

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:	§	Chapter 11
	§	
F21 OPCO, LLC, et al.,	§	Case No. 25-10469 (MFW)
	§	
Debtors.	§	Jointly Administered

**JOINT LIMITED OBJECTION OF THE TEXAS TAXING AUTHORITIES TO THE
DEBTORS' AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF THE
BANKRUPTCY CODE
(Relates to Document No. 426)**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

NOW COME the Texas Taxing Authorities,¹ secured creditors and parties in interest, and file this joint limited objection to the *Debtors' Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code* (the "Plan"), and respectfully show as follows:

Background

1. The Texas Taxing Authorities are political subdivisions of the State of Texas, authorized and required by the Texas Constitution and laws to levy and collect ad valorem taxes on real and personal property within their boundaries.

¹ The term Texas Taxing Authorities is defined as all ad valorem taxing jurisdictions represented by the firms of Linebarger Goggan Blair & Sampson, LLP, Perdue, Brandon, Fielder, Collins & Mott LLP, and McCreary Veselka Bragg and Allen, including but not limited to City of Allen, Allen Independent School District, Bexar County, Cypress-Fairbanks Independent School District, Dallas County, City of El Paso, Fort Bend County, Harris County Emergency District #09, Harris County Improvement District #01, Hidalgo County, City of Houston, Houston Community College System, Houston Independent School District, City of Humble, Jefferson County, Lone Star College System, City of McAllen, Montgomery County, Northwest Independent School District, Nueces County, Tarrant County, Lubbock Central Appraisal District, City of Grapevine, Grapevine-Colleyville Independent School District, Humble Independent School District, Clear Creek Independent School District, City of Houston, Harris County Municipal Utility District #358, Harris County Water Control Improvement District, Spring Branch Independent School District, Woodlands Metro Municipal Utility District, Woodlands Road Utility District #1, Brazoria County, et al, Fort Bend Independent School District, Fort Bend County Levee Improvement District #2, City of Katy, Katy Management District #1, Potter County, City of Mercedes, Mercedes Independent School District, Brazos County, and Denton County.



2. The Texas Taxing Authorities hold secured pre-petition tax claims (the “Tax Claims”) which are secured by statutory tax liens on the tangible personal property of the Debtors within their taxing boundaries (the “Tax Liens”). The Tax Liens attach to the taxpayer’s property on January 1 of each tax year.

3. The Tax Liens are superior to any other secured claim on the Debtors’ Texas assets as provided by Article VIII, Section 15 of the Texas Constitution, and Sections 32.01, 32.04, 32.05(b) of the Texas Property Tax Code.

Limited Objection to Confirmation of the Plan

4. It appears from the Plan that the Tax Claims are to be treated as Class 1 – Other Secured Claims, which provides:

(b) *Treatment:* On the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim and the Debtors or the Plan Administrator, as applicable, agree to less favorable treatment for such Holder, each Holder of an Allowed Other Secured Claim shall receive, at the Debtors’ option, either (i) payment in full in Cash, (ii) delivery of the collateral securing its Allowed Other Secured Claim, or (iii) such other treatment rendering its Allowed Other Secured Claim Unimpaired.

5. The Texas Taxing Authorities object to confirmation of the Plan to the extent it fails to expressly provide for the retention of the Tax Liens in the proper priority under the Bankruptcy Code and Texas law, in and to the assessed collateral or the proceeds from the sale of such collateral, including the funds in the Texas Tax Reserve as established and defined in the Cash Collateral Order.

6. The Texas Taxing Authorities object to confirmation of the Plan on the basis that it fails to provide for post-petition interest on the Tax Claims.

7. The Texas Taxing Authorities object to confirmation of the Plan on the basis that it fails to provide any certainty as to how and when the Tax Claims will be paid. The Tax Claims should be paid from the Texas Tax Reserve in the ordinary course of business when such taxes become due and without the Texas Taxing Authorities having to amend their claims to reflect the final 2025 tax amounts. In the event there is a shortfall in the amount of the Texas Tax Reserve to pay the Tax Claims, the Texas Taxing Authorities assert that as senior secured creditors they should be paid from the Net Proceeds.

8. This objection would be resolved by the inclusion of specific language in the confirmation order to address the concerns of the Texas Taxing Authorities similar to the following:

Notwithstanding anything to the contrary in the Plan, Plan Supplements, or Confirmation Order, the terms of Paragraph 38 of the Final Order (I) Authorizing Postpetition Use of Cash Collateral, (II) Granting Adequate Protection to the Secured Parties, (III) Modifying the Automatic Stay, and (IV) Granting Related Relief entered April 15, 2025 as Doc 223 (the “Cash Collateral Order”) shall remain in effect and the 2025 ad valorem taxes due and owing to the Texas Taxing Authorities (FN) (the “2025 Taxes”) shall be disbursed from the Texas Tax Reserve to the applicable Texas Taxing Authorities no later than January 31, 2026. In the event the 2025 taxes exceed the amount in the Texas Tax Reserve, the remainder of the 2025 Taxes will be paid from the Net Proceeds in their relative priority as provided by applicable state and bankruptcy law. Any Texas Tax Claims, as defined in the Cash Collateral Order not paid by January 31, 2026, shall accrue interest as allowed by applicable state and bankruptcy law. The 2025 taxes will be paid as billed by the Texas Taxing Authorities without requiring the Texas Taxing Authorities to amend their claims to reflect the certified 2025 tax amounts.

FN: The term Texas Taxing Authorities is defined as all ad valorem taxing jurisdictions represented by the firms of Linebarger Goggan Blair & Sampson, LLP, Perdue, Brandon, Fielder, Collins & Mott LLP, and McCreary Veselka Bragg and Allen, including but not limited to City of Allen, Allen Independent School District, Bexar County, County, Cypress-Fairbanks Independent School District, Dallas County, City of El Paso, Fort Bend County, Harris County Emergency District #09, Harris County Improvement District #01, Hidalgo County, City of Houston, Houston Community College System, Houston Independent School District, City of Humble, Lone Star College System, City of McAllen, Montgomery County, Northwest Independent School District, Nueces County, Tarrant County, Lubbock Central Appraisal District, City of Grapevine, Grapevine-Colleyville Independent School District, Humble Independent School District, Clear

Creek Independent School District, City of Houston, Harris County Municipal Utility District #358, Harris County Water Control Improvement District, Spring Branch Independent School District, Woodlands Metro Municipal Utility District, Woodlands Road Utility District #1, Brazoria County, et al, Fort Bend Independent School District, Fort Bend County Levee Improvement District #2, City of Katy, Katy Management District #1, Potter County, City of Mercedes, Mercedes Independent School District, Brazos County, and Denton County.

Dated: June 16, 2025

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the District of Delaware on June 16, 2025 to all parties who have registered for and consented to electronic service in these cases.

/s/ Tara L. Grundemeier
Tara L. Grundemeier