

Michael Reed  
MCCREARY, VESELKA, BRAGG, AND ALLEN, P.C.  
P. O. Box 26990  
Austin, Texas 78755  
512-451-9000

Attorneys for Tax Appraisal District of Bell County,  
County of Brazos, County of Denton, Longview  
Independent School District, County of Henderson, City  
of Waco, Waco Independent School District

IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
DISTRICT OF DELAWARE  
WILMINGTON DIVISION

IN THE MATTER OF: CASE NO. 03-10945

FLEMING COMPANIES, INC., ET AL

DEBTOR

CHAPTER 11

OBJECTION TO THE MOTION FOR ORDER (A) APPROVING ASSET PURCHASE AGREEMENT  
WITH C&S WHOLESALE GROCERS, INC. AND C&S ACQUISITION LLC, (B) AUTHORIZING (I)  
SALE OF SUBSTANTIALLY ALL OF SELLING DEBTORS' ASSETS RELATING TO THE  
WHOLESALE DISTRIBUTION BUSINESS TO PURCHASER OR ITS DESIGNEE(S) OR OTHER  
SUCCESSFUL BIDDER(S)...

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COME Tax Appraisal District of Bell County, County of Brazos, County of Denton, Longview  
Independent School District, County of Henderson, City of Waco, Waco Independent School District,  
hereinafter referred to as claimants, and file their Objection to the Motion for Order (A) Approving Asset  
Purchase Agreement with C&S Wholesale Grocers, Inc. and C&S Acquisition LLC, (B) Authorizing (I)  
Sale of Substantially All of Selling Debtors' Assets Relating to the Wholesale Distribution Business to  
Purchaser or Its Designee(s) or Other Successful Bidder(s)... and would show the Court the following:

I.

Claimants are political subdivisions of the State of Texas.

II.

There are property taxes for the tax years 2003 on the Debtor's property described as business personal property. These property taxes were duly assessed in accordance with the laws of the State of Texas and constitute a valid, secured claim against the Debtor's property and are entitled to priority over other secured claims under 11 U.S.C.A. § 506.

III.

Unless the lien for the 2003 taxes is expressly retained, or an appropriate escrow established to hold proceeds for the satisfaction of these taxes, with these liens attached thereto, it may prove impossible for Claimants to collect the 2003 taxes if they should become delinquent subsequent to January 1, 2004.

IV.

The laws of the State of Texas, Property Tax Code, Section 32.05(b), give the tax liens securing the property taxes superiority over the lien of any other claim or lien against this property. These tax claims are entitled to priority as secured claims, and over other secured claims, according to the Bankruptcy Code U.S.C.A. Section 506. Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987).

V.

WHEREFORE, claimants pray that the Court order that the Court order the express retention of the property tax lien or the establishment of an appropriate escrow from the proceeds of sale, and further requests other and such relief as is just and proper.

Dated: July 17, 2003

Respectfully submitted,  
McCREARY, VESELKA, BRAGG & ALLEN, P.C.  
Attorneys for Claimants, Tax Appraisal District of  
Bell County, et al  
P. O. Box 26990  
Austin, Texas 78755  
(512) 451-9000

/s/ Michael Reed

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Michael Reed  
State Bar Number 16685400

CERTIFICATE OF SERVICE

I hereby certify that I have placed a copy of the above Objection to the Sale to Kirkland & Ellis, 777 South Figueroa Street, Los Angeles, CA 90017, Attn: Richard Wynne Esq.; Pachulski, Stang, Young, Jones & Weintraub P.C., 919 North Market Street, 16<sup>th</sup> Fl., PO Box 8705, Wilmington, DE 19899 Attn: Laura Davis Jones Esq.; White & Case, 1155 Avenue of the Americas, New York, NY 10036, Attn: Andrew P. DeNatale Esq.; Greenberg Traurig LLP, The Brandywine Bldg, 1000 West Street, Ste 1540, Wilmington, DE 19801, Attn: Scott D. Cousins Esq.; Office of US Trustee, 844 King Street, Room 2313, Wilmington, DE 19801, Attn: Julie Compton Esq.; Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attn: Dennis F. Dunne Esq.; Pepper Hamilton LLP, 100 Renaissance Center, Ste 3600, Detroit MI 48243, Attn: William Cohen Esq.; Pepper Hamilton LLP, 1201 Market Street, Ste 1600, Wilmington, DE, Attn: David M. Fournier Esq., on July 17, 2003, by First Class U. S. Mail.

/s/ Michael Reed

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