

**This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.**

**IT IS SO ORDERED.**

**Dated: October 06, 2005**

  
Charles M. Caldwell  
United States Bankruptcy Judge

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**United States Bankruptcy Court  
Southern District of Ohio**

United Producers, Inc. : Case No. 05-55272 and  
and Producers Credit Corporation : 05-55273  
: Jointly Administered Under  
Debtors : (05-55272)  
:  
: Judge Charles M. Caldwell

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING THE  
AMENDED JOINT PLAN OF REORGANIZATION OF UNITED PRODUCERS, INC.  
AND PRODUCERS CREDIT CORPORATION**

United Producers, Inc. and Producers Credit Corporation ("Debtors and Debtors-in-Possession), jointly filed their Amended Joint Plan of Reorganization on August 23, 2005, docket number 210, (as modified by the modifications set forth herein, the "Plan"), the Court having previously entered its "Order (A) Approving Amended Joint Disclosure Statement, (B) Establishing Procedures for Solicitation and Tabulation of Votes to

Accept or Reject Amended Joint Plan of Reorganization, (C) Approving the Form of Ballots and Solicitation Materials, (D) Scheduling Hearing on Confirmation of Amended Joint Plan of Reorganization, and (E) Approving Related Notice Procedures," by which the Court, among other things, approved the proposed Amended Joint Disclosure Statement (the "Amended Joint Disclosure Statement Order"); the Court having heard the arguments of counsel in support of confirmation and arguments of counsel in opposition to the confirmation at the hearing held on September 28-29, 2005 as reflected in the record made at the confirmation hearing (the "Confirmation Hearing"); the Court having considered all evidence and testimony presented at the Confirmation Hearing; the Court having taken judicial notice of the papers and pleadings on file in this Chapter 11 case, including, but not limited to, the Certification of Ballots filed by Debtors' duly appointed claims and noticing agent, The Garden City Group; and the Court finding that (i) notice of the Confirmation Hearing, notice of the time within which any party in interest was required to object to Confirmation, and notice to all parties to be affected by the Plan and the transactions contemplated thereby, was adequate and appropriate, in accordance with Bankruptcy Rule 2002(b) and the Amended Joint Disclosure Statement Order, and (ii) the legal and factual basis set forth in the applicable papers and at the Confirmation Hearing, and as set forth in that certain "Order Regarding Confirmation Of Amended Joint Plan Of Reorganization Of United Producers, Inc. And Producers Credit Corporation," Docket Number 285 (the "Confirmation Decision"), which Confirmation Decision is hereby incorporated by reference, including without limitation all findings of fact and conclusions of law, as if fully restated herein, and as set forth in this Confirmation Order,<sup>1</sup> establish just cause for

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<sup>1</sup> As defined in Article I.A.24. of the Plan.

the relief granted herein; the Court hereby enters the following Findings of Fact, Conclusions of Law, and Order Approving Confirmation of the Plan ("Confirmation Order").<sup>2</sup>

## **I. FINDINGS OF FACT**

### **A. Jurisdiction and Venue**

On April 1, 2005, United Producers, Inc. and Producers Credit Corporation commenced their respective bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, as Case No. 05-55272 and 05-55273, respectively. On April 4, 2005, the Court ordered joint administration, but not substantive consolidation of the two estates. See, "Order Granting Ex Parte Motion Seeking Joint Administration of Related Cases Pursuant To Federal Rules Of Bankruptcy Procedure 1015(b)," Docket Numbers 30 and 31.

This Court has jurisdiction over these cases and venue is proper.

### **B. Modifications to the Plan**

Pursuant to the agreement, which was presented to the Court at the Confirmation Hearing, resolving that certain "Objection of Everett W. Rogers and Deborah M. Rogers, individually, and Everett W. Rogers D/B/A Circle R Ranch To The Debtors' Amended Joint Plan of Reorganization, as Modified on August 23, 2005," Docket number 272 (the "Rogers Objection"), the Plan is hereby modified and such modifications to the Plan do not adversely affect, in any material respect, the pre-modification treatment under the

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<sup>2</sup> This Confirmation Order, which incorporates the Confirmation Decision by reference, constitutes the Court's Findings of Fact and Conclusions of Law under Fed.R.Civ. P. 52, as made applicable herein by Bankruptcy Rules 7052 and 9014. Any finding of fact shall constitute a finding of fact even if it is referred to as a conclusion of law, and any conclusion of law shall constitute a conclusion of law even if referred to as a finding of fact. All capitalized terms not otherwise defined in this Confirmation Order shall be ascribed the meaning given to the term in the Plan.

Plan of the Claim of any creditor against United Producers, Inc. or Producers Credit Corporation. Accordingly, no additional notice is required.

**C. Compliance with the Requirements of Section 1129 of the Bankruptcy Code**

**1. The Plan Satisfies Section 1129(a)(1).**

The Plan complies with all applicable provisions of the Bankruptcy Code, as required by Section 1129(a)(1) of the Bankruptcy Code, including Sections 1122 and 1123 of the Bankruptcy Code.

The Plan constitutes a joint plan of reorganization for United Producers, Inc. and Producers Credit Corporation. Pursuant to Sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Article II. of the Plan designates Classes of Claims and Interests, other than Administrative Claims and Priority Tax Claims. As required by Section 1122(a), each Class of Claims and Interests for United Producers, Inc. and/or Producers Credit Corporation contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. The Plan designates twelve Classes of Claims and Interests, other than Administrative Claims and Priority Tax Claims.

The Plan fully complies with the applicable provisions of the Bankruptcy Code, including Section 1123(b). In accordance with Section 1123(b) of the Bankruptcy Code, the Plan provides for the impairment of certain Classes of Claims and Interests, while leaving others unimpaired. See Plan Articles II. and III. On August 24, 2005, (Dkt. No. 219) Debtors provided a list of executory contracts and unexpired leases that are rejected as of the Effective Date of the Plan. Such list was incorporated into the Plan. With the exception of the executory contracts and unexpired leases rejected prior to the

Effective Date of the Plan or rejected pursuant to the Plan, all executory contracts and unexpired leases, not previously assumed by Debtors, shall be deemed to have been assumed by the Debtors as of the Effective Date of the Plan. (see Plan Article V.). The Plan also provides for the retention and enforcement of certain preserved causes of action by the Debtors (see Plan Article X). Accordingly, the Plan meets the requirements of Section 1129(a)(1) of the Bankruptcy Code.

**2. The Plan Complies With Section 1129(a)(2).**

Debtors have complied with all applicable provisions of the Bankruptcy Code, as required by Section 1129(a)(2) of the Bankruptcy Code, including Section 1125 of the Bankruptcy Code and Bankruptcy Rules 3017 and 3018.

**3. The Plan Complies With Section 1129(a)(3).**

Debtors proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the Plan. Based on the evidence presented at the Confirmation Hearing, and for the reasons stated in the Confirmation Decision, the Court finds that the Plan complies with Section 1129(a)(3).

**4. The Plan Complies With Section 1129(a)(4).**

Article III.A.1.a. and b. of the Plan each provides for payment of all fees promised or received in connection with or in contemplation of the Chapter 11 case, up to and including the confirmation of the Plan, to be disclosed and subjected to the Court's review and approval. The Plan complies with the requirements of 11 U.S.C. Section 1129(a)(4).

**5. The Plan Complies With Section 1129(a)(5).**

Debtors have fully satisfied the requirements of Section 1129(a)(5)(A)(i) in that Debtors have disclosed all necessary information regarding the officers, directors and affiliates of the reorganized Debtors. The Court hereby finds Section 1129(a)(5)(A)(ii) is satisfied. Having considered the totality of the circumstances, the documentary evidence, and the live testimony of the witnesses, including the Court's observation of the demeanor of the witnesses, the Court hereby finds as fact that the appointment to, or continuance in, such offices by the officers or directors identified in the Plan are consistent with the interests of creditors and equity security holders and with public policy.

Section 1129(a)(5)(B) is inapplicable.

**6. The Plan Complies With Section 1129(a)(6).**

For reasons stated in the Confirmation Decision, the Plan complies with Section 1129(a)(6).

