

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	
	:	Chapter 11 Case No.
	:	
PARMALAT USA CORP., <u>et al.</u> ,	:	04- 11139 (RDD)
	:	
Debtors.	:	(Jointly Administere d)
	:	
-----X	:	

**PLAN OF REORGANIZATION OF FARMLAND DAIRIES LLC AND PLANS
OF LIQUIDATION OF PARMALAT USA CORP. AND FARMLAND
STREMICKS SUB, L.L.C. (F/K/A MILK PRODUCTS OF
ALABAMA L.L.C.) UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

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**PLAN OF REORGANIZATION OF FARMLAND DAIRIES LLC AND PLANS
OF LIQUIDATION OF PARMALAT USA CORP. AND FARMLAND
STREMICKS SUB, L.L.C. (F/K/A MILK PRODUCTS OF
ALABAMA L.L.C.) UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

Parmalat USA Corp., Farmland Dairies LLC, and Farmland Stremicks Sub, L.L.C. (f/k/a Milk Products of Alabama L.L.C.), debtors and debtors in possession in the above-captioned chapter 11 cases, each propose the following chapter 11 plans pursuant to section 1121(a) of title 11, United States Code:

ARTICLE I.
DEFINITIONS AND INTERPRETATION

DEFINITIONS. As used herein, the following terms shall have the respective meanings specified below, unless the context otherwise requires:

1.1 Acceleration Change of Control means the sale of (i) more than 50% of the Common Membership Interests of Reorganized Farmland to anyone other than the then-existing holders of Common Membership Interests, (ii) a security convertible into more than 50% of the Common Membership Interests of Reorganized Farmland to anyone other than the then-existing holders of Common Membership Interests, or (iii) substantially all of the assets of Reorganized Farmland.

1.2 Additional Cash Payments means Cash payments, in excess of the Initial Cash Payment, to be made by Reorganized Farmland to the Unsecured Creditors' Trust in accordance with section 7.7 of the Plan.

1.3 Administrative Expense Claim means any Claim, other than a Claim arising out of the Master Lease Financing Agreement, under sections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the assets of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation and reimbursement of expenses allowed by the Bankruptcy Court under sections 330 or 503 of the Bankruptcy Code, and

any fees and charges assessed against the Debtors under section 1930 of chapter 123 of title 28 of the United States Code.

1.4 **Allocation Agreement** means the agreement among the Debtors allocating Administrative Expense Claims among the Estates of the Debtors.

1.5 **Allowed** means any Claim, other than a Disputed Claim, (a) with respect to which proof was timely and properly filed, or if no proof of claim was timely and properly filed, which is listed by any of the Debtors on its respective Schedules as liquidated in amount and not disputed or contingent, and in either case, (i) as to which no objection to or complaint concerning the allowance thereof or request for estimation has been interposed on or before the one hundred and twentieth (120th) day after the Effective Date or the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules or order of the Bankruptcy Court or (ii) to the extent any objection to or complaint concerning the allowance thereof or request for estimation interposed in accordance with clause (i) has been determined by a Final Order in favor of the holder of such Claim or (b) to the extent allowed by a Final Order or the provisions of the Plan. "Allowed Claim" shall not include interest on such Claim from and after the Commencement Date except (i) as provided in section 506(b) of the Bankruptcy Code, (ii) to the extent a Disputed Allowed Administrative Expense Claim or Disputed Priority Claim becomes an Allowed Claim, each holder of such Claim shall be entitled to interest, at the federal judgment rate, from the Effective Date until the date such holder receives its distribution under the Plan, (iii) to the extent all holders of Allowed Claims in PUSA Class 3, after the resolution of all Disputed Claims in PUSA Class 3, receive payment in full on the Allowed amount of their Claims without including interest, then they shall also be entitled to receive interest at the federal judgment rate from the Commencement Date to the extent there remains Available PUSA Cash, and (iv) to the extent all holders of Allowed Claims in MPA Class 3, after the resolution of all Disputed Claims in MPA Class 3, receive payment in full on the Allowed amount of their Claims without including interest, then they shall also be entitled to receive interest at the federal judgment rate from the Commencement Date to the extent there remains Available MPA Cash.

1.6 **Amended MPA LLC Agreement** means the operating agreement for MPA (as in effect immediately before the Effective Date), as amended, a copy of which shall be filed in the Plan Supplement, which shall continue to provide for MPA to be managed by a manager, not by its members, and for the MPA Plan Administrator to become the sole manager of MPA and be consistent with the provisions of the Article VIII and any other applicable provisions of the Plan.

1.7 **Annual Adjustment** means an increase at the rate of 6% per annum, compounded monthly, beginning on the second anniversary of the Effective Date of the Plan for Farmland and concluding on the third anniversary of the Effective Date of the Plan for Farmland.

1.8 [Available MPA Cash](#) means, as of the Effective Date, all Cash of MPA realized from its business operations, the sale or other disposition of its assets, the interest earned on invested funds, recoveries from Causes of Action, or from any other source, less the amount of Cash estimated and reserved by MPA to (i) fund adequately the administration of its Plan and its Chapter 11 Case on and after the Effective Date and (ii) pay holders of Disputed Claims against MPA the amount such holders would be entitled to receive under the Plan if all such Disputed Claims were to become Allowed Claims.

1.9 [Available PUSA Cash](#) means, as of the Effective Date, all Cash of PUSA realized from its business operations, the sale or other disposition of its assets, the interest earned on invested funds, recoveries from Causes of Action, or from any other source, less the amount of Cash estimated and reserved by PUSA to (i) fund adequately the administration of its Plan and its Chapter 11 Case on and after the Effective Date and (ii) pay holders of Disputed Claims against PUSA the amount such holders would be entitled to receive under the Plan if all such Disputed Claims were to become Allowed Claims.

1.10 [Bankruptcy Code](#) means Title 11 of the United States Code, as amended from time to time.

1.11 [Bankruptcy Court](#) means the United States District Court for the Southern District of New York, having jurisdiction over the Chapter 11 Cases, and, to the extent of the reference of the Chapter 11 Cases pursuant to 28 U.S.C. § 157(a), the United States Bankruptcy Court for the Southern District of New York.

1.12 [Bankruptcy Rules](#) means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including the local rules of the Bankruptcy Court.

1.13 [Business Day](#) means any day other than a Saturday, a Sunday, and any other day on which commercial banks in New York City, New York are required or authorized to close by law or executive order.

1.14 [Buyback Agreement](#) means the agreement described in section 7.14 of the Plan.

1.15 [Cash](#) means legal tender of the United States of America.

1.16 [Causes of Action](#) means any and all claims, causes of action, and rights of the Debtors, including claims of a Debtor against another Debtor or other affiliate.

1.17 [Chapter 11 Cases](#) means the three cases under chapter 11 of the Bankruptcy Code, commenced by the Debtors, styled “In re Parmalat USA Corp. et al.” and being jointly administered in the Bankruptcy Court under case number 04-11139 (RDD).

1.18 [Citibank](#) means Citibank, N.A., London Branch.

1.19 Citibank Receivables Purchase Agreement means that certain Parmalat Receivables Purchase Agreement among Farmland and MPA, as Sellers and Initial Servicers, Eureka Securitisation Plc, as Purchaser, and Citibank, as Agent, dated as of November 2, 2000, as amended from time to time.

1.20 Claim shall have the meaning assigned to such term in section 101(5) of the Bankruptcy Code, including, without limitation, any right to payment from the Debtors, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, known or unknown; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, known or unknown.

1.21 Class means any group of substantially similar Claims or Equity Interests classified by the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

1.22 Collateral means any property or interest in property of the Estates of the Debtors subject to a lien to secure the payment or performance of a Claim, which lien is valid, perfected, and enforceable under applicable law, and is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.23 Commencement Date means February 24, 2004, the date on which the Debtors commenced the Chapter 11 Cases.

1.24 Common Membership Interests means the common membership interests in Reorganized Farmland, as to be issued under the Plan on the terms and conditions provided in the Reorganized Farmland LLC Agreement, which Common Membership Interests shall have substantially the same powers, rights and privileges conventionally accorded common stock of a business corporation.

1.25 Confirmation Date means the date upon which the Bankruptcy Court enters an order confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.26 Confirmation Hearing means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.27 Confirmation Order means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.28 Convenience Claim means any prepetition unsecured Claim against Farmland that, but for being defined as a Convenience Claim, would be a General Unsecured Claim, and that is Allowed in an amount of \$2,400 or less and that is scheduled as undisputed, non-contingent, and liquidated, or is the subject of a timely filed proof of claim in a liquidated amount of \$2,400 or less; provided, however, that if a

holder of a Claim that would otherwise hold a Convenience Claim elects on its timely-filed ballot to be treated for voting and distribution purposes as a holder of a General Unsecured Claim against Farmland, such Claim shall be a General Unsecured Claim and not a Convenience Claim; provided further, however, that in the event a holder of a Claim against Farmland holds multiple Claims against Farmland, such Claims shall not be aggregated for purposes of determining whether each such Claim is a Convenience Claim except to the extent the multiple Claims were held by the same person or entity on the Commencement Date.

1.29 Creditors' Committee means the statutory committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

1.30 Debtors means PUSA, Farmland, and MPA.

1.31 Debtors in Possession means the Debtors, as debtors in possession pursuant to section 1107 of the Bankruptcy Code.

1.32 Disclosure Statement means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.33 Disputed means, with respect to a Claim, any such Claim, proof of which was timely and properly filed, and (a) which has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, and which has not been resolved by written agreement of the parties or by an order of the Bankruptcy Court or (b) as to which the Debtor(s) or any other party in interest has interposed a timely objection, complaint, or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection, complaint, or request for estimation has not been withdrawn or determined by a Final Order. Prior to (i) the filing of an objection to or complaint on account of a Claim or (ii) the expiration of the time within which to object to such Claim set forth in the Plan or otherwise established by order of the Bankruptcy Court, for purposes of the Plan, a Claim shall be considered a Disputed Claim if (x) the amount of the Claim specified in the proof of Claim exceeds the amount of the Claim scheduled by the Debtors as other than disputed, contingent or unliquidated or (y) the Claim is not listed on the Schedules.

1.34 Disputed Unsecured Creditors Reserve means the discrete trust created by the Unsecured Creditors' Trust for federal income tax purposes, pursuant to section 7.5(m)(ii)(C) of the Plan, to hold assets of the Unsecured Creditors' Trust allocable to, or retained on account of, Disputed Claims in Farmland Class 3a.

1.35 Effective Date means the date on which the Plan with respect to a particular Debtor shall become effective, after the conditions to effectiveness with respect to the Plan of such Debtor set forth in Article XI have been satisfied or waived. The Effective Date of the Plan may be different for each of the three Debtors, and the Plan for

a particular Debtor can become Effective prior to the Confirmation Date or Effective Date of the Plan for any other Debtor.

1.36 Equity Interest means the interest of any holder of equity securities of any of the Debtors represented by the issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in any of the Debtors, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest.

1.37 ERISA means the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1301-1461.

1.38 Estates means the three estates of the Debtors created pursuant to section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

1.39 Excluded Claim Net Proceeds means the gross proceeds realized by Farmland or Reorganized Farmland on account of any Excluded Claims net of all fees, costs, and expenses actually expended by Farmland or Reorganized Farmland in connection with the prosecution thereof; provided, however, that only actual Cash proceeds recovered on account of judgment or settlement of such claims shall constitute Excluded Claim Net Proceeds and Farmland and Reorganized Farmland shall retain, notwithstanding anything to the contrary herein and without any effect on distributions by the Litigation Trust, the benefits and burdens of any agreement or business relationship involving the provision of goods or services by or to any party to an Excluded Claim, which may be entered into because of or in connection with the prosecution of the Excluded Claims.

1.40 Excluded Claims means all claims, rights, and Causes of Action of Farmland or Reorganized Farmland that could have been brought or raised by or on behalf of Farmland against any third party based on events that occurred prior to the Commencement Date or for damages found by a Final Order to have occurred prior to the Commencement Date, and which are integral to the ongoing business of Farmland or Reorganized Farmland, but only to the extent such claims, rights, and Causes of Action would be Litigation Claims if they were not Excluded Claims.

1.41 Exit Facilities means the Senior Secured Exit Facility and the Junior Secured Exit Facility, which together shall not be increased above \$120,000,000 without the consent of the Unsecured Creditors' Trustee, unless the Unsecured Creditors' Trust has been dissolved.

1.42 Exit Facility Lenders means the senior lenders designated on the Exit Facilities.

1.43 Farmland means Farmland Dairies LLC.

1.44 Farmland Litigation Proceeds means an amount of Cash equal to all gross cash payments collected between December 8, 2004 and the Effective Date by Farmland on account of Litigation Claims.

1.45 Farmland Note means the note to be provided to the Unsecured Creditors' Trust on behalf of holders of Class 3a Claims against Farmland under section 7.8 of the Plan, the form of which shall be reasonably acceptable to the Lessor and the Creditors' Committee and filed in the Plan Supplement.

1.46 Final Order means an order of the Bankruptcy Court or other court of competent jurisdiction as to which the time for instituting or filing an appeal, motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion, or petition is pending.

1.47 General Unsecured Claims means a Claim other than an Administrative Expense Claim, a Priority Tax Claim, a Convenience Claim, the Master Lease Claim, a Priority Non-Tax Claim, or a Secured Claim.

1.48 Initial Cash Payment means the Cash, as determined pursuant to section 7.7(a) of the Plan, paid by Farmland on the Effective Date (in accordance with section 7.2 of the Plan) (i) to holders of Allowed Farmland Class 3c Claims and (ii) to the Unsecured Creditors' Trust for distribution to holders of Allowed Farmland Class 3a Claims and Disputed Farmland Class 3c Claims that subsequently become Allowed Claims.

1.49 Initial Funding Amount means \$300,000.

1.50 Interim Compensation Order means the Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, entered in the Chapter 11 Cases on February 25, 2004.

1.51 IRC means the Internal Revenue Code of 1986, as amended, and any applicable rulings, Treasury Regulations (including temporary and proposed regulations) promulgated thereunder, judicial decisions, notices, announcements, and other releases of the United States Treasury Department or the Internal Revenue Service.

1.52 Junior Secured Exit Facility means a fifty-four (54) month term loan in the amount of \$45,000,000 provided to Reorganized Farmland on the Effective Date by the Lessor and/or other lenders.

1.53 Lessor means GE Capital Public Finance, Inc., the lessor under the Master Lease Financing Agreement; provided, however, the Lessor may assign any of the rights or obligations under the Plan to any of its affiliates.

1.54 Lessor 365(d)(10) Claim means the claim of the Lessor arising under section 365(d)(10) of the Bankruptcy Code for postpetition rents and other charges under the Master Lease Financing Agreement.

1.55 Lessor Litigation Share means Net Litigation Proceeds allocable to the Lessor pursuant to section 7.3(a) of the Plan.

1.56 Litigation Claims means any and all claims, rights, and Causes of Action, that could have been brought or raised by or on behalf of Farmland against any third party based on events that occurred prior to the Commencement Date or for damages found by a Final Order to have occurred prior to the Commencement Date, including but not limited to, against Farmland's Canadian affiliates and Deloitte & Touche LLP and its affiliates and predecessors-in-interest, other than the Excluded Claims, and other than any claims, rights, and Causes of Action (i) for moneys owed for goods and services provided by Farmland in the ordinary course of business, (ii) arising under section 547 of the Bankruptcy Code, or (iii) that Reorganized Farmland would be entitled to setoff against obligations of Reorganized Farmland to pay holders of Allowed Secured Claims, Allowed Priority Claims, and Allowed Administrative Expense Claims.

1.57 Litigation Trust means the litigation trust described in the Plan and the Litigation Trust Agreement.

1.58 Litigation Trust Agreement means the agreement establishing and delineating the terms and conditions of the Litigation Trust, substantially in the form set forth in the Plan Supplement.

1.59 Litigation Trust Assets means the Litigation Claims and the Litigation Trust Proceeds.

1.60 Litigation Trust Loan means Cash in an initial amount of \$300,000, or a greater amount acceptable to the Lessor, to be loaned to the Litigation Trust by Reorganized Farmland on terms to be specified in the Litigation Trust Agreement to fund the fees, expenses, and costs of the Litigation Trust.

1.61 Litigation Trust Net Proceeds means any Litigation Trust Proceeds minus an amount equal to all costs, expenses, and fees incurred by the Litigation Trust in connection with the pursuit of Litigation Claims (including repayment in full of any Litigation Trust Loan) and appropriate reserves as may from time to time be established by the Litigation Trustee for future costs, expenses and fees reasonably expected to be incurred by the Litigation Trust or for other contingent liabilities of the Litigation Trust; it being understood that any amount so released from such a reserve shall then be considered Litigation Trust Proceeds.

1.62 Litigation Trust Proceeds means any gross cash payments collected after the Effective Date by the Litigation Trust on account of the Litigation Claims and earnings or proceeds generated by Litigation Trust Assets.

1.63 Litigation Trustee means the person or persons initially appointed by Farmland, acceptable to the Lessor, in accordance with the Litigation Trust Agreement to administer the Litigation Trust.

1.64 Management Incentive Plan means a management incentive plan for the New Management of Reorganized Farmland, the terms of which will be filed in the Plan Supplement, and which shall include the award of Common Membership Interests to be issued under the Plan.

1.65 Master Lease Claim means all Claims arising under the Master Lease Financing Agreement for prepetition amounts due and lease rejection damages, but in no event including the Lessor Section 365(d)(10) Claim.

1.66 Master Lease Financing Agreement means that certain Master Lease Financing Agreement, dated as of April 30, 2003, between the Lessor and Farmland, as amended from time to time.

1.67 Membership Interests means Common Membership Interests and Preferred Membership Interests.

1.68 MPA means Farmland Stremicks Sub, L.L.C. (f/k/a Milk Products of Alabama L.L.C.).

1.69 MPA Plan Administrator means the person or entity charged with administering the Plan with respect to MPA (including acting as the sole manager of MPA and, where appropriate to implement the Plan, acting as liquidating agent or liquidating trustee for MPA). The initial MPA Plan Administrator shall be selected by MPA and named in the Confirmation Order, and any successor thereto shall be appointed in accordance with section 8.1(d). The MPA Plan Administrator shall sign and enter into the Amended MPA LLC Agreement.

1.70 Net Litigation Proceeds means Litigation Trust Net Proceeds and Farmland Litigation Proceeds.

1.71 New Management means the new management of Reorganized Farmland as of the Effective Date, to be specified in the Confirmation Order, which will receive Common Membership Interests in Reorganized Farmland under the Management Incentive Plan.

1.72 PBGC means Pension Benefit Guaranty Corporation, a wholly owned United States government corporation that administers the defined benefit pension plan termination insurance program under Title IV of ERISA.

1.73 Pension Plans means the tax qualified defined benefit pension plans covered by ERISA, sponsored and maintained by Farmland, including Parmalat New Atlanta Dairies Union Retirement Income Security Plan, Farmland Dairies Local 680 Pension Plan, Sunnysdale Pension Plan, Clinton Milk Employees Pension Plan, and Clinton Milk Company Local 680 Pension Plan.

1.74 Plan means each and all of the chapter 11 plans of the Debtors collectively and (where specified herein) as to each of the Debtors the chapter 11 plan of

such Debtor, including all exhibits and schedules annexed thereto, as altered, amended or modified from time to time.

1.75 Plan Supplement means the forms of documents required or appropriate in the judgment of the Debtors to implement the Plan, including, but not limited to, the Allocation Agreement, the amended PUSA certificate of incorporation and by-laws (if amendment thereof is warranted in connection with implementation of the Plan), the Reorganized Farmland LLC Agreement and the amended and restated articles of organization of Reorganized Farmland, the Amended MPA LLC Agreement, the Litigation Trust Agreement, the Unsecured Creditors' Trust Agreement, the Buyback Agreement, the Management Incentive Plan and the Farmland Note, and the list of executory contracts and unexpired leases to be assumed in accordance with the Plan, which documents shall be filed with the Bankruptcy Court no later than ten days prior to the Confirmation Hearing. Such documents shall become effective upon the Effective Date or earlier or later date as provided by the Plan in substantially the form included in the Plan Supplement, except as such documents shall be amended with approval of the Bankruptcy Court in accordance with the Bankruptcy Code and the Bankruptcy Rules. Upon its filing with the Bankruptcy Court, the Plan Supplement may be observed on the Bankruptcy Court's electronic filing system or inspected at the office of the clerk of the Bankruptcy Court during normal court hours. Holders of Claims and Equity Interests may obtain a copy of the Plan Supplement upon written request to the undersigned counsel.

1.76 Postpetition Financing Order means the Final Order of the Bankruptcy Court, dated March 30, 2004, (1) Authorizing Debtors-in-Possession to Enter into Post-Petition Financing Agreement and Obtain Post-Petition Financing; (2) Authorizing Debtors-in-Possession to Enter Into an Amendment to Receivables Purchase Agreement and Sell Interests in Accounts Receivable; (3) Providing Adequate Protection; and (4) Granting Liens, Security Interests and Superpriority Claims for Both Transactions, as amended from time to time.

1.77 Preference Causes of Action means any and all claims and Causes of Action of Farmland under section 547 of the Bankruptcy Code, except those claims and Causes of Action waived pursuant to section 9.1 hereof.

1.78 Preferred Membership Interests means the preferred membership interests in Reorganized Farmland to be issued under the Plan, on the terms and conditions provided by the Reorganized Farmland LLC Agreement, which Preferred Membership Interests shall not be convertible into Common Membership Interests.

1.79 Priority Non-Tax Claim means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment under section 507(a) of the Bankruptcy Code.

1.80 Priority Tax Claim means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.81 Pro Rata means the proportion that the amount of any Claim or Equity Interest in a particular class bears to the aggregate amount of all Claims or Equity Interests in such Class, including Disputed Claims.

1.82 PUSA means Parmalat USA Corp.

1.83 PUSA Plan Administrator means the person or entity charged with administering the Plan with respect to PUSA, initially jointly selected by PUSA and the Creditors' Committee and named in the Confirmation Order.

1.84 Released Parties means any current or former agent, representative, director, officer, member, manager, attorney, accountant, financial advisor, or other professional of the Debtors, the Creditors' Committee, ~~or~~ the Lessor, Citibank N.A., or General Electric Capital Corporation, in its capacity as postpetition lender under the Debtors' postpetition credit agreement and subordinated letter of credit facility, but only to the extent, in each case, such party served in such capacity on or after the Commencement Date; provided, however, Marc Caira, Peter Ferraro, Alnashir Lakha, Anthony Mayzun, Michael Rosicki, and Claudio Anzalone shall not be Released Parties.

1.85 Reorganized Farmland means the entity that is the successor to Farmland that emerges from chapter 11 upon the Effective Date.

1.86 Reorganized Farmland LLC Agreement means the operating agreement governing Reorganized Farmland, which shall be in accordance with the provisions of the Plan and substantially in the form included in the Plan Supplement.

1.87 Schedules means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, including any supplements or amendments thereto through the Confirmation Date.

1.88 Secured Claim means a Claim, other than any claim arising out of the Master Lease Financing Agreement, held by any entity against the Debtors secured by Collateral, but only to the extent of the value, as set forth in the Plan, as agreed to by the holder of such Claim and the Debtors, or as determined by a Final Order of the Bankruptcy Court pursuant to section 506(a) of the Bankruptcy Code, of such entity's interest in the Estates' interest in such Collateral; provided, however, that a Secured Claim shall not include any portion of the Claim to the extent that the value of such entity's interest is less than the amount of such Claim.

1.89 Senior Secured Exit Facility means a senior secured credit facility in an amount not less than \$55,000,000 to provide credit to Reorganized Farmland on the Effective Date.

1.90 Subordination Change of Control means a sale of all or substantially all of the assets of Reorganized Farmland following the marketing for sale of Reorganized Farmland by an independent investment bank in a bona fide arms length transaction in which the purchaser is neither the Lessor, an affiliate of the Lessor, nor an affiliate of any entity in which the Lessor owns greater than 10% of the equity; provided, however, that a Subordination Change of Control shall not be deemed to have occurred unless (i) either of the Exit Facilities (or any successor thereto) is repaid in full or no value is distributed on account of the Common Membership Interests, (ii) the Unsecured Creditors' Trustee receives thirty (30) days advanced notice of the sale including (subject to a confidentiality agreement acceptable to the Lessor) (a) drafts of the purchase documents, (b) drafts of the financing documents relating to the purchaser's financing of the purchase (if and only if the Lessor is financing such purchase), and (c) the analysis of the valuation, if any, of Reorganized Farmland prepared by the investment banker, and (iii) either the purchaser is not financed by the Lessor or, if the purchaser is financed by the Lessor, such financing is either on (a) market terms or (b) terms similar to other loans made by the Lessor to similar borrowers under similar circumstances.

1.91 Tranche Amounts means the Tranche I Amount, the Tranche II Amount, and the Tranche III Amount.

1.92 Tranche I Amount means the Tranche I Amount described in section 7.3(b)(i) of the Plan.

1.93 Tranche II Amount means the Tranche II Amount described in section 7.3(b)(ii) of the Plan.

1.94 Tranche III Amount means the Tranche III Amount described in section 7.3(b)(iii) of the Plan.

1.95 Treasury Regulations means final, temporary and proposed regulations promulgated by the U.S. Treasury Department in respect of the IRC.

1.96 Unsecured Creditors' Litigation Share means Net Litigation Proceeds allocable to the Unsecured Creditors' Trust on behalf of holders of Allowed Claims in Farmland Class 3a pursuant to section 7.3(a) of the Plan.

1.97 Unsecured Creditors' Trust means the trust to be established to make distributions to holders of Allowed Farmland Class 3a Claims and Farmland Class 3c Claims which are disputed as of the Effective Date, but are subsequently Allowed, as described in section 7.5 of the Plan and the Unsecured Creditors' Trust Agreement.

1.98 Unsecured Creditors' Trust Agreement means the agreement establishing and delineating the terms and conditions of the Unsecured Creditors' Trust, substantially in the form set forth in the Plan Supplement.

1.99 Unsecured Creditors' Trustee means the person or persons appointed in accordance with the Unsecured Creditors' Trust Agreement to administer the Unsecured Creditors' Trust.

1.100 U.S. Trustee means the United States Trustee for the Southern District of New York.

OTHER TERMS.

A term used in the Plan that is not defined shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

CONSTRUCTION OF CERTAIN TERMS.

The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

ARTICLE II.

**TREATMENT OF ADMINISTRATIVE
EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

2.1 Administrative Expense Claims.

(a) **PUSA.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Administrative Expense Claim against PUSA shall receive an amount in Cash equal to the Allowed amount of such Claim.

(b) **Farmland.**

(i) On the Effective Date, or as soon thereafter as is reasonably practical, except as otherwise agreed by a holder of an Allowed Administrative Expense Claim, each holder of an Allowed Administrative Expense Claim against Farmland shall receive an amount in Cash equal to the Allowed amount of such Claim; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by Farmland or liabilities arising under loans or advances to or other obligations incurred by Farmland shall be assumed and paid by Farmland in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements or regulations governing, instruments evidencing or other documents relating to such transactions; provided further, however, any obligations of Farmland under the Postpetition Financing Order shall be paid on the Effective Date.

(ii) On the Effective Date, on account of the Lessor 365(d)(10) Claim, the Lessor shall receive Preferred Membership Interests with a liquidation value of \$14,844,555.

(c) **MPA**. On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Administrative Expense Claim against MPA shall receive an amount in Cash equal to the Allowed amount of such Claim.

(d) **Allocation Among Debtors**. The allocation of Administrative Expense Claims among the Debtors shall be determined in accordance with the Allocation Agreement.

2.2 **Priority Tax Claims**.

(a) **PUSA**. On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Priority Tax Claim against PUSA shall receive an amount in Cash equal to the Allowed amount of such Claim.

(b) **Farmland**. Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the sole option of Farmland or Reorganized Farmland, (i) on the Effective Date, or as soon thereafter as is reasonably practical, Cash equal to the Allowed amount of such Claim or (ii) equal annual Cash payments each year on the anniversary of the Effective Date in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate equal to 5% or such other amount as determined by the Bankruptcy Court in the Confirmation Order, over a period not exceeding six (6) years after the date of assessment of such Allowed Priority Tax Claim. All Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as such obligations become due.

(c) **MPA**. On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Priority Tax Claim against MPA shall receive an amount in Cash equal to the Allowed amount of such Claim.

ARTICLE III.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

Claims, other than Administrative Expense Claims and Priority Tax Claims, and Equity Interests are classified for all purposes, including voting (unless otherwise specified), confirmation, and distribution pursuant to the Plan, as follows:

<u>CLASS</u>	<u>STATUS</u>	<u>ENTITLED TO VOTE</u>
PUSA Class 1 Priority Non-Tax Claims against PUSA	Unimpaired	No

<u>CLASS</u>		<u>STATUS</u>	<u>ENTITLED TO VOTE</u>
PUSA Class 2	Secured Claims against PUSA	Unimpaired	No
PUSA Class 3	General Unsecured Claims against PUSA	Impaired	Yes
PUSA Class 4	Equity Interests in PUSA	Impaired	Yes
Farmland Class 1	Priority Non-Tax Claims against Farmland	Unimpaired	No
Farmland Class 2	Secured Claims against Farmland	Unimpaired	No
Farmland Class 3a	General Unsecured Claims against Farmland	Impaired	Yes
Farmland Class 3b	Master Lease Claim.....	Impaired	Yes
Farmland Class 3c	Convenience Claims.....	Impaired	Yes
Farmland Class 4	Equity Interests in Farmland	Impaired	No
MPA Class 1	Priority Non-Tax Claims against MPA..	Unimpaired	No
MPA Class 2	Secured Claims against MPA.....	Unimpaired	No
MPA Class 3	General Unsecured Claims against MPA.....	Impaired	Yes
MPA Class 4	Equity Interests in MPA.....	Impaired	Yes

ARTICLE IV.

TREATMENT OF CLAIMS AND EQUITY INTERESTS

4.1 PUSA Class 1 - Priority Non-Tax Claims against PUSA.

(a) **Impairment and Voting.** PUSA Class 1 is not impaired by the Plan. Each holder of an Allowed Priority Non-Tax Claim in PUSA Class 1 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Priority Non-Tax Claim in PUSA Class 1

shall be paid an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.

4.2 PUSA Class 2 –Secured Claims against PUSA.

(a) **Impairment and Voting.** PUSA Class 2 is unimpaired by the Plan. Each holder of an Allowed Secured Claim in PUSA Class 2 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, except to the extent that the holder of a Secured Claim in PUSA Class 2 agrees to less favorable treatment, each Secured Claim in PUSA Class 2 shall be reinstated or rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of a Secured Claim in PUSA Class 2 to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of a default. All Secured Claims in PUSA Class 2 that are not due and payable on or before the Effective Date shall, at PUSA's option, be paid (i) in the ordinary course of business in accordance with the course of practice between PUSA and such holder with respect to such Claim, or (ii) by transfer of the Collateral to the holder of such Claim.

4.3 PUSA Class 3 – General Unsecured Claims against PUSA.

(a) **Impairment and Voting.** PUSA Class 3 is impaired by the Plan. Each holder of an Allowed General Unsecured Claim in PUSA Class 3 is entitled to vote to accept or reject the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed General Unsecured Claim shall receive its Pro Rata Share of Available PUSA Cash, but not to exceed the full amount of such Allowed Claim, including all interest to which such holder is entitled under the Plan.

4.4 PUSA Class 4 – Equity Interest in PUSA.

(a) **Impairment and Voting.** PUSA Class 4 is impaired by the Plan. Each holder of an Allowed Equity Interest in PUSA Class 4 is entitled to vote to accept or reject the Plan.

(b) **Distributions.** As soon as reasonably practical after the payment in full of all Allowed Claims against PUSA, including all interest to which such holders of Claims are entitled under the Plan and subject to reserving sufficient Cash to pay holders of Disputed Claims against PUSA the amount which such holders would be entitled to receive if such Disputed Claims were Allowed Claims, each holder of an Equity Interest in PUSA shall receive its Pro Rata share of remaining Available PUSA Cash.

4.5 Farmland Class 1 - Priority Non-Tax Claims against Farmland.

(a) **Impairment and Voting.** Farmland Class 1 is not impaired by the Plan. Each holder of an Allowed Priority Non-Tax Claim in Farmland Class 1 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Priority Non-Tax Claim in Farmland Class 1 shall be paid an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.

4.6 Farmland Class 2 –Secured Claims against Farmland.

(a) **Impairment and Voting.** Farmland Class 2 is unimpaired by the Plan. Each holder of a Secured Claim in Farmland Class 2 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, except to the extent that the holder of a Secured Claim in Farmland Class 2 agrees to less favorable treatment, each Secured Claim in Farmland Class 2 shall be reinstated or rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of a Secured Claim in Farmland Class 2 to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of a default. All Secured Claim in Farmland Class 2 that are not due and payable on or before the Effective Date shall, at Farmland's option, be paid (i) in the ordinary course of business in accordance with the course of practice between Farmland and such holder with respect to such Claim, or (ii) by transfer of the Collateral to the holder of such Claim.

4.7 Farmland Class 3a – General Unsecured Claims against Farmland.

(a) **Impairment and Voting.** Farmland Class 3a is impaired by the Plan. Each holder of an Allowed General Unsecured Claim in Farmland Class 3a is entitled to vote to accept or reject the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed General Unsecured Claim in Farmland Class 3a shall receive its Pro Rata share of the beneficial interests in the Unsecured Creditors' Trust, which shall receive, on the Effective Date, on behalf of holders of Allowed General Unsecured Claims, the distribution provided for in section 7.2(c) of the Plan, subject to the obligations of the Unsecured Creditors' Trust to make payments to holders of Convenience Claims that are Allowed after the Effective Date. Distributions shall be made by the Unsecured Creditors' Trust in accordance with section 7.5(l) hereof.

4.8 Farmland Class 3b – Master Lease Claim against Farmland.

(a) **Impairment and Voting.** Farmland Class 3b is impaired by the Plan. On account of its Allowed Master Lease Claim in Farmland Class 3b, the Lessor is entitled to vote to accept or reject the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, the Lessor shall receive on account of the Allowed Master Lease Claim (i) 80% of the Common Membership Interests (some or all of which may be in the form of warrants exercisable for \$.01 per share to purchase Common Membership Interests) on a fully diluted basis after giving effect to all Common Membership Interests and warrants to purchase Common Membership Interests to be issued under the Plan, (ii) Farmland Litigation Proceeds in the amount of the Lessor Litigation Share, (iii) a beneficial interest in the Litigation Trust entitling it to receive the Lessor Litigation Share, (iv) the Preference Causes of Action, and (v) title to the parcels subject to the Second Mortgages under a deemed deed in lieu of foreclosure (which parcels will then be immediately resold to Farmland in exchange for Preferred Membership Interests with a liquidation value of \$10,365,000).

4.9 Farmland Class 3c –Farmland Convenience Claims.

(a) **Impairment and Voting.** Farmland Class 3c is impaired by the Plan. Each holder of an Allowed Convenience Claim in Farmland Class 3c is entitled to vote to accept or reject the Plan.

(b) **Distributions.** On the Effective Date, each holder of an Allowed Convenience Claim against Farmland shall receive Cash in an amount equal to 40% of such holder's Convenience Claim.

4.10 Farmland Class 4 – Equity Interest in Farmland.

(a) **Impairment and Voting.** Farmland Class 4 is impaired by the Plan. For purposes of the Plan, each holder of an Equity Interest in Farmland Class 4 is conclusively presumed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

(b) **Distributions.** On the Effective Date, all instruments evidencing Equity Interests in Farmland shall be canceled without further action under any applicable agreement, law, regulation, or rule, and the Equity Interests in Farmland evidenced thereby shall be extinguished and holders of Equity Interests in Farmland shall not receive nor retain any property under the Plan.

4.11 MPA Class 1 - Priority Non-Tax Claims against MPA.

(a) **Impairment and Voting.** MPA Class 1 is not impaired by the Plan. Each holder of an Allowed Priority Non-Tax Claim in MPA Class 1 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed Priority Non-Tax Claim in MPA Class 1 shall be paid an amount in Cash equal to the Allowed amount of such Priority Non-Tax Claim.

4.12 MPA Class 2 –Secured Claims against MPA.

(a) **Impairment and Voting.** MPA Class 2 is unimpaired by the Plan. Each holder of an Allowed Secured Claim in MPA Class 2 is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, except to the extent that the holder of a Secured Claim in MPA Class 2 agrees to less favorable treatment, each Secured MPA in PUSA Class 2 shall be reinstated or rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of a Secured Claim in MPA Class 2 to demand or receive payment of such Claim prior to its stated maturity from and after the occurrence of a default. All Secured Claim in MPA Class 2 that are not due and payable on or before the Effective Date shall, at MPA's option, be paid (i) in the ordinary course of business in accordance with the course of practice between MPA and such holder with respect to such Claim, or (ii) by transfer of the Collateral to the holder of such Claim.

4.13 MPA Class 3 – General Unsecured Claims against MPA.

(a) **Impairment and Voting.** MPA Class 3 is impaired by the Plan. Each holder of an Allowed General Unsecured Claim in MPA Class 3 is entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

(b) **Distributions.** On the Effective Date, or as soon thereafter as is reasonably practical, each holder of an Allowed General Unsecured Claim against MPA shall receive its Pro Rata Share of Available MPA Cash, but not to exceed the full amount of such Allowed Claim, including all interest to which such holder is entitled under the Plan.

4.14 MPA Class 4 – Equity Interest in MPA.

(a) **Impairment and Voting.** MPA Class 4 is impaired by the Plan. Each holder of an Equity Interest in MPA Class 4 is entitled to vote to accept or reject the Plan.

(b) **Distributions.** As soon as reasonably practical after the payment in full of all Allowed Claims against MPA, including all interest to which such holders of Claims are entitled under the Plan and subject to reserving sufficient Cash to pay holders of Disputed Claims against MPA the amount which such holders would be entitled to receive if such Disputed Claims were Allowed Claims, each holder of an Equity Interest in MPA shall receive its Pro Rata share of remaining Available MPA Cash.

ARTICLE V.
ACCEPTANCE OR REJECTION OF THE PLAN

5.1 Voting of Claims. Each holder of an Allowed Claim in PUSA Class 3, Farmland Class 3a, Farmland Class 3b, Farmland Class 3c, and MPA Class 3, and each holder of an Equity Interest in PUSA Class 4 and MPA Class 4 shall be entitled to vote to accept or reject the Plan.

5.2 Presumed Acceptances of Plan. PUSA Class 1, PUSA Class 2, Farmland Class 1, Farmland Class 2, MPA Class 1, and MPA Class 2 are unimpaired under the Plan and, therefore, are conclusively presumed to have accepted the Plan.

5.3 Presumed Rejections of Plan. Farmland Class 4 is conclusively presumed to have rejected the Plan.

5.4 Cram Down. Each of the Debtors requests that, in the event an impaired Class of Claims against such Debtor accepts the Plan, the Bankruptcy Court confirm the Plan in accordance with the provisions of section 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of the Plan over the rejection by any other Class of Claims or the rejection of a Class of Equity Interests.

ARTICLE VI.
IMPLEMENTATION OF PUSA PLAN

6.1 PUSA Plan Administrator.

(a) The Confirmation Order shall name the PUSA Plan Administrator to implement the terms of the Plan with respect to PUSA.

(b) The PUSA Plan Administrator shall be designated by PUSA and the Creditors' Committee.

(c) The salient terms of the PUSA Plan Administrator's employment, including the PUSA Plan Administrator's duties and compensation (which compensation shall be negotiated by the PUSA Plan Administrator, PUSA, and the Creditors' Committee), to the extent not set forth in the Plan, shall be set forth in the Confirmation Order. The PUSA Plan Administrator shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(d) The PUSA Plan Administrator shall have no liability to the Debtors, their creditors, or their equity holders. PUSA shall indemnify and hold harmless the PUSA Plan Administrator for any losses incurred in its capacity as such, except to the extent such losses were the result of such person's gross negligence or willful misconduct.

(e) In the event the PUSA Plan Administrator dies, is terminated, or resigns for any reason, the U.S. Trustee shall designate a successor. The PUSA Plan Administrator shall be required to disclose its connections, if any, with the Debtors, their creditors, any other party in interest, and the U.S. Trustee.

6.2 Directors/Officers/Equity/Assets of PUSA on the Effective Date.

(a) On the Effective Date, the authority, power and incumbency of the persons then acting as directors and officers of PUSA shall be terminated and such directors and officers shall be deemed to have resigned or to have been removed without cause.

(b) On the Effective Date, all the then Equity Interests in PUSA (including all instruments evidencing such Equity Interests) shall be canceled and extinguished without further action under any applicable agreement, law, regulation, or rule; provided, however, the then holders of Equity Interests in PUSA shall be entitled to receive the distribution provided to such holders under the Plan.

(c) On the Effective Date, on behalf of the holders of Claims in PUSA Class 3, the PUSA Plan Administrator shall be deemed to hold 100% of the equity interest in PUSA, which shall be represented by 100 common shares of PUSA, and shall have the powers of the sole shareholder of PUSA; provided, however, the Plan Administrator shall have voting power only, but shall retain no economic benefit from being the sole shareholder.

(d) On the Effective Date, the PUSA Plan Administrator shall be appointed as and become, and shall succeed to such powers as would have been applicable to, PUSA's officers and directors.

(e) Notwithstanding anything to the contrary herein, all assets of PUSA shall remain assets of PUSA until they are transferred or distributed by the PUSA Plan Administrator pursuant to the terms of this Plan.

(f) After the Effective Date, the PUSA Plan Administrator may decide, in its sole discretion, to maintain PUSA as a corporation in good standing until such time as all aspects of the Plan pertaining to PUSA have been completed (provided, however, that PUSA shall conduct no business except as necessary or appropriate to implement the Plan) or at such time as the PUSA Plan Administrator considers appropriate and consistent with the implementation of the Plan pertaining to PUSA may dissolve PUSA and complete the winding up of PUSA in accordance with applicable law. In connection with the liquidation of PUSA, the PUSA Plan Administrator may act as liquidating agent

for PUSA or transfer all assets of PUSA to a trust or other entity created to make distributions to holders of Allowed Claims against and Equity Interests in PUSA. The PUSA Plan Administrator may act as trustee of such a trust if and as permitted by law or in the capacity of management of any other entity created to make such distributions. As soon as practicable after all aspects of the Plan pertaining to PUSA have been completed, PUSA shall be dissolved and wound up in accordance with applicable law.

(g) As of the Effective Date, the certificate of incorporation and by-laws of PUSA shall be amended to the extent necessary to carry out the provisions of the Plan. The amended certificate and by-laws of PUSA (if any) shall be included in the Plan Supplement.

6.3 Duties and Powers of the PUSA Plan Administrator. The PUSA Plan Administrator, together with its representatives and professionals, shall administer the Plan with respect to PUSA. The duties and powers of the PUSA Plan Administrator shall include all powers necessary to implement the Plan with respect to PUSA and administrate and liquidate the assets of PUSA, including, without limitation, the duties and powers listed herein.

(a) **Authority.** The PUSA Plan Administrator may exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by an officer, director, or shareholder of PUSA with like effect as if authorized, exercised, and taken by unanimous action of such officers and directors, without shareholder approval, including, without limitation, amendment of the certificate of incorporation and by-laws of PUSA and the dissolution of PUSA.

(b) **Claims.** The PUSA Plan Administrator may object to, seek to subordinate, compromise, or settle any or all Claims against PUSA.

(c) **Liquidation of Assets.** The PUSA Plan Administrator shall, in an expeditious but orderly manner liquidate and convert to cash the assets of PUSA, make timely distributions, and not unduly prolong the duration of PUSA. In so doing, the PUSA Plan Administrator shall exercise its reasonable business judgment in liquidating the assets of PUSA to maximize recoveries. The liquidation of such assets of PUSA may be accomplished through the sale of the assets of PUSA (in whole or in combination, and including the sale of any Causes of Action), through the prosecution, compromise and settlement, abandonment, or dismissal of any or all claims or Causes of Action, or otherwise.

(d) **Abandoning Assets.** The PUSA Plan Administrator may abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization of its choice, any assets, if it concludes that they are of no benefit to PUSA's Estate.

(e) **Causes of Action.** The PUSA Plan Administrator may pursue Causes of Action of PUSA. The PUSA Plan Administrator shall have discretion to elect whether or not to pursue any and all Causes of Action of PUSA and whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such Causes of Action, as the PUSA Plan Administrator may determine is in the best interests of the holders of Claims against and Equity Interests in PUSA, and the PUSA Plan Administrator shall have no liability to any of the Debtors, their Estates, their creditors, the Creditors' Committee, its members, or any other party for the outcome of its decisions in this regard.

(f) **Retention of Professionals.** The PUSA Plan Administrator may retain professionals to assist it in performing its duties hereunder.

(g) **Books and Records.** The PUSA Plan Administrator shall maintain PUSA's books and records, maintain accounts, make distributions, and take other actions consistent with the Plan and the implementation hereof.

(h) **Agreements.** The PUSA Plan Administrator may enter into any agreement or execute any document required by or consistent with the Plan and perform all of PUSA's obligations thereunder.

(i) **Investment Power.** The right and power of the PUSA Plan Administrator to invest any of PUSA's Cash, including cash proceeds from the liquidation of any assets of PUSA and the realization or disposition of any Causes of Action, and any income earned by PUSA shall be limited to the right and power to invest such Cash in United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities having at the time of acquisition an investment grade credit rating as assigned by a nationally recognized credit rating service or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such Cash without inordinate credit risk or interest rate risk; provided, however, that the PUSA Plan Administrator may expend the Cash of PUSA to effectuate the provisions of the Plan.

(j) **Tax Obligations.** The PUSA Plan Administrator shall have the powers of administration regarding all of PUSA's tax obligations, including filing of returns. The PUSA Plan Administrator shall (i) endeavor to complete and file within ninety (90) days after the dissolution of PUSA PUSA's final federal, state and local tax returns, (ii) request, if necessary, an expedited determination of any unpaid tax liability of PUSA or its Estate under Bankruptcy Code section 505(b) for all taxable periods of PUSA ending after the Commencement Date through the dissolution of PUSA as determined under applicable tax laws and (iii) represent the interest and account of PUSA or its Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding or audit.

(k) **Reporting Duties.** The PUSA Plan Administrator shall be responsible for filing informational returns on behalf of PUSA and paying any tax liability of PUSA.

The PUSA Plan Administrator shall file (or cause to be filed) any other statements, returns or disclosures relating to PUSA that are required by any governmental unit or applicable law.

(l) **Reasonable Fees and Expenses**. The PUSA Plan Administrator may incur any reasonable and necessary expenses in connection with the performance of its duties under the Plan.

(m) **Other Actions**. The PUSA Plan Administrator may take all other actions not inconsistent with the provisions of the Plan which the PUSA Plan Administrator deems reasonably necessary or desirable with respect to administering the Plan.

6.4 Method of Distributions of PUSA Under the Plan. Distributions to holders of Claims against PUSA shall be made by the PUSA Plan Administrator in accordance with the terms of the Plan.

(a) **Effective Date Payments and Transfers**. On the Effective Date, or, as soon thereafter as reasonably practical, PUSA shall remit, to each holder of an Allowed Claim (as of the Effective Date) against PUSA, the distribution provided for such Claim under the Plan.

(b) **Retention of Cash**. In making the distributions under the Plan, PUSA shall, at all times, retain sufficient Cash (and/or beneficial assets) as reasonably necessary for PUSA to (i) meet the reasonably necessary administrative expenses of PUSA after the Effective Date, including contingent liabilities, (ii) pay reasonable administrative expenses of the Estate that have not been paid (including PUSA's professional fees and expenses) or have not been Allowed as of the Effective Date but which are subsequently Allowed, (iii) pay all Disputed Claims against PUSA in the event that all such Claims were to become Allowed Claims, (iv) satisfy other liabilities incurred by PUSA in accordance with the Plan, and (v) otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the PUSA Plan Administrator pursuant to the Plan.

(c) **Subsequent Distributions**.

(i) Unless otherwise provided in the Plan, as additional Available PUSA Cash becomes available subsequent to the Effective Date from (i) undeliverable, time-barred, or unclaimed distributions to holders of Allowed Claims against PUSA, (ii) resolution of Disputed Claims, (iii) a decrease in the estimate of Cash necessary to fund the administration of the Plan, (iv) liquidation of PUSA's non-Cash assets, (v) recoveries on Causes of Action, or (vi) otherwise, PUSA shall, at reasonable periodic intervals determined by the PUSA Plan Administrator, remit to each holder of an Allowed General Unsecured Claim in PUSA Class 3 its Pro Rata share of Available PUSA Cash; provided, however, that no holder of a Claim against PUSA shall be

entitled, on account of such Claim, to an amount greater than the Allowed amount of such Claim plus the interest to which such holder is entitled under the Plan.

(ii) If (x) all holders of Allowed Claims in PUSA Class 3 have not received payment in full on account of their Claims after the resolution of all Disputed Claims against PUSA and (y) PUSA does not hold sufficient Cash or other assets to pay all holders of Claims in PUSA Class 3 the full Allowed amount of their Claims, including interest to which holders of such Claims are entitled under the Plan, (a) if all assets of PUSA have been liquidated, the PUSA Plan Administrator shall make a final Pro Rata distribution of all remaining Available PUSA Cash (which shall constitute all Cash of PUSA) to holders of Claims in PUSA Class 3 or (b) if all assets of PUSA have not been liquidated, the PUSA Plan Administrator shall either distribute, if possible, to each holder of Allowed PUSA Class 3 Claims its Pro Rata share of PUSA's assets in kind plus a Pro Rata share of the Available PUSA Cash or make a final Pro Rata distribution of all remaining Available PUSA Cash to holders of Claims against PUSA in PUSA Class 3 after all assets of PUSA have been liquidated; provided, however, that in the event (x) and (y) occur, holders of Equity Interests in PUSA Class 4 shall not receive a distribution on account of their Equity Interests.

(iii) As soon as reasonably practical after (x) the payment in full of all Allowed Claims against PUSA, including interest to which holders of such Claims are entitled under the Plan, (y) the resolution of all Disputed Claims against PUSA, and (z) the liquidation of all the assets of PUSA and the resolution of all Causes of Action of PUSA, the PUSA Plan Administrator shall complete the wind up of the affairs of PUSA (or the successor to PUSA), and PUSA shall make a final Pro Rata distribution of all remaining Available PUSA Cash (which shall constitute all Cash of PUSA) to holders of Equity Interests in PUSA Class 4; provided, however, that if (x) and (y), but not (z) shall have occurred, the PUSA Plan Administrator may, in its sole discretion, make periodic distributions to holders of Allowed Equity Interests in PUSA of Available PUSA Cash or, if possible, distribute the remaining unliquidated assets of PUSA in kind Pro Rata to holders of Equity Interests in PUSA Class 4 in addition to the Available PUSA Cash.

6.5 Procedures for Treating Disputed PUSA Claims.

(a) **Objections.** Any objections to Claims shall be served and filed on or before the later of (a) 120 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court.

(b) **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

(c) **Estimation of Claims.** PUSA may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to

section 502(c) of the Bankruptcy Code or otherwise regardless of whether PUSA previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, PUSA may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently disallowed, reduced, compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

(d) Resolution of Disputed Claims.

(i) Within sixty (60) days of a Disputed Claim becoming an Allowed Claim, PUSA shall remit to the holder of such Allowed Claim Cash equal to the amount such holder would have received as of that date under the Plan if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date.

(ii) To the extent that a Disputed Claim against PUSA is not Allowed or becomes an Allowed Claim in an amount less than the amount of the Disputed Claim set forth in the proof of claim, or as previously estimated by the Bankruptcy Court, the excess of the amount of Cash that would have been distributed to the holder of the Disputed Claim if the Claim had been Allowed in full over the amount of Cash actually distributed on account of such Disputed Claim shall be Available PUSA Cash.

(iii) Holders of Disputed Claims shall not be entitled to interest if such Disputed Claim becomes an Allowed Claim except to the extent such holder is entitled to interest under the Plan as a holder of an Allowed Claim.

6.6 Closing of PUSA's Chapter 11 Case. When all Disputed Claims filed against PUSA have become Allowed Claims or have been disallowed by Final Order and all remaining assets of PUSA have been liquidated and converted into Cash or abandoned and such Cash has been distributed in accordance with the Plan, the PUSA Plan Administrator shall seek authority from the Bankruptcy Court to close PUSA's Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE VII.
IMPLEMENTATION OF FARMLAND PLAN

7.1 Reorganized Farmland.

(a) On the Effective Date, the existing operating agreement of Farmland shall be replaced by the Reorganized Farmland LLC Agreement, which shall be executed by or on behalf of the holders of the Membership Interests, and the existing articles of organization of Farmland shall be amended and restated as shall be necessary to be consistent therewith or as otherwise appropriate to give effect to the Reorganized Farmland LLC Agreement.

(b) The transactions contemplated in this section shall be approved and effective as of the Effective Date without the need for any further state or local regulatory approvals, and without any requirement of further action by Farmland, Reorganized Farmland, or any entity created to effectuate the provisions of the Plan.

(c) The issuance of the following securities by Reorganized Farmland is hereby authorized without further act or action under applicable law, regulation, order, or rule: (i) the Farmland Note in an aggregate principal amount of seven million (\$7,000,000) dollars, or a higher or lower amount if adjusted under the terms of the Plan and (ii) Common Membership Interests, warrants to purchase Common Membership Interests, and Preferred Membership Interests in an amount to be specified in the Reorganized Farmland LLC Agreement.

(d) Any Common Membership Interests outstanding, but not issued under the Plan will be reserved by Reorganized Farmland to be issued for other purposes.

(e) Reorganized Farmland shall be authorized to collect such tax and fiscal information from holders of Membership Interests (including, without limitation, social security numbers, and/or other tax identification numbers) as it in its sole discretion deems necessary to effectuate the Plan, and the Confirmation Order shall expressly provide this authority. Failure by any holder of a Membership Interest to furnish this information in a timely fashion will cause a waiver of some or all of such holder's rights (if any) under the Plan and the Confirmation Order.

(f) Reorganized Farmland may request an expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, Farmland for any and all taxable periods ending after the Commencement Date through, and including, the Effective Date.

7.2 Method of Distributions of Farmland Under the Plan. Distributions to holders of Claims against Farmland shall be made in accordance with the terms of the Plan.

(a) **Distributions to the Lessor.** On the Effective Date, Farmland shall issue or transfer to the Lessor:

(i) 80% of the Common Membership Interests (some or all of which may be in the form of warrants exercisable for \$.01 per share to purchase Common Membership Interests) on a fully diluted basis after giving effect to all Common Membership Interests and warrants to purchase Common Membership Interest to be issued under the Plan;

(ii) beneficial interests in the Litigation Trust equal to the Lessor Litigation Share;

(iii) the Lessor Litigation Share of any Farmland Litigation Proceeds;

(iv) the Preference Causes of Action; provided, however, Reorganized Farmland shall pursue such actions at the direction of and for the benefit of the Lessor;

(v) title to the parcels subject to the Second Mortgages under a deemed deed in lieu of foreclosure (which parcels will then be immediately resold to Farmland under in exchange for Preferred Membership Interests with a liquidation value of \$10,365,000); and

(vi) the Preferred Membership Interests.

(b) **Distributions to Litigation Trust.** On the Effective Date, Farmland shall transfer the Litigation Trust Assets to the Litigation Trust and make the Litigation Trust Loan. Within five (5) Business Days of the Effective Date, Reorganized Farmland shall provide an accounting to the Litigation Trustee of all Farmland Litigation Proceeds and Excluded Claim Net Proceeds collected by Farmland as of the Effective Date.

(c) **Distributions to Unsecured Creditors' Trust.** On the Effective Date, Farmland shall transfer to the Unsecured Creditors' Trust:

(i) the Initial Funding Amount;

(ii) the Farmland Note;

(iii) the Initial Cash Payment minus all amounts paid by Farmland on the Effective Date to holders of Allowed Convenience Claims as provided in the Plan;

(iv) a beneficial interest in the Litigation Trust equal to the Unsecured Creditors' Litigation Share; and

(v) the Unsecured Creditors' Litigation Share of any Farmland Litigation Proceeds.

(d) **Distributions to Holders of Allowed Convenience Claims.** On the Effective Date, or as soon thereafter as is reasonably practical, Farmland shall distribute to each holder of an Allowed Convenience Claim Cash equal to 40% of the Allowed amount of such Claim (which distribution shall be deducted from the Initial Cash Payment to be distributed to the Unsecured Creditors' Trust).

(e) **Distributions to New Management.** On the Effective Date, Farmland shall distribute to New Management Common Membership Interests in an amount to be specified in the Management Incentive Plan.

(f) **Distributions to Junior Secured Exit Facility Lenders.** On the Effective Date, Reorganized Farmland shall distribute to the lenders under the Junior Secured Exit Facility warrants to purchase Common Membership Interests.

(g) **Other Effective Date Distributions.** On the Effective Date, or as soon thereafter as reasonably practical, Farmland or Reorganized Farmland shall remit to each holder of an Allowed (i) Administrative Expense Claim against Farmland, (ii) Priority Tax Claim against Farmland, (iii) Priority Non-Tax Claim against Farmland, and (iv) Secured Claim against Farmland the distribution provided for such Claim under the Plan.

7.3 Net Litigation Proceeds.

(a) **Distributions of Net Litigation Proceeds.** Subject to section 7.9 hereof, the Net Litigation Proceeds shall be distributed by Farmland, on the Effective Date, or the Litigation Trust (subject to section 7.4(n)), as applicable, as follows:

(i) Net Litigation Proceeds up to the Tranche I Amount shall be distributed to the Unsecured Creditors' Trust on behalf of holders of Allowed Farmland Class 3a Claims.

(ii) Net Litigation Proceeds greater than the Tranche I Amount up to the Tranche II Amount shall be distributed as follows: (a) on behalf of holders of Allowed Farmland Class 3a Claims, the Unsecured Creditors' Trust shall receive one-third of such Net Litigation Proceeds (x) multiplied by a fraction, the numerator of which is \$30,000,000 plus the amount by which Allowed Claims against Farmland resulting from recoveries from the Preference Causes of Action exceeds \$1,000,000 and the denominator of which is \$30,000,000 and (y) if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000; and (b) the Lessor shall receive the remainder of such Net Litigation Proceeds.

(iii) Net Litigation Proceeds greater than the Tranche II Amount up to the Tranche III Amount shall be distributed to the Lessor.

(iv) Net Litigation Proceeds in excess of the Tranche III Amount shall be distributed as follows: (x) 83.5% to the Lessor and (y) 16.5% to the Unsecured Creditors' Trust on behalf of holders of Allowed Farmland Class 3a Claims; provided, however, that if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, any distributions that would otherwise be provided to the Unsecured Creditors' Trust out of Net Litigation Proceeds in excess of the Tranche III Amount shall be decreased by multiplying such distribution by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000, and all remaining amounts shall be distributed to the Lessor.

(b) Tranche Amounts.

(i) The Tranche I Amount shall be \$6,000,000 (x) multiplied by a fraction, the numerator of which is \$30,000,000 plus the amount by which Allowed Claims against Farmland resulting from recoveries from the Preference Causes of Action exceeds \$1,000,000 and the denominator of which is \$30,000,000 and (y) if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of the PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000; provided, however, that the \$6,000,000 number set forth in this subsection shall be increased by the Annual Adjustment.

(ii) The Tranche II Amount shall be equal to the sum of the Tranche I Amount plus \$1,500,000; provided, however, that the \$1,500,000 number set forth in this subsection shall be increased by the Annual Adjustment.

(iii) The Tranche III Amount shall be equal to the sum of the Tranche II Amount plus \$12,000,000; provided, however, that the \$12,000,000 number set forth in this subsection shall be increased by the Annual Adjustment.

(c) Notwithstanding anything to the contrary herein, to the extent (i) Farmland makes distributions of Net Litigation Proceeds and Excluded Claim Net Proceeds on the Effective Date or (ii) the Litigation Trust makes distributions of Net Litigation Proceeds after any Excluded Claim Net Proceeds have been distributed, such distributions of Net Litigation Proceeds shall be determined (including in calculating the Tranche Amounts in section 7.3(b) hereof and in calculating the distributions in section 7.3(a) hereof) as if any Excluded Claim Net Proceeds distributed to the Unsecured Creditors' Trust were deemed to have been proceeds distributed to the Unsecured Creditors' Trust pursuant to this subsection 7.3 hereof, and as if any Excluded Claim Net Proceeds retained by Reorganized Farmland were deemed to have been distributed to the Lessor pursuant to this subsection 7.3 hereof.

7.4 Litigation Trust.

(i) **General.** On or before the Effective Date, the Litigation Trust Agreement, in a form reasonably acceptable to Farmland, the Creditors' Committee, and the Lessor, shall be executed, and all other necessary steps shall be taken to establish the Litigation Trust and the beneficial interests therein, which shall be for the benefit of the holders of the Allowed Claims in Farmland Classes 3a and 3b. In the event of any conflict between the terms of this Plan and the terms of the Litigation Trust Agreement, the terms of the Litigation Trust Agreement shall govern; such Litigation Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Litigation Trust as a liquidating trust for United States federal income tax purposes, or otherwise materially affect the recovery of holders of Allowed Claims in Farmland Classes 3a and 3b.

(b) **Purpose of Litigation Trust.** The Litigation Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) **Fees and Expenses of Litigation Trust.** All fees, expenses, and costs of the Litigation Trust shall be paid by the Litigation Trust, and Reorganized Farmland shall not be responsible for any fees, expenses, and costs of the Litigation Trust.

(d) **Litigation Trust Loan.** On the Effective Date, Reorganized Farmland shall transfer Cash in the amount of the Litigation Trust Loan to the Litigation Trust. Any Litigation Trust Proceeds received shall be used to repay the Litigation Trust Loan prior to making any distributions on account of the Lessor Litigation Share or the Unsecured Creditors' Litigation Share until the Litigation Trust Loan has been paid in full.

(e) **Litigation Trust Assets.** As of the Effective Date, Farmland shall assign and transfer to the Litigation Trust all of its rights, title and interests in and to the Litigation Trust Assets for the benefit of the holders of Allowed Farmland Class 3a and Class 3b Claims whether Allowed on or after the Effective Date. Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use, or other similar tax and shall be free and clear of any liens, claims, and encumbrances, and no other entity, including Farmland or Reorganized Farmland, shall have any interest, legal, beneficial, or otherwise, in the Litigation Trust or the Litigation Trust Assets upon their assignment and transfer to the Litigation Trust (other than as provided herein or in the Litigation Trust Agreement).

(f) **Governance of Litigation Trust.** The Litigation Trust shall be governed by the Litigation Trust Agreement and administered by the Litigation Trustee.

(g) **Appointment of a Litigation Trustee.** Prior to the Effective Date, Farmland shall initially appoint the Litigation Trustee, which must be acceptable to the Lessor. In the event the Litigation Trustee dies, is terminated, or resigns for any reason, the U.S. Trustee shall designate a successor, which must be acceptable to the Lessor.

(h) **Role of the Litigation Trustee.** In furtherance of and consistent with the purpose of the Litigation Trust and the Plan, the Litigation Trustee shall (i) hold the Litigation Trust Assets for the benefit of the holders of Allowed Claims in Farmland Classes 3a and 3b, (ii) make distributions of Litigation Trust Net Proceeds to holders of beneficial interests in the Litigation Trust as provided herein, and (iii) have the power and authority to prosecute and resolve, in the names of Farmland and/or the Litigation Trustee, any Litigation Claims. The Litigation Trustee shall be responsible for all decisions and duties with respect to the Litigation Trust and the Litigation Trust Assets. In all circumstances, the Litigation Trustee shall act in the best interests of all beneficiaries of the Litigation Trust and in furtherance of the purpose of the Litigation Trust; provided, however, that prior to the third anniversary of the Effective Date, the Litigation Trustee shall not compromise or settle any Litigation Claims without the consent of the Lessor. The Litigation Trustee shall cooperate with Reorganized Farmland regarding distributions on account of Net Litigation Proceeds and Excluded Claim Net Proceeds, as provided in section 7.9(b) hereof.

(i) **Claims against Canadian Affiliates.** Prior to the one year anniversary of the Effective Date, the Litigation Trustee shall either (i) reach a settlement of all Claims against Farmland's Canadian affiliates acceptable to the Lessor and consistent with the purpose and treatment of the Litigation Trust as a litigation trust for federal income tax purposes or (ii) file a complaint against such Canadian affiliates, unless the Unsecured Creditors' Trustee consents to an extension of such deadline.

(j) **Nontransferability of Litigation Trust Interests.** The beneficial interests in the Litigation Trust shall not be certificated and are not transferable (except by the Lessor to an affiliate of the Lessor or a person with an interest in the Master Lease Financing Agreement, by the PUSA Plan Administrator to parties to whom the PUSA Plan Administrator may make distributions in accordance with the Plan, by the MPA Plan Administrator to the parties to whom the MPA Plan Administrator may make distributions in accordance with the Plan, or as otherwise provided in the Litigation Trust Agreement).

(k) **Cash.** The Litigation Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

(l) **Retention of Professionals by the Litigation Trustee.** The Litigation Trustee may retain and reasonably compensate counsel and other professionals,

acceptable to the Lessor, to assist in its duties as Litigation Trustee on such terms as the Litigation Trustee deems appropriate without Bankruptcy Court approval. The Litigation Trustee may retain any professional who represented parties in interest in the Chapter 11 Cases.

(m) **Compensation of the Litigation Trustee**. The salient terms of the Litigation Trustee's employment, including the Litigation Trustee's duties and compensation (which compensation shall be negotiated by the Litigation Trustee, the Lessor, and the Creditors' Committee), to the extent not set forth in the Plan, shall be set forth in the Litigation Trust Agreement or the Confirmation Order. The Litigation Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(n) **Distribution of Litigation Trust Assets**. At least annually, the Litigation Trustee shall make distributions of Litigation Trust Net Proceeds to the Unsecured Creditors' Trust (in the amount of the Unsecured Creditors' Litigation Share) and/or to the Lessor (in the amount of the Lessor Litigation Share) of all Cash on hand (including any Cash received from Farmland on the Effective Date, and treating as Cash for purposes of this section any permitted investments under section 7.4(k) hereof), except such amounts (i) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Litigation Trust Assets during liquidation, (ii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Litigation Trust or in respect of the Litigation Trust Assets), and (iii) to satisfy other liabilities incurred by the Litigation Trust in accordance with this Plan or the Litigation Trust Agreement.

(o) **Loans to Litigation Trust**. The Litigation Trustee may cause the Litigation Trust to borrow funds at reasonable terms to fund the operations of the Litigation Trust; provided, however, the Litigation Trustee must give notice of any loan by the Litigation Trust to the Lessor and the Unsecured Creditors' Trustee and may not borrow such funds if the Lessor or the Unsecured Creditors' Trustee objects within five (5) Business Days of receiving notice and does not withdraw the objection; provided further, however, that neither the Lessor nor the Unsecured Creditors' Trustee can unreasonably object to any loan.

(p) **Federal Income Tax Treatment of Litigation Trust**.

(i) **Litigation Trust Assets Treated as Owned by Creditors**. For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Litigation Trustee, the Unsecured Creditors' Trustee, the Lessor, and the holders of Allowed Claims in Farmland Class 3a) shall treat the transfer of the Litigation Trust Assets to the Litigation Trust for the benefit of the holders of Claims in Farmland Classes 3a and 3b, whether Allowed on or after the Effective Date, as (A) a transfer of the Litigation Trust Assets directly to the holders of Allowed Claims in Farmland Class 3a and 3b and to the Disputed Unsecured Creditors Reserve in the case of Disputed Claims in Farmland Class 3a, followed by (B) the transfer by such persons to the Litigation Trust of such Litigation Trust Assets in exchange for beneficial interests in the

Litigation Trust. Accordingly, the holders of such Claims (and, in the case of the Disputed Claims in Farmland Class 3a, the Disputed Unsecured Creditors Reserve) shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the applicable Litigation Trust Assets.

(ii) Tax Reporting.

(A) The Litigation Trustee shall file returns for the Litigation Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this section 7.4(p). The Litigation Trustee also shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Litigation Trustee shall also file (or cause to be filed) any other statements, returns, or disclosures relating to the Litigation Trust that are required by any governmental unit.

(B) Allocations of Litigation Trust taxable income shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (without regard to any restrictions on distributions described herein) if, immediately prior to such deemed distribution, the Litigation Trust had distributed all of its other assets (valued at their tax book value) to the holders of the Litigation Trust interests in each case up to the tax book value of the assets treated as contributed by such holders, adjusted for prior taxable income and loss and taking into account all prior and concurrent distributions from the Litigation Trust. Similarly, taxable loss of the Litigation Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Litigation Trust Assets. The tax book value of the Litigation Trust Assets for this purpose shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the Code, the regulations and other applicable administrative and judicial authorities and pronouncements.

(C) As soon as possible after the Effective Date, the Litigation Trustee shall make a good faith valuation of the value of the Litigation Trust Assets, including the allocation of Litigation Trust Assets between holders of Claims in Farmland Class 3a and holders of Claims in Farmland Class 3b. Such valuation shall be made available from time to time, to the extent relevant, and used consistently by all parties for all federal income tax purposes.

(D) The Litigation Trustee shall be responsible for payments, out of the Litigation Trust Assets, of any taxes imposed on the Litigation Trust or the Litigation Trust Assets.

(E) The Litigation Trustee may request an expedited determination of taxes of the Litigation Trust, under section 505(b) of the Bankruptcy Code, for all returns

filed for, or on behalf of, the Litigation Trust for all taxable periods through the dissolution of the Litigation Trust.

(q) **Recalculation of Tranche Amounts.** The Litigation Trustee shall at reasonable periodic intervals, but at least annually at the time distributions are made, recalculate the Tranche Amounts in accordance with the formulas set forth herein. In the event that the Tranche Amounts have been adjusted (i) because Allowed Claims against Farmland resulting from recoveries from the Preference Causes of Action exceed \$1,000,000, (ii) as a result of a Final Order being entered determining PUSA's General Unsecured Claim against Farmland is Allowed in an amount less than \$10,392,497, or (iii) as a result of the Annual Adjustment, and distributions have been already made such that the Unsecured Creditors' Trust or the Lessor has received less than the amount to which it is entitled under the recalculated Tranche Amounts, then all future distributions of Net Litigation Proceeds shall be paid to the Unsecured Creditors' Trust or the Lessor, as applicable, until the Unsecured Creditors' Trust or the Lessor has received the distributions of Net Litigation Proceeds to which it is entitled given the total amount of Net Litigation Proceeds recovered.

(r) **Dissolution of Litigation Trust.** The Litigation Trustee and the Litigation Trust shall be discharged or dissolved, as the case may be, at such time as (i) the Litigation Trustee determines, in its sole discretion, that the pursuit of additional Litigation Claims is not likely to yield sufficient additional Litigation Trust Proceeds to justify further pursuit of such claims and (ii) all distributions of Litigation Trust Proceeds required to be made by the Litigation Trustee under the Plan have been made, but in no event shall the Litigation Trust be dissolved later than three (3) years from the Effective Date unless the Bankruptcy Court, upon motion made within the six (6) month period prior to such third (3rd) anniversary (or at least six (6) months prior to the end of an extension), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Litigation Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery on and liquidation of the Litigation Trust Assets. Upon dissolution of the Litigation Trust, any remaining Litigation Trust Proceeds shall be distributed to the Lessor and the Unsecured Creditors' Trust in accordance with the allocations set forth in section 7.3 of the Plan (and any unresolved Litigation Claims not liquidated by assignment shall thereupon be deemed abandoned).

7.5 Establishment of Unsecured Creditors' Trust.

(a) **General.** On or before the Effective Date, the Unsecured Creditors' Trust Agreement, in a form reasonably acceptable to Farmland and the Creditors' Committee shall be executed, and all other necessary steps shall be taken to establish the Unsecured Creditors' Trust and the beneficial interests therein to and for the benefit of holders of Allowed Claims in Farmland Class 3a (whether Allowed on or after the Effective Date). In the event of any conflict between the terms of this Plan and the terms of the Unsecured Creditors' Trust Agreement, the terms of the Unsecured Creditors'

Trust Agreement shall govern. Such Unsecured Creditors' Trust Agreement may provide powers, duties, and authorities in addition to those explicitly stated herein, but only to the extent that such powers, duties, and authorities do not affect the status of the Unsecured Creditors' Trust as a liquidating trust for United States federal income tax purposes, or otherwise materially affect the recovery to holders of Allowed Claims in Farmland Class 3a.

(b) **Purpose of Unsecured Creditors' Trust.** The Unsecured Creditors' Trust shall be established for the sole purpose of liquidating and distributing its assets, in accordance with Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

(c) **Fees and Expenses of Unsecured Creditors' Trust.** The Unsecured Creditors' Trustee shall use the Initial Funding Amount and the Litigation Trust Proceeds to cover the fees, expenses, and costs of the Unsecured Creditors' Trust. Reorganized Farmland shall not be responsible for any fees, expenses, and costs of the Unsecured Creditors' Trust.

(d) **Unsecured Creditors' Trust Assets.** All transfers made to the Unsecured Creditors' Trust shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax and shall be free and clear of any liens, claims and encumbrances, and no other entity, including Farmland, or Reorganized Farmland, shall have any interest, legal, beneficial, or otherwise, in the Unsecured Creditors' Trust or the assets of the Unsecured Creditors' Trust upon their assignment and transfer to the Unsecured Creditors' Trust; provided, however, that all such assets shall be transferred to the Unsecured Creditors' Trust subject to (i) any Convenience Claims that have not been paid or Allowed as of the Effective Date (but which are subsequently Allowed) and (ii) except as otherwise provided herein or in the Unsecured Creditors' Trust Agreement.

(e) **Governance of Unsecured Creditors' Trust.** The Unsecured Creditors' Trust shall be governed by the Unsecured Creditors' Trust Agreement and administered by the Unsecured Creditors' Trustee.

(f) **Appointment of the Unsecured Creditors' Trustee.** Prior to the Effective Date, Farmland and the Creditors' Committee shall appoint the Unsecured Creditors' Trustee. In the event the Unsecured Creditors' Trustee dies, is terminated, or resigns for any reason, the U.S. Trustee shall designate a successor.

(g) **Powers and Duties of the Unsecured Creditors' Trustee.** The sole duties and powers of the Unsecured Creditors' Trustee shall be all duties and powers necessary to (i) reconcile Farmland Class 3a Claims and Farmland Class 3c Claims (including to object to, seek to subordinate, or settle such Claims), and (ii) make distributions to holders of Allowed Farmland Class 3a Claims and holders of Disputed Claims in Farmland Class 3c that subsequently become Allowed Claims; provided,

however, that the Unsecured Creditors' Trustee shall have no power to object to the Master Lease Claim.

(h) **Nontransferability of Unsecured Creditors' Trust Interests.** The beneficial interests in the Unsecured Creditors' Trust shall not be certificated and are not transferable (except by the PUSA Plan Administrator, the MPA Plan Administrator, or as otherwise provided in the Unsecured Creditors' Trust Agreement).

(i) **Cash.** The Unsecured Creditors' Trustee may invest Cash (including any earnings thereon or proceeds therefrom) as permitted by section 345 of the Bankruptcy Code; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

(j) **Retention of Professionals by the Unsecured Creditors' Trustee.** The Unsecured Creditors' Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Unsecured Creditors' Trustee on such terms as the Unsecured Creditors' Trustee deems appropriate without Bankruptcy Court approval. The Unsecured Creditors' Trustee may retain any professional who represented parties in interest in the Chapter 11 Cases.

(k) **Compensation of the Unsecured Creditors' Trustee.** The salient terms of the Unsecured Creditors' Trustee's employment, including the Unsecured Creditors' Trustee's duties and compensation (which compensation shall be negotiated by the Unsecured Creditors' Trustee and the Creditors' Committee), to the extent not set forth in the Plan, shall be set forth in the Unsecured Creditors' Trust Agreement or the Confirmation Order. The Unsecured Creditors' Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(l) **Distributions from Unsecured Creditors' Trust.** The Unsecured Creditors' Trustee shall distribute on the Effective Date or as soon thereafter as is practicable, and at periodic intervals thereafter as Cash becomes available (but in all events at least annually), in accordance with the Unsecured Creditors' Trust Agreement, all Cash on hand (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section any permitted investments under section 7.5(i) hereof), except such amounts (i) as would be distributable to a holder of a Disputed Claim in Farmland Class 3a or 3c (as of the time of such distribution) if such Disputed Claim had been Allowed prior to the time of such distribution (but only until such Claim is resolved), (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the Unsecured Creditors' Trust Assets during liquidation, (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the Unsecured Creditors' Trust or in respect of the Unsecured Creditors' Trust Assets), and (iv) to satisfy other liabilities incurred by the Unsecured Creditors' Trust in accordance with this Plan or the Unsecured Creditors' Trust Agreement.

(m) Federal Income Tax Treatment of Unsecured Creditors' Trust.

(i) Unsecured Creditors' Trust Assets Treated as Owned by Creditors. For all federal income tax purposes, all parties shall treat the transfer of assets by Farmland to the Unsecured Creditors' Trust for the benefit of the holders of Claims in Farmland Class 3a, whether Allowed on or after the Effective Date, as (A) a transfer of the assets of Farmland directly to the holders of Allowed Claims in Farmland Class 3a and to the Disputed Unsecured Creditors Reserve, in the case of Disputed Claims in Farmland Class 3a followed by (B) the transfer by such persons to the Unsecured Creditors' Trust of such assets exchange for beneficial interests in the Unsecured Creditors' Trust. Accordingly, the holders of such Claims (and in the case of Disputed Claims in Farmland Class 3a, the Disputed Unsecured Creditors Reserve) shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the applicable assets of the Unsecured Creditors' Trust.

(ii) Tax Reporting.

(A) The Unsecured Creditors' Trustee shall file returns for the Unsecured Creditors' Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this section 7.5(m). The Unsecured Creditors' Trustee also shall annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction, or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Unsecured Creditors' Trust's taxable income, gain, loss, deduction, or credit will be allocated (subject to Disputed Farmland Class 3a Claims) to the holders of Allowed Claims in Farmland Classes 3a and 3c in accordance with their relative beneficial interests in the Unsecured Creditors' Trust. The Unsecured Creditors' Trustee also shall file (or cause to be filed) any other statements, returns, or disclosures relating to the Unsecured Creditors' Trust that are required by any governmental unit.

(B) As soon as possible after the Effective Date, the Unsecured Creditors' Trustee shall make good faith valuations of the Unsecured Creditors' Trust. Such valuations shall be made available from time to time, to the extent relevant, and used consistently by all parties for all federal income tax purposes.

(C) Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the receipt by the Unsecured Creditors' Trustee of a private letter ruling if the Unsecured Creditors' Trustee so requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Unsecured Creditors' Trustee), the Unsecured Creditors' Trustee shall (1) treat any assets of the Unsecured Creditors' Trust allocable to, or retained on account of, Disputed Claims in Farmland Class 3a as held by the Disputed Unsecured Creditors Reserve, a discrete trust for federal income tax purposes, consisting of separate and independent shares to be established in

respect of each Disputed Claim in Farmland Class 3a, in accordance with the trust provisions of the Tax Code (section 641 et seq.), (2) treat as taxable income or loss of the Disputed Unsecured Creditors Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Unsecured Creditors' Trust that would have been allocated to the holders of Disputed Claims in Farmland Class 3a had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved), (3) treat as a distribution from the Disputed Unsecured Creditors Reserve any increased amounts distributed by the Unsecured Creditors' Trust as a result of any Disputed Claims in Farmland Class 3a resolved earlier in the taxable year, to the extent such distributions relate to taxable income or loss of the Disputed Unsecured Creditors Reserve determined in accordance with the provisions hereof, and (4) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All holders of Claims in Farmland Class 3a shall report, for tax purposes, consistent with the foregoing.

(D) The Unsecured Creditors' Trustee shall be responsible for payments, out of the assets of the Unsecured Creditors' Trust, of any taxes imposed on the Unsecured Creditors' Trust or the assets of the Unsecured Creditors' Trust, including the Disputed Unsecured Creditors Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in Farmland Class 3a in the Disputed Unsecured Creditors Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims in Farmland Class 3a, such taxes shall be (1) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims in Farmland Class 3a, or (2) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Unsecured Creditors' Trustee as a result of the resolutions of such Disputed Claims.

(E) The Unsecured Creditors' Trustee may request an expedited determination of taxes of the Unsecured Creditors' Trust, including the Disputed Unsecured Creditors Reserve, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Unsecured Creditors' Trust for all taxable periods through the dissolution of the Unsecured Creditors' Trust.

(n) Dissolution of Unsecured Creditors' Trust.

(i) The Unsecured Creditors' Trustee and the Unsecured Creditors' Trust shall be discharged or dissolved, as the case may be, at such time as (i) all Disputed Farmland Class 3a and Class 3c Claims have become Allowed Claims or have been disallowed by Final Order, (ii) all Allowed Farmland Class 3c Claims have received the distribution provided for such Claims under the Plan, (iii) Reorganized Farmland has no pending Adversary Proceeding under which it is seeking payment under section 547 of the Bankruptcy Code, and (iv) the Litigation Trust has been dissolved, but in no event shall the Unsecured Creditors' Trust be dissolved (x) earlier than two years after the Commencement Date or (y) later than four (4) years from the Effective Date unless the Bankruptcy Court, upon motion within the six (6) month period prior to the

fourth (4th) anniversary (and, in the case of any extension, within six (6) months prior to the end of such extension), determines that a fixed period extension (not to exceed three (3) years, together with any prior extensions, without a favorable letter ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Unsecured Creditors' Trust as a liquidating trust for federal income tax purposes) is necessary to facilitate or complete the recovery and liquidation of the assets of the Unsecured Creditors' Trust.

(ii) If the Unsecured Creditors' Trust has not used all of the Initial Funding Amount toward its fees, expenses, and costs at the time of the dissolution of the Unsecured Creditors' Trust, then the remaining Initial Funding Amount shall be remitted to Reorganized Farmland upon the dissolution of the Unsecured Creditors' Trust.

(iii) If at any time the Unsecured Creditors' Trustee determines that the expense of administering the Unsecured Creditors' Trust so as to make a final distribution to its beneficiaries of all remaining assets of the trust is likely to exceed the value of the assets remaining in the Unsecured Creditors' Trust, the Unsecured Creditors' Trustee shall apply to the Bankruptcy Court for authority to donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Debtors, the Unsecured Creditors' Trust, and any insider of the Unsecured Creditors' Trustee. Notice of such application shall be given electronically, to the extent practicable, to those parties who have filed requests for notices and whose electronic addresses remain current and operating.

7.6 Procedures for Treating Disputed Claims against Farmland.

(a) **Objections.** Any objections to Claims shall be served and filed on or before the later of (a) 120 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court. The Unsecured Creditors' Trustee shall be responsible for objecting to Claims in Farmland Class 3a and Farmland Class 3c. Reorganized Farmland shall be responsible for objecting to all other Claims against Farmland. Reorganized Farmland shall reasonably cooperate with the Unsecured Creditors' Trustee in connection with the Unsecured Creditors' Trust's objections to claims; provided, however, the Unsecured Creditors' Trust shall reimburse Reorganized Farmland for any out-of-pocket expenses actually incurred by Reorganized Farmland in connection with such cooperation.

(b) **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

(c) **Estimation of Claims.** The Unsecured Creditors' Trustee, with respect to Claims in Farmland Class 3a or Farmland Class 3c, or Reorganized Farmland, with respect to all other Claims against Farmland, may at any time request that the

Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code or otherwise regardless of whether any person or entity previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Unsecured Creditors' Trustee or Reorganized Farmland, as the case may be, may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently disallowed, reduced, compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

(d) Resolution of Disputed Claims.

(i) Within sixty (60) days of a Disputed (i) Administrative Claim against Farmland, (ii) Priority Tax Claim against Farmland, (iii) Priority Non-Tax Claim against Farmland, or (iv) Secured Claim against Farmland becoming an Allowed Claim, Reorganized Farmland shall remit to the holder of such Allowed Claim the distribution such holder would have received on the Effective Date if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date.

(ii) Within sixty (60) days of a Disputed Claim in Farmland Class 3a or Farmland Class 3c becoming an Allowed Claim, the Unsecured Creditors' Trustee shall remit to the holder of such Allowed Claim Cash equal to the amount such holder would have received as of that date under the Plan if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date (subject to section 7.5(d)).

(iii) To the extent that a Disputed Claim in Farmland Class 3a or Farmland Class 3c is not Allowed or becomes an Allowed Claim in an amount less than the amount of the Disputed Claim set forth in the proof of claim, or as previously estimated by the Bankruptcy Court, the excess of the amount of Cash that would have been distributed to the holder of the Disputed Claim if the Claim had been Allowed in full over the amount of Cash actually distributed on account of such Disputed Claim, shall be available to be distributed to holders of Allowed Farmland Class 3a Claims (subject to section 7.5(d)).

(iv) Holders of Disputed Claims shall not be entitled to interest if such Disputed Claim becomes an Allowed Claim except to the extent such holder is entitled to interest under the Plan as a holder of an Allowed Claim.

7.7 Cash Payments.

(a) The Initial Cash Payment and Additional Cash Payments, as adjusted by the Allowed amount of PUSA's General Unsecured Claim against Farmland, shall be calculated as follows:

(i) If, prior to the Effective Date, the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be at least \$10,392,497, then the Initial Cash Payment shall be \$3,000,000.

(ii) If, prior to the Effective Date, the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, then the Initial Cash Payment shall be \$3,000,000 multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000.

(iii) If, as of the Effective Date, the Allowed amount of PUSA's General Unsecured Claim against Farmland has not been determined by Final Order, then the Initial Cash Payment shall be \$1,960,750, and Reorganized Farmland shall, on the Effective Date, escrow Cash in the amount of \$1,039,250. When a Final Order is entered determining the Allowed amount of PUSA's General Unsecured Claim against Farmland, Reorganized Farmland shall release the funds from escrow, subject to making an Additional Cash Payment as follows: (x) if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be at least \$10,392,497, then Reorganized Farmland shall make an Additional Cash Payment to the Unsecured Creditors' Trust equal to \$1,039,250 and (y) if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, then Farmland shall make an Additional Cash Payment to the Unsecured Creditors' Trust equal to (i) the product of \$3,000,000 multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 less the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000 minus (ii) the Initial Cash Payment. All payments released from the escrow and not paid to the Unsecured Creditors' Trust as an Additional Cash Payment in accordance with this subsection 7.7(a)(iii) shall be retained by Reorganized Farmland.

(b) In the event greater than \$1,000,000 in Claims against Farmland resulting from recoveries from Preference Causes of Action are Allowed, Reorganized Farmland, after the PUSA General Unsecured Claim against Farmland has been determined by Final Order and all payments required by section 7.7(a) hereof have been made, shall make periodic Additional Cash Payments to the Unsecured Creditors' Trust equal to (i) the sum of the Initial Cash Payment plus any Additional Cash Payment made pursuant to section 7.7(a) hereof, (ii) multiplied by a fraction, the numerator of which is \$30,000,000 plus the amount by which Allowed Claims against Farmland resulting from recoveries from Preference Causes of Action exceeds \$1,000,000 and the denominator of

which is \$30,000,000, (iii) reduced by the Initial Cash Payment plus any Additional Cash Payment made pursuant to section 7.7(a) hereof, and (iv) further reduced by the sum of all previous Additional Cash Payments received under this subsection 7.7(b) of the Plan as a result of the assertion of additional Claims against Farmland resulting from recoveries from Preference Causes of Action being Allowed.

7.8 Farmland Note. The terms of the Farmland Note shall be as follows:

(a) Principal Amount

(i) If, prior to the Effective Date, PUSA's General Unsecured Claim against Farmland is determined by Final Order to be Allowed in the amount of at least \$10,392,497, then the principal amount of the Farmland Note shall be \$7,000,000.

(ii) If, prior to the Effective Date, PUSA's General Unsecured Claim against Farmland is determined by Final Order to be Allowed in an amount less than \$10,392,497, then the principal amount of the Farmland Note shall be \$7,000,000 multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000.

(iii) If, as of the Effective Date, the Allowed amount of PUSA's General Unsecured Claim against Farmland has not been determined by Final Order, then the principal amount of the Farmland Note shall be \$4,575,084; provided, however, that if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be at least \$10,392,497, then Reorganized Farmland shall amend the Farmland Note to provide that the principal amount of the Farmland Note is \$7,000,000 and immediately pay to the Unsecured Creditors' Trust any Cash that would have been paid on account of the Farmland Note if the principal amount of the Farmland Note had been \$7,000,000 on the Effective Date minus any amounts that have already been paid to the Unsecured Creditors' Trust on account of the Farmland Note; provided further, however, that if the Allowed amount of PUSA's General Unsecured Claim against Farmland is determined by Final Order to be less than \$10,392,497, then Reorganized Farmland shall, within 5 Business Days of such Final Order, deliver and execute an amended Farmland Note, which shall provide that the principal amount of the Farmland Note is \$7,000,000 multiplied by a fraction, the numerator of which is \$30,000,000 minus the difference between \$10,392,497 and the Allowed amount of PUSA's General Unsecured Claim against Farmland and the denominator of which is \$30,000,000 and immediately pay to the Unsecured Creditors' Trust any Cash that would have been paid on account of the Farmland Note if the principal amount of the Farmland Note had, on the Effective Date, been the principal amount of the Farmland Note, as amended, minus any amounts that have already been paid to the Unsecured Creditors' Trust on account of the Farmland Note.

(b) The Farmland Note shall be issued on the Effective Date.

(c) The final maturity on the Farmland Note shall be five years after the Effective Date.

(d) Subject to the subordination provisions below, amortization on the Farmland Note shall be paid quarterly, beginning on the third anniversary of issuance, based on a ten-year amortization schedule, with a balloon at maturity.

(e) Interest:

(i) Interest shall be payable at 6% per annum; provided, however, that, in the event of a payment default under the Farmland Note, interest shall accrue at 8% per annum.

(ii) Interest will accrue daily on the basis of a 365 day year.

(iii) Interest will be payable in kind (PIK) as of the end of each fiscal quarter for the first ten fiscal quarters after issuance of the Farmland Note and thereafter shall be payable in cash.

(iv) Subject to the subordination provisions below, interest on the Farmland Note shall be payable quarterly in arrears.

(f) Subject to the subordination provisions below, the Farmland Note will be accelerated and due and payable in the event of (i) an Acceleration Change of Control, (ii) an initial public offering of the equity of Reorganized Farmland, or (iii) the acceleration of either of the Exit Facilities.

(g) The Farmland Note can be prepaid at any time without penalty.

(h) Subordination:

(i) The Farmland Note is subordinated to the Exit Facility in right of payment.

(ii) The Exit Facility Lenders shall be permitted to block interest and principal payments on the Farmland Note upon any defaults under any Exit Facility. Once exercised with respect to any default, a payment block shall be effective until the earlier of (x) the date that is twelve months following the exercise of the block or (y) the cure or waiver of the default giving rise to the block. If an interest payment is blocked, the amount that would otherwise be paid will accrete (and thereby be treated as though additional principal) as of the date on which the payment would otherwise have been due. The Exit Facility Lenders may exercise the block right on more than one occasion in the event a payment block is in effect for less than twelve months, but in no event shall either of the Exit Facility Lenders be permitted to exercise its blocking rights for more than twelve (12) months in the aggregate.

(iii) If one of the following shall occur: (x) a Subordination Change of Control or (y) a filing by Reorganized Farmland of a petition under the Bankruptcy Code, the Farmland Note shall be contractually subordinated in right of repayment to the Preferred Membership Interests.

(i) As long as the Farmland Note remains outstanding:

(i) Subject to the Unsecured Creditors' Trustee having entered into a confidentiality agreement with Reorganized Farmland in form and substance reasonably acceptable to the Lessor, Reorganized Farmland shall simultaneously provide to the Unsecured Creditors' Trustee all reports provided to the Exit Facility Senior Lenders.

(ii) Reorganized Farmland shall provide a copy of any notices of events of default under either of the Exit Facilities to the Unsecured Creditors' Trustee promptly upon receipt but no later than three (3) Business Days after receiving any such notice.

(j) For U.S. federal income tax purposes, Reorganized Farmland may treat the Farmland Note as a preferred equity interest.

7.9 Excluded Claims.

(a) Reorganized Farmland shall be vested with, and prosecute, in its sole discretion, the Excluded Claims, and shall transmit to the Unsecured Creditors' Trust quarterly statements of the status of the Excluded Claims being prosecuted. Farmland and Reorganized Farmland shall distribute the Excluded Claim Net Proceeds as follows: (i) all Excluded Claim Net Proceeds that would be distributed to the Unsecured Creditors' Trust if the same were Net Litigation Proceeds shall be distributed by Farmland, on the Effective Date, or Reorganized Farmland, after the Effective Date, to the Unsecured Creditors' Trust; and (ii) all Excluded Claim Net Proceeds that would be distributed to the Lessor if the same were Net Litigation Proceeds shall be retained by Reorganized Farmland.

(b) Prior to making any distributions on account of Excluded Claim Net Proceeds after the Effective Date, Reorganized Farmland shall request of the Litigation Trustee, and the Litigation Trust shall, within three (3) Business Days of such request, provide an accounting of all distributions on account of Net Litigation Proceeds made by the Litigation Trust. Whenever Reorganized Farmland makes any distributions on account of Excluded Claim Net Proceeds including Excluded Claim Net Proceeds retained by Reorganized Farmland on account of the Lessor Litigation Share, Reorganized Farmland shall simultaneously provide an accounting of such distribution to the Litigation Trustee.

7.10 Common Membership Interests. Payment of dividends on Common Membership Interests shall be prohibited while any portion of the Farmland Note remains outstanding.

7.11 Preferred Membership Interests. The terms of the Preferred Membership Interests established under the Plan shall be as follows:

(a) The Preferred Membership Interests shall have a liquidation value of \$34,386,000.

(b) The Preferred Membership Interests shall bear dividends at the rate of 11% per annum of the liquidation thereof, which shall accrue daily based on a 365 day year and be payable annually not later than ten Business Days after the fiscal year end.

(c) Dividends on the Preferred Membership Interests will be payable in kind (PIK), through the issuance by Reorganized Farmland of additional Preferred Membership Interests until the third anniversary of the Effective Date and thereafter shall be payable in Cash, but solely to the extent that payments due under the Farmland Note are made and Reorganized Farmland has additional funds legally available therefor; provided, however, that after the occurrence of either (x) a Subordination Change of Control; or (y) a filing by Reorganized Farmland of a petition under the Bankruptcy Code, all dividends on Preferred Membership Interests shall be payable, and all Preferred Membership Interests redeemable by Reorganized Farmland for their liquidation value, prior to the payment of additional amounts on account of the Farmland Note. All dividends not paid in Cash shall be PIK.

(d) In the event of (x) a Subordination Change of Control or (y) a filing by Reorganized Farmland of a petition under the Bankruptcy Code, the Farmland Note shall be contractually subordinated in right of repayment to the Preferred Membership Interests.

7.12 Management Incentive Plan. Reorganized Farmland will offer its New Management a Management Incentive Plan, the terms of which will be filed in the Plan Supplement, which will include Common Membership Interests.

7.13 Properties Subject to Second Mortgages. On the Effective Date, Farmland shall be deemed to have given the Lessor deeds in lieu of foreclosure with respect to the real property subject to the Second Mortgages (as defined in the Postpetition Financing Order) which Second Mortgages shall be deemed to have merged into the deeds in lieu of foreclosure. Farmland will then immediately repurchase the real property subject to the Second Mortgages in exchange for (a) Preferred Membership Interests with a liquidation value of \$10,365,000, and (b) the release of any obligation the Lessor has under the Postpetition Financing Order to share or distribute any such proceeds with or to Farmland or Reorganized Farmland.

7.14 Master Lease Buyback Agreement. The Lessor and Farmland shall enter into the Buyback Agreement pursuant to which, on the Effective Date the Lessor will sell to Farmland the equipment subject to the Master Lease Financing Agreement in exchange for Preferred Membership Interests with a liquidation value of \$9,176,445.

7.15 Citibank Receivables Purchase Agreement. In connection with the Citibank Receivables Purchase Agreement, on or before the Effective Date, Farmland shall (i) repurchase the Farmland Receivables Interests (as such term is defined in the Postpetition Financing Order) from Citibank for an amount in Cash equal to the Farmland Receivables Interest capital plus accrued and unpaid yield and obligations, or (ii) enter into an agreement with Citibank, subject to Bankruptcy Court approval, resolving all issues under the Citibank Receivables Purchase Agreement.

7.16 Pension Plans. Following the Effective Date, Farmland presently intends to cause Reorganized Farmland to continue to maintain the Pension Plans, subject to Farmland's right to amend, terminate or modify the Pension Plans as permitted by such plans or applicable law and to administer and operate the Pension Plan in accordance with their terms and the applicable provisions of ERISA and the IRC, as set forth in 29 U.S.C. § 1082 and IRC Section 412, respectively, and to pay all insurance premiums due and owing with respect to the Pension Plans to the PBGC.

7.17 Retiree Benefits. On or after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, Reorganized Farmland shall continue to pay all retiree benefits of Farmland (within the meaning of section 1114 of the Bankruptcy Code), if any, at the level established in accordance with section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, for the duration of the period for which Farmland obligated itself to provide such benefits.

7.18 Exit Facilities. On or before the Effective Date, Farmland shall enter into the Exit Facilities.

ARTICLE VIII.

IMPLEMENTATION OF MPA PLAN

8.1 The MPA Plan Administrator.

(a) The Confirmation Order shall name the MPA Plan Administrator to implement the terms of the Plan with respect to MPA.

(b) The initial MPA Plan Administrator shall be chosen by MPA.

(c) The salient terms of the MPA Plan Administrator's employment, including the MPA Plan Administrator's duties and compensation (which compensation shall be negotiated by the MPA Plan Administrator and MPA) shall be set forth in the Amended MPA LLC Agreement or the Confirmation Order. The MPA Plan Administrator shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of bankruptcy proceedings.

(d) In the event the MPA Plan Administrator dies, is terminated, or resigns for any reason, the U.S. Trustee shall designate a successor. The MPA Plan Administrator shall be required to disclose its connections, if any, with the Debtors, their creditors, any other party in interest, and the U.S. Trustee.

8.2 The Amended MPA LLC Agreement.

(a) On the Effective Date, the Amended MPA LLC Agreement, which shall name the MPA Plan Administrator as the sole manager of MPA in substitution for and replacement of the existing managers of MPA, but shall not change the Members of MPA except as provided by Section 8.2(b), shall come into effect and shall supersede the existing MPA LLC Agreement. The Amended MPA LLC Agreement shall provide that, for federal income tax purposes, MPA's taxable income (or loss) shall be allocated among the holders of Equity Interests in MPA in a manner consistent with applicable Treasury Regulations taking into account such holders' relative economic interests in MPA.

(b) On the Effective Date, the MPA Plan Administrator shall, by operation of the Plan, be admitted to MPA as a member and receive a 0.01% interest in MPA and the beneficial interest of each other holder of a beneficial interest shall be proportionally reduced. The MPA Plan Administrator shall serve as MPA's "Tax Matters Partner", as such term is defined in Section 6231(a)(7) of the IRC (the "Tax Matters Member") and shall be authorized by the Amended MPA LLC Agreement to perform all duties and exercise all rights of the Tax Matters Member, and the MPA Plan Administrator's 0.01% interest in MPA as member shall be in respect of such person's services to be rendered as the Tax Matters Member. The MPA Plan Administrator shall make an election under Section 83(b) of the Tax Code in respect of such 0.01% beneficial interest. If the MPA Plan Administrator dies, is terminated, is removed or resigns as the sole manager and Tax Matters Member, the member interest so received and held by it shall be forfeited to the new MPA Plan Administrator for no consideration.

(c) The Amended MPA LLC Agreement shall be filed in the Plan Supplement, shall provide that MPA shall conduct no business except as necessary to implement the Plan and shall contain provisions customary for the operating agreement of an Alabama limited liability company to be utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of MPA as a partnership for federal income tax purposes.

(d) **Termination**. MPA will terminate after its liquidation, administration, and distribution of its assets in accordance with the Plan and its material completion of all other duties and functions set forth herein or in the Amended MPA LLC Agreement, but in no event later than three (3) years after the Effective Date, unless extended by the MPA Plan Administrator pursuant to the terms of the Amended MPA LLC Agreement. Upon such termination, the MPA Plan Administrator shall cause to be filed with the State of Alabama and any other governmental authority such certificate of dissolution or cancellation and other certificates or documents as may be or become necessary to implement the termination of the legal existence of MPA.

8.3 Duties and Powers of the MPA Plan Administrator. The MPA Plan Administrator, together with its representatives and professionals, shall implement the Amended MPA LLC Agreement and administer the Plan with respect to MPA. The

duties and powers of the MPA Plan Administrator shall include all powers necessary to implement the Plan and the Amended MPA LLC Agreement and administrate and liquidate the assets and wind up the business and affairs of MPA, including, without limitation, the duties and powers specified herein.

(a) **Authority**. The MPA Plan Administrator may exercise all power and authority that may be or could have been exercised, commence all proceedings that may be or could have been commenced and take all actions that may be or could have been taken by a manager or member of MPA on behalf of MPA with like effect as if authorized, exercised, and taken by unanimous action of such managers or members, including, any such action to effectuate the dissolution and winding up of MPA; provided that no such action shall be inconsistent with the provisions of the Plan or the Amended MPA LLC Agreement.

(b) **Claims**. The MPA Plan Administrator may object to, seek to subordinate, compromise, or settle, any or all Claims against MPA.

(c) **Liquidation of Assets**. The MPA Plan Administrator shall, in an expeditious but orderly manner and subject to the provisions of the Amended MPA LLC Agreement, liquidate and convert to Cash the assets of MPA, make timely distributions and not unduly prolong the duration of the continued legal existence of MPA. In so doing, the MPA Plan Administrator shall exercise its reasonable business judgment in liquidating the assets of MPA to maximize recoveries. The liquidation of such assets of MPA may be accomplished either through the sale of the assets of MPA (in whole or in combination, and including the sale of any Causes of Action) or through the prosecution, compromise and settlement, abandonment or dismissal of any or all claims or Causes of Action, or otherwise.

(d) **Abandoning Assets**. The MPA Plan Administrator may abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization of its choice, any assets, if it concludes that they are of no benefit to MPA's Estate or the continued ownership and handling of such assets is not in the best interests of the members of MPA.

(e) **Causes of Action**. The MPA Plan Administrator may pursue Causes of Action of MPA. The MPA Plan Administrator shall have discretion to elect whether or not to pursue any and all Causes of Action of MPA and whether and when to compromise, settle, abandon, dismiss, or otherwise dispose of any such Causes of Action, as the MPA Plan Administrator may determine are in the best interests of the holders of Claims against MPA and Equity Interests in MPA, and the MPA Plan Administrator shall have no liability to any of the Debtors, their Estates, their creditors, the Creditors' Committee, its members, or any other party for the outcome of its decisions in this regard made in good faith.

(f) **Retention of Professionals**. The MPA Plan Administrator may retain professionals to assist it in performing its duties hereunder.

(g) **Books and Records.** The MPA Plan Administrator shall maintain MPA's books, records and accounts in accordance with good business practices for like enterprises, make distributions, and take other actions consistent with the Plan, the Amended MPA LLC Agreement and the implementation hereof.

(h) **Agreements.** The MPA Plan Administrator may enter into any agreement or execute any document required by or consistent with the Plan and perform all of MPA's obligations thereunder.

(i) **Investment Power.** The right and power of the MPA Plan Administrator to invest any of MPA's Cash, including cash proceeds from the liquidation of any assets of MPA and the realization or disposition of any Causes of Action, and any income earned by MPA shall be limited to the right and power to invest such Cash in United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such Cash without inordinate credit risk or interest rate risk; provided, however, that the MPA Plan Administrator may expend the Cash of MPA to effectuate the provisions of the Plan and the Amended MPA LLC Agreement.

(j) **Tax Obligations.** The MPA Plan Administrator shall have the powers of administration regarding all of MPA's tax obligations, including filing of returns. The MPA Plan Administrator shall (i) endeavor to complete and file within ninety (90) days after the dissolution of MPA (or such longer period as authorized by the Bankruptcy Court for cause) MPA's final federal, state and local tax returns, (ii) request, if necessary, an expedited determination of any unpaid tax liability of MPA or its Estate under Bankruptcy Code section 505(b) for all taxable periods of MPA ending after the Commencement Date through the liquidation of MPA as determined under applicable tax laws, and (iii) represent the interest and account of MPA or its Estate before any taxing authority in all matters including, without limitation, any action, suit, proceeding, or audit.

(k) **Reporting Duties.** MPA will be treated as a partnership for federal tax purposes and, to the extent permitted under applicable law, for state and local income tax purposes. The MPA Plan Administrator shall be responsible for filing informational returns on behalf of MPA and distributing information statements to holders of Equity Interests in MPA, setting forth each such holder's allocable share of the income, loss, deduction or credit of MPA. The MPA Plan Administrator shall file (or cause to be filed) any other statements, returns, or disclosures relating to MPA that are required by any governmental unit or applicable law.

(l) **Income Tax and Related Information.** The MPA Plan Administrator shall be authorized to collect such tax and fiscal information from holders of Equity Interests in MPA (including, without limitation, social security numbers and/or other tax identification numbers) as it in its sole discretion deems necessary to effectuate the Plan, and the Confirmation Order shall expressly provide this authority. Failure by

any holder of an Equity Interest in MPA to furnish this information in a timely fashion will cause a waiver of some or all of such holder's rights (if any) under the Plan and the Confirmation Order.

(m) **Reasonable Fees and Expenses**. The MPA Plan Administrator may incur any reasonable and necessary expenses in connection with the performance of its duties under the Plan and the Amended MPA LLC Agreement.

(n) **Other Actions**. The MPA Plan Administrator may take all other actions not inconsistent with the provisions of the Plan and the Amended MPA LLC Agreement which the MPA Plan Administrator deems reasonably necessary or desirable with respect to administering the Plan.

8.4 Method of Distributions of MPA Under the Plan. Distributions to holders of Claims against and Equity Interests in MPA shall be made by the MPA Plan Administrator in accordance with the terms of the Plan.

(a) **Effective Date Payments and Transfers**. On the Effective Date, or as soon thereafter as reasonably practical, after reserving sufficient funds, in trust, to pay holders of Disputed Claims against MPA the amount such holders would be entitled to receive under the Plan if all such Claims were to become Allowed Claims, MPA shall remit, to each holder of an Allowed Claim (as of the Effective Date) against MPA, the distribution provided for such Claim under the Plan; provided, however, that no holder of a Claim against MPA shall be entitled, on account of such Claim, to an amount greater than the Allowed amount of such Claim.

(b) **Retention of Cash**. In determining the amount of distributions to be made under the Plan, MPA shall, at all times, retain, as determined by the MPA Plan Administrator, sufficient Cash (and/or other appropriate assets) as reasonably necessary for MPA to (i) meet the reasonably necessary administrative expenses of MPA after the Effective Date, including contingent liabilities, (ii) pay reasonable administrative expenses of the Estate that have not been paid (including MPA's professional fees and expenses) or have not been Allowed as of the Effective Date but which are subsequently Allowed, (iii) pay holders of Disputed MPA Claims the amount such holders would be entitled to receive under the Plan if all such Claims were to become Allowed Claims, (iv) satisfy other liabilities incurred by MPA permitted in accordance with the Plan, and (v) otherwise perform the functions and take the actions provided for or permitted herein or in any other agreement executed by the MPA Plan Administrator pursuant to the Plan, in each case subject to the provisions of the Amended MPA LLC Agreement.

(c) **Subsequent Distributions**.

(i) Unless otherwise provided in the Plan, as additional Available MPA Cash becomes available subsequent to the Effective Date from (i) undeliverable, time-barred, or unclaimed distributions to holders of Allowed Claims against MPA, (ii) resolution of Disputed Claims, (iii) a decrease in the estimate of Cash

necessary to fund the administration of the Plan, (iv) liquidation of MPA's non-Cash assets, (v) recoveries on Causes of Action, or (vi) otherwise, MPA shall, at reasonable periodic intervals determined by the MPA Plan Administrator, remit to each holder of an Allowed General Unsecured Claim in MPA Class 3 its Pro Rata share of Available MPA Cash; provided, however, that no holder of a Claim against MPA shall be entitled, on account of such Claim, to an amount greater than the Allowed amount of such Claim plus the interest to which such holder is entitled under the Plan.

(ii) If (x) all holders of Allowed Claims in MPA Class 3 have not received payment in full on account of their Claims after the resolution of all Disputed Claims against MPA and (y) MPA does not hold sufficient Cash or other assets to pay all holders of Claims in MPA Class 3 the full Allowed amount of their Claims, including interest to which holders of such Claims are entitled under the Plan, (a) if all assets of MPA have been liquidated, the MPA Plan Administrator shall make a final Pro Rata distribution of all remaining Available MPA Cash (which shall constitute all Cash of MPA) to holders of Claims in MPA Class 3 or (b) if all assets of MPA have not been liquidated, the MPA Plan Administrator shall either distribute, if possible, to each holder of Allowed MPA Class 3 Claims its Pro Rata share of MPA's assets in kind plus a Pro Rata share of the Available MPA Cash or make a final Pro Rata distribution of all remaining Available MPA Cash to holders of Claims against MPA in MPA Class 3 after all assets of MPA have been liquidated; provided, however, that in the event (x) and (y) occur, holders of Equity Interests in MPA Class 4 shall not receive a distribution on account of their Equity Interests.

(iii) As soon as reasonably practical after (x) the payment in full of all Allowed Claims against MPA, including interest to which holders of such Claims are entitled under the Plan, (y) the resolution of all Disputed Claims against MPA, and (z) the liquidation of all the assets of MPA, including the resolution of all Causes of Action of MPA, the MPA Plan Administrator shall take any action necessary to complete and effectuate the dissolution and winding up the affairs of MPA, and MPA shall make a final Pro Rata distribution of all remaining Available MPA Cash (which shall constitute all Cash of MPA) to holders of Allowed Equity Interests in MPA Class 4; provided, however, that if (x) and (y), but not (z) shall have occurred, the MPA Plan Administrator may, in its sole discretion, make periodic distributions to holders of Allowed Equity Interests in MPA of Available MPA Cash or, if possible, distribute the remaining unliquidated assets of MPA in kind Pro Rata to holders of Allowed Equity Interests in MPA Class 4 in addition to the Available MPA Cash.

8.5 Procedures for Treating Disputed MPA Claims.

(a) **Objections.** Any objections to Claims shall be served and filed on or before the later of (a) 120 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court.

(b) **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or

distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

(c) **Estimation of Claims.** MPA may at any time request that the Bankruptcy Court estimate any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code or otherwise regardless of whether MPA previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain exclusive jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, MPA may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently disallowed, reduced, compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

(d) **Resolution of Disputed Claims.**

(i) Within sixty (60) days of a Disputed Claim becoming an Allowed Claim, MPA shall remit to the holder of such Allowed Claim Cash equal to the amount such holder would have received as of that date under the Plan if the Allowed portion of the Disputed Claim had been an Allowed Claim as of the Effective Date.

(ii) To the extent that a Disputed Claim against MPA is not Allowed or becomes an Allowed Claim in an amount less than the amount of the Disputed Claim set forth in the proof of claim, or as previously estimated by the Bankruptcy Court, the excess of the amount of Cash that would have been distributed to the holder of the Disputed Claim if the Claim had been Allowed in full over the amount of Cash actually distributed on account of such Disputed Claim, shall be Available MPA Cash.

(iii) Holders of Disputed Claims shall not be entitled to interest if such Disputed Claim becomes an Allowed Claim except to the extent such holder is entitled to interest under the Plan as a holder of an Allowed Claim.

8.6 Closing of MPA's Chapter 11 Case. When all Disputed Claims filed against MPA have become Allowed Claims or have been disallowed by Final Order, and all remaining assets of MPA have been liquidated and converted into Cash or abandoned and such Cash has been distributed in accordance with the Plan and the business and affairs of MPA otherwise wound up, the MPA Plan Administrator shall seek authority from the Bankruptcy Court to close MPA'S Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

ARTICLE IX.
PROVISIONS APPLICABLE TO ALL OF THE DEBTORS

9.1 Farmland Settlement and Waiver of Preferences. The terms contained in the Farmland Plan are based on a settlement between Farmland, the Lessor, and the Creditors' Committee. In accordance with such settlement, Farmland and Reorganized Farmland waive all claims and Causes of Action pursuant to section 547 of the Bankruptcