant to the Covington Sale (defined below);

WHEREAS, on June 26, 2026, TQL and Victory filed *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]* [Docket No. 515] (the "TQL/Victory Cure Objection") wherein TQL and Victory raised a limited objection to the sale of the Debtors' assets located in Covington, Georgia and renewed its objection to assumption and assignment of the Contracts with the Debtors;

WHEREAS, on June 30, 2026, the Court entered the *Order (I) Approving the Sale of Certain of the Debtors' Assets Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases and (III) Granting Related Relief* [Docket No. 534] (the "Covington Sale Order"), wherein the Court approved a sale of the Acquired Assets (as defined in that certain Asset Purchase Agreement, dated as of June 19, 2026 (together with all other agreements and other instruments deliverable thereunder or attached thereto or referenced therein, and as may be amended, modified, or supplemented)), including certain assets located or otherwise related to the Debtors' business operations in Covington, Georgia, to R3 Lithium as purchaser (the "Covington Sale");

WHEREAS, paragraph 19 of the Covington Sale Order provides that "[i]n the event of an objection by a Contract/Lease Counterparty to the Cure Costs asserted by Debtors or to the Debtors' ability to assume and assign or reject any Contract (such contract, a "Disputed Contract"), and such objection has not been resolved by the Closing, then the Debtors, with the consent of the Purchaser, and in accordance with the Asset Purchase Agreement or this Order, may elect to (a) not assume and assign such Disputed Contract; or (b) postpone the assumption of such Disputed Contract until the resolution of such objection; *provided that*, in no event shall any Debtor settle a Cure Costs objection with regard to any Disputed Contract without the express written consent of Purchaser (with an email consent being sufficient)[]";

WHEREAS, pursuant to paragraph 19 of the Covington Sale Order, the Parties designated the Contracts as Disputed Contracts;

WHEREAS, the Debtors and R3 Lithium closed the Covington Sale on July 7, 2026. *See Notice of Closing of Transaction Contemplated by Asset Purchase Agreement* [Docket No. 548] (the "Covington Sale Closing Date");

WHEREAS, the Parties have reached an agreement regarding the Debtors' assumption and assignment of the Contracts to R3 Lithium on the terms set forth in this Stipulation and Order.

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED, AND ORDERED THAT:

1. The above recitals are fully incorporated herein and made an express part of this Stipulation and Order.

2. This Stipulation and Order shall have no force or effect unless and until approved by the Court.

3. The TQL/Victory Cure Objection is resolved as set forth in this Stipulation and Order. Subject to the terms hereof, the Contracts shall be assumed and assigned to the Purchaser effective as of the Covington Sale Closing Date.

4. The cure costs with respect to the Contracts, to be paid by R3 within five (5) business days of entry of this Stipulation and Order, are $261,500.00 (the "Cure Costs").

5. Upon TQL's receipt of payment of the Cure Costs, (i) no other amounts are required from R3 to cure any prepetition default under the Contracts as a condition to the assumption and assignment of the Contracts to Purchaser, (ii) TQL and Victory consent to the assignment and transfer of all of the Debtors' rights, title, interests, duties, and obligations under the Contracts to Purchaser, effective as of the Covington Sale Closing Date, subject to the terms hereof.

6. R3 Lithium shall timely pay all post-petition amounts under the Contracts for services rendered under the Contracts after July 6, 2026 that have not already been paid by the Debtors, including, without limitation, all invoices issued on or after July 6, 2026 (including billed amounts of $36,260 under Invoice No. 37405884 due with respect to the pre and post-Covington Sale Closing Date portion of the trailer usage period from July 3, 2026 to July 30, 2026).

7. Except as otherwise expressly provided herein, R3 Lithium shall assume in accordance with the terms of the Asset Purchase Agreement all obligations of the Debtors under the Contracts that first become due after the Covington Sale Closing Date, and agrees that the Contracts shall continue in full force and effect in accordance with their terms following the consummation of the Covington Sale. Within ten (10) days of the date of execution of this Stipulation and Order by all parties, Purchaser shall provide TQL with evidence it has obtained insurance as required under Victory's End User Standard Terms and Conditions and listing both TQL and Victory as additional insureds under such policies and obtaining a waiver of subrogation in favor of both TQL and Victory for all such policies. Notwithstanding the foregoing or anything otherwise to the contrary herein, until

entry of this Stipulation and Order and Purchaser has provided TQL with evidence of insurance as agreed upon in this Stipulation and Order, the Debtors shall continue to maintain all insurance required under the Contracts.

8. R3 Lithium, acknowledges and agrees that, as of the Covington Sale Closing Date, notwithstanding anything to the contrary in the Covington Sale Order and/or Asset Purchase Agreement, (i) to R3 Lithium's knowledge after reasonable inquiry of the Debtors and investigation, the batteries and other items stored in the Victory Trailers and otherwise at the Parking Lot are not in violation of applicable environmental laws; (ii) the batteries/other stored items, Victory Trailers and Parking Lot are in good condition; and (iii) R3 Lithium assumes all responsibility for environmental law and regulatory compliance, including remediation, with respect to the batteries/other stored items, the Victory Trailers and Parking Lot from and after the closing of the Covington Sale, regardless of when any underlying condition first arose, as against TQL and Victory.

9. R3 Lithium agrees that, with respect to any trailers at the Parking Lot that are not spaced at least ten (10) feet apart as of the date of execution of this Stipulation and Order by all parties, R3 Lithium shall reposition such trailers to conform to such spacing requirement or relocate such trailers off-site (subject to the Contracts, if applicable) as soon as possible, in any event within ten (10) days of the date of execution of this Stipulation and Order by all parties.

10. The Parties are authorized and empowered to take all actions necessary to implement the relief requested in this Stipulation and Order.

11. This Stipulation and Order shall be effective and enforceable immediately upon entry of this Stipulation and Order, in accordance with its terms.

12. This Stipulation and Order may be executed by the Parties in separate counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. This Stipulation and Order may be executed by exchange of facsimile or electronic signatures (in PDF or comparable format), which shall be deemed original signatures.

13. Each person who executes this Stipulation and Order on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation and Order and agrees to the terms set forth in this Stipulation and Order.

14. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Order, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Order.

Signed: August 13, 2026

Christopher Lopez
United States Bankruptcy Judge

Dated: August 12, 2026

Respectfully submitted,

NORTON ROSE FULBRIGHT US LLP

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Certificate of Service

I certify that on August 12, 2026, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Ryan Manns
Ryan Manns