**7. The Plan Complies With Section 1129(a)(7).**

With respect to each impaired Class of Claims or Interests of the Debtors, each holder of an impaired Claim or impaired Interest (i) has accepted or is deemed to have accepted the Plan or (ii) will receive or retain under the Plan on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if each Debtor was liquidated on the Effective Date under Chapter 7 of the Bankruptcy Code. For the reasons stated in the Confirmation Decision, the Plan complies with the requirements of 11 U.S.C. § 1129(a)(7) and the "best interests" test described therein.

**8. Section 1129(a)(8).**

Pursuant to Sections 1124 and 1126 of the Bankruptcy Code, as indicated in the Certification of Ballots, Classes A-2, B-1 and E-1 are unimpaired and therefore, deemed to have accepted the Plan. Classes A-1 and D-1, which are impaired, have accepted the Plan by amounts in excess of the required statutory majorities. Class B-2, which is an impaired class, rejected the Plan. The holders of Claims or Interests in Classes B-3, B-4, C-1, E-2, F1 and F2 will not receive or retain any property on account of such Claims or Interests and are deemed to have rejected the Plan pursuant to Section 1126(g) of the Bankruptcy Code. Notwithstanding the lack of compliance with Section 1129(a)(8) of the Bankruptcy Code with respect to Classes B-3, B-4, C-1, E-2, F1 and F2, the Plan is confirmable because, as described below, the Plan satisfies the requirements of Section 1129(b) of the Bankruptcy Code with respect to such Classes.

**9. The Plan Complies With Section 1129(a)(9).**

The Plan provides for the treatment of Allowed Administrative Claims and Priority Tax Claims, subject to certain bar date provisions, in the manner required by Section 1129(a)(9) of the Bankruptcy Code.

**10. Section 1129(a)(10) Is Satisfied.**

As indicated in the Certification of Ballots, and as reflected in the record of the Confirmation Hearing, impaired Classes A-1 and D-1 voted to accept the Plan, without including an acceptance by any insider. Thus, the Plan complies with the requirements of 11 U.S.C. § 1129(a)(10).

**11. The Plan Complies With Section 1129(a)(11).**

The Plan complies with 11 U.S.C. § 1129(a)(11). For the reasons stated in the Confirmation Decision, confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtors, except as proposed in the Plan.

**12. The Plan Complies With Section 1129(a)(12).**

Article III.A.1.c. of the Plan provides that on or before the Effective Date, all Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930 will be paid in cash and quarterly payments to the U.S. Trustee shall be due and payable until the case is closed.

**13. The Plan Complies with Section 1129(a)(13).**

Article V.C. of the Plan provides "all of the Debtors' obligations under its compensation and benefit plans, policies and programs (including, but not limited to, its defined benefit plan) shall be continued in the same fashion as existed on the Petition Date . . . ." Therefore, the Plan complies with Section 1129(a)(13).

**14. Compliance With Section 1129(b).**

Pursuant to Section 1129(b)(1) of the Bankruptcy Code, the Plan may be confirmed despite the rejection or deemed rejection of the Plan by certain impaired Classes. Other than the requirement set forth in Section 1129(a)(8) of the Bankruptcy Code with respect to the impaired non-accepting Classes, all of the applicable requirements of Section 1129(a) of the Bankruptcy Code have been met. Based on the evidence proffered, adduced, or presented by Debtors at the Confirmation Hearing, and as more fully described in the Confirmation Decision, the Plan (i) is fair and equitable

with respect to the impaired non-accepting Classes (Class B-2, B-3, B-4, C-1, E-2, F-1 and F-2) because no Claims or Interests junior to each of them will receive or retain any property under the Plan "on account of" such junior Claims or Interests; and (ii) does not discriminate unfairly against the holders of Claims in each impaired Class, because in each instance similarly situated Claim and Interest holders are being treated the same.

**15.** The Court further finds that the Debtor in Possession Financing and the Exit Financing were each negotiated at arms length and in good faith by Debtors and by CoBank and, further, (a) that CoBank extended credit to the Debtors in good faith and received liens in good faith with respect to the Postpetition DIP Facility and (b) will in good faith extend credit and receive liens with respect to the Exit Financing, the terms of which are commercially reasonable and in the best interests of the Debtors and the estates.

## **II. CONCLUSIONS OF LAW**

### **A. Jurisdiction and Venue**

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L). Debtors each were and are qualified to be a debtor under Section 109 of the Bankruptcy Code. Venue of the Chapter 11 case in the United States Bankruptcy Court, Southern District of Ohio, Eastern Division was proper as of the Petition Date, pursuant to 28 U.S.C. § 1408, and continues to be proper.

### **B. Modifications of the Plan**

The Plan is hereby modified as follows (collectively, the "Modifications"):

1. The Exit Financing documents shall be amended so that the phrase "(subject only to valid and enforceable trust rights arising under the Packers and Stockyards Act)" will instead state "(subject only to valid and enforceable custodial trust rights arising under the Packers and Stockyards Act)."

2. **Article I.A.69. "PCC Unsecured Fund"** is newly created and shall be defined as '69. "PCC Unsecured Fund" means the amount of \$300,000, to be paid by PCC, but not held in a segregated or interest bearing account, which \$300,000 shall be used to make Pro Rata distributions as payments satisfying Class E-2 Allowed Claims against the PCC bankruptcy estate.'

3. **Article I.A.70. "Allowed Rogers Claim"** is newly created and shall be defined as '70. "Allowed Rogers Claims" means proof of claim number 9 in the PCC case, jointly filed by Everett and Deborah M. Rogers in the amount of \$5,880,920.50, which shall be only an allowed general unsecured claim against the bankruptcy estate of PCC under the Plan.'

4. Article III.D.2.b. stating "Holders of Class E-2 Claims will not receive any distributions or retain any property under the Plan. Class E-2 is an impaired class." is hereby deleted in its entirety and replaced with new Article III.D.2.b., which states, "All holders of Allowed Claims in Class E-2 shall receive their Pro Rata share of the PCC Unsecured Fund, on or within fifteen (15) days after the date that all Class E-2 Claims are finally allowed or disallowed, except that an interim distribution shall be made on or within fifteen (15) days of the Effective Date on the Allowed Rogers Claim, in an amount calculated by multiplying (a) \$300,000 by (b) the result of dividing \$5,880,920.50 by the

aggregate of the face amounts of all scheduled claims or proofs of claim in the PCC bankruptcy case (including the Allowed Rogers Claim). Class E-2 is an impaired class."

5. Article VI.B. is hereby amended to change "After the Effective Date, only the Debtors will have the authority to File objections . . ." to "After the Effective Date, and except as provided in Article VI.B.3., only the Debtors will have the authority to File objections . . ."

6. New Article VI.B.3. is hereby created and states as follows:

"3. Notwithstanding anything to the contrary stated herein, in the event that PCC does not object to the proofs of claim of Emerson Voge, claim number 6; Frederick Voge, claim number 7; Susan Voge, claim number 8 (each of which was filed in the PCC case), on or before the date four (4) weeks before the Claims Objection Bar Date, such right to object shall be assigned to Everett and Deborah M. Rogers (the "Rogers") by operation of law, without further notice or action being required to make such assignment effective. If so assigned, the Rogers may decide to object or not at their sole discretion or, such objection having been made, settle such objection in their sole discretion. If the right to object is so assigned to the Rogers, PCC shall cooperate fully with the Rogers' prosecution of the claim objections. If the right to object is so assigned to the Rogers, and the Rogers pursue the objection in a manner that confers a benefit to the PCC bankruptcy estate other than reducing the claims universe, the Rogers shall be entitled to 30% of monies recovered from the Voges, in addition to the pro rata share from the PCC Unsecured Fund; but if PCC prosecutes the claim objection against the Voge claims, then the Rogers shall not be entitled to any monies beyond their pro rata share of the PCC Unsecured Fund. In the event that the right to object to the Voge claims is assigned to the Rogers, the Rogers will have the right to assert any and all claims, counterclaims and other rights, including rights of set off and recoupment, that PCC has against the Voges, but in no event will the Rogers own the underlying claims, counterclaims and other rights (all of which always remain property of PCC) and, further, even if asserted by the Rogers, the Rogers can never have rights to monies in excess of their pro rata share of the PCC Unsecured Fund

plus, if and only if applicable, the 30% recovery stated in this paragraph."

7. New Article VI.B.4. is hereby created and states, "In the event that PCC prosecutes the objections to the Voge claim and determines to settle such litigation in whole or in part, PCC shall give at least twenty (20) days notice to the Rogers of such intention."

8. Article X.E.3.a., stating "a. Claims against Everett and Deborah M. Rogers and any other claims that are part of the Rogers Litigation;" is hereby deleted in its entirety and replaced with "[reserved]."

9. Article IV.A.2. is hereby amended to add to the end of the paragraph, the sentence, "To the extent such \$20 fee or such capital retains require governmental regulatory commission approval, such approval shall be obtained before imposing such change."

The Modifications comply in all respects with Section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and all other provisions of the Bankruptcy Code and do not adversely change in any material respect, the treatment under the Plan of any Claims or Interests. In light of the technical or immaterial nature of the Modifications, no additional disclosure under Section 1125 of the Bankruptcy Code is required with respect to the Modifications. Therefore, pursuant to Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, all holders of Claims that have accepted, or are conclusively presumed to have accepted, the Plan are deemed to have accepted the Plan as modified by the Modifications.

**C. Exemptions from Security Laws**

Pursuant to Section 1125(c) of the Bankruptcy Code, the Debtors' transmittal of solicitation materials and its solicitations of acceptances of the Plan are not, and will not be, governed by or subject to any otherwise applicable law, rule, or regulation governing the solicitation of acceptance of a chapter 11 plan or constitute the offer, issuance, sale, or purchase of securities.

To the extent Interests, Claims, or disbursements from the disbursement agent, or new PCC stock pursuant to the Plan, may be deemed to constitute securities issued in accordance with the Plan, pursuant to, and to the fullest extent permitted under, Section 1145 of the Bankruptcy Code the issuance or resale of such securities will be exempt from Section 5 of the Securities Act of 1933, as amended, and any state or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security.

**D. Exemptions from Taxation**

Pursuant to Section 1146(c) of the Bankruptcy Code, Debtors may not be taxed under any law imposing a stamp tax or similar tax for the issuance, transfer, or exchange of a security or the making or delivery of an instrument of transfer under a plan confirmed under Section 1129 of the Bankruptcy Code.

**E. Compliance with Section 1129 of the Bankruptcy Code**

As set forth in Section I.C. above, the Plan complies in all respects with the applicable requirements of Section 1129 of the Bankruptcy Code.

**III. ORDER**

Accordingly, the Court hereby ORDERS, ADJUDGES, AND DECREES as follows:

**A. Confirmation of the Plan**

For the reasons stated herein and in the Confirmation Decision, which is incorporated hereby by reference, the Plan is confirmed pursuant to Section 1129 of the Bankruptcy Code.

**B. Effect of Confirmation**

Notwithstanding any otherwise applicable law, and pursuant to Bankruptcy Rule 3020(e), immediately upon the entry of this Confirmation Order, Sections 524 and 1141 of the Bankruptcy Code and the terms of the Plan and this Confirmation Order are deemed binding upon all persons, including without limitation, the Debtors, the disbursing agent, any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are impaired under the Plan or whether the holders of such Claims or Interests accepted, rejected, or are deemed to have accepted or rejected the Plan), any and all non-debtor parties to executory contracts and unexpired leases with Debtors, and any and all entities who are parties to or are subject to the settlements, compromises, releases, waivers, discharges and injunctions under the Plan and the respective heirs, executors, administrators, successors or assigns, if any, of any of the foregoing.

**C. Claims Bar Dates and Other Claims Matters**

**1. Bar Dates for Administrative Claims.**

The bar dates for Administrative Claims set forth in the Plan, are hereby approved. Except as provided in Article III.A.1.e.ii., requests for payment of Administrative Claims must be filed and served on the Debtors and Debtors' Counsel no

later than 30 days after the Effective Date. Requests for payment of Administrative Claims pursuant to Article III.A.1.e.ii must be filed and served no later than 35 days after the Effective Date.

**2. Bar Date for Rejection Damage Claims and Related Procedures.**

Debtors have or shall provide (i) written notice to each non-debtor party to any executory contract or unexpired lease being rejected pursuant to the Plan of the applicable executory contract or unexpired lease being rejected, (ii) the bar date for the filing of rejection damage claims, and (iii) the procedures for each party to file and serve a proof of Claim for any claims that may arise from such rejection (the "Rejection Bar Date Notice").

If a rejection of an executory contract or unexpired lease pursuant to Article V of the Plan gives rise to a Claim by the other party or parties to the executory contract or unexpired lease, such Claim shall be forever barred and shall not be enforceable against Debtors, the disbursing agent, their respective successors or their respective properties unless a proof of Claim is filed and served prior to the bar date stated in the Plan, which date is 30 days after the Effective Date.

**D. Notice of Entry of Confirmation Order**

Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), Debtors or the claims noticing agent, The Garden City Group, is directed to serve the notice of the entry of this Confirmation Order and the establishment of bar dates for certain Claims hereunder, on all parties that received notice of the Confirmation Hearing, no later than twenty (20) Business Days after the Confirmation Date.

**E. Notice of Effective Date**

Debtors or The Garden City Group is directed to serve notice of the Effective Date on all parties that received notice of the Confirmation Hearing, no later than twenty (20) days after the Effective Date. Such notice of Effective Date can be combined with notice of the entry of Confirmation Order described in the immediately preceding section.

**F. Rejections of Executory Contracts and Unexpired Leases**

On August 24, 2005, (Dkt. No. 219) Debtors provided a list of executory contracts and unexpired leases (the "Rejection List") that are rejected as of the Effective Date. Such list was incorporated into the Plan. With the exception of the executory contracts and unexpired leases rejected prior to the Effective Date in the Chapter 11 Cases or rejected pursuant to the Plan by being placed on such Rejection List, all remaining executory contracts and unexpired leases, not previously assumed by Debtors are hereby assumed as of the Confirmation Date. Such assumptions are hereby approved pursuant to Section 365(a) of the Bankruptcy Code. The Court hereby finds that each rejected executory contract and unexpired lease is burdensome and that the rejection thereof is in the best interest of the Debtor, its Estate, and all parties in interest herein.

**G. Vesting of Bankruptcy Estate**

The Court hereby orders that all property of the respective Debtor's estates shall vest in each respective Debtor free and clear of all liens, claims, or encumbrances, except for such liens or encumbrances of CoBank and G.E. Capital as are provided for in the Plan (the "Retained Liens"). Any party of record that claims a lien upon the property of either of Debtor's respective estates (excepting the Retained Liens), shall take such action as is required by applicable law to remove, extinguish and/or terminate

such liens. In the event that such action is not taken, UPI and/or PCC are authorized to take such action in the stead of such party, as is necessary to cause the removal, extinguishment and/or termination of such lien(s).

#### **H. Termination of Debtors-In-Possession**

Effective on the Effective Date, the status of each of the Debtors as a "Debtor-in-Possession" is terminated.

##### **I. Retained Jurisdiction**

The Court hereby retains jurisdiction to perform the following:

1. Allow, disallow, determine, liquidate, classify, estimate or establish the priority of secured or unsecured status of any Claim, including resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;

2. Grant or deny all applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending on or before the Confirmation Date;

3. Resolve any motions pending on the Confirmation Date to assume, assume and assign, or reject any executory contract or unexpired lease to which the Debtors are a party or with respect to which the Debtors may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;

4. Ensure that distributions to holders of Allowed Administrative Claims, Allowed Priority Tax Claims and Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. Decide or resolve all motions, adversary proceedings, contested or litigated matters, grant or deny any applications, or decide or resolve any other matters involving the Debtors that may be pending on the Confirmation Date;

6. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents created in connection with the Plan or Disclosure Statement;

7. Resolve all cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any entity's obligations incurred in connection with the Plan;

8. Modify the Plan before or after the Confirmation Date pursuant to section 1127 of the Bankruptcy Code, or modify the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement, or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement, in such manner as may be necessary or appropriate to consummate the Plan to the extent authorized by the Code;

9. Issue injunctions, enter or implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation or enforcement of the Plan;

10. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

11. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code.

12. Hear and determine disputes with respect to the compensation of the Debtors' Counsel;

13. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document created in connection with the Plan or Disclosure Statement; and

14. Enter an order closing the Chapter 11 Cases.

#### **J. Injunctions**

1. On and after the Confirmation Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any Cause of Action of Debtors, for which Debtors shall retain the exclusive authority to pursue in accordance with the Plan. All Persons that have held, currently hold, or may hold an Interest in or a Claim or other debt or liability against either of the Debtors are permanently enjoined from taking actions other than as provided in the Plan with respect to such Interest in a Claim or other debt or liability against the Debtors.

2. The statutory injunction stated in 11 U.S.C. Section 524(a) is immediately applicable.

#### **K. Incorporation of Plan Provisions**

The findings of fact and conclusions of law stated in the Plan that are necessary to implement its terms are hereby incorporated as if fully restated herein and are hereby

ordered as such, unless stated to the contrary herein, in which case this Confirmation Order shall control.

**L. Rogers' Claims**

Proof of Claim number 9, in the amount of \$5,880,920.50 is hereby allowed as a general unsecured claim against the PCC bankruptcy estate. The remaining Rogers' proofs of claim, including without limitation claim number 184 filed against UPI, and any scheduled claims, if any, are hereby disallowed. No assumption of validity of a proof of claim in the PCC case filed by a non-Rogers party for the limited purpose of calculating the interim distribution to the Rogers shall constitute the allowance of such non-Rogers claim.

**M. CoBank Lending Protection.**

CoBank is hereby granted the full protections stated in 11 U.S.C. Section 364(e) to the extent of the Debtor in Possession financing and the approved Exit Financing.

**N. Cancellation of UPI and PCC Membership and Stock Interests**

1. As of the Effective Date, all membership interests, capital credits, rights to patronage payments, or other indicia of ownership in UPI are cancelled, extinguished and terminated, by this Confirmation Order and without necessity of further corporate action or state government or federal government approval. On or after the Effective Date new membership interests are authorized in accordance with the Articles and Bylaws of UPI.

2. As of the Effective Date, all preferred stock and common stock issued or authorized pre-petition by PCC are cancelled, extinguished and terminated by this Confirmation Order and without necessity of further corporate action or state

government or federal government approval. On or after the Effective Date PCC is authorized to issue new stock to UPI representing a 100 percent ownership of PCC, subject to such new stock being pledged to CoBank as part of the Exit Financing.

3. Any governmental agency to whom this Confirmation Order is presented shall accept it as proof that the above described membership, preferred stock, and common stock interests are cancelled, extinguished and terminated.

**O. Exemption From Certain Taxes and Recording Fees**

Pursuant to Section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any security, or the making, delivery, filing or recording of any instrument of transfer under, or in connection with, the Plan, including without limitation, the Exit Financing, and related loan documents shall not be taxed under any law imposing a recording tax, stamp tax, transfer tax, or similar tax. Furthermore, and without limiting the foregoing, any transfers from either of the Debtors to the other as a reorganized Debtor ("Reorganized Debtor(s)") or to any other person or entity pursuant to the Plan, including transfers of real and personal property among and between the Debtors and/or the Reorganized Debtors to facilitate or implement the Exit Financing and loan documents will not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or uniform commercial code filing or recording fee. *All filing and/or recording officers (or any other person or entity with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of Section 1146(c) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation*

*any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.* The Court shall retain jurisdiction with respect to these matters.

**P. Releases in Connection With Settlement of Rogers Objection**

The Rogers parties, on the one hand, and UPI and PCC, on the other hand shall execute a mutual release, which shall be signed by Everett Rogers, Deborah M. Rogers, an officer of UPI, and an officer of PCC.

**Q. CoBank Release**

The release of CoBank, stated in Article III.B.1.a.(f), is hereby approved.

**R. PCC Release of UPI**

The release of the PCC claim against UPI, stated in Article III.B.2.c., is hereby approved.

**S. UPI Release**

The release of UPI, its officers, directors, advisors, and attorneys, stated in Article X.C., is hereby approved.

**T. Authority to Act**

UPI and PCC are hereby authorized, effective immediately, to take any and all actions that are necessary or appropriate to consummate the Plan, including without limitation, entering into the Exit Financing, amending corporate documents to comply with the Plan, or making distributions required by the Plan.

IT IS SO ORDERED.

cc: Core Service List No. 6

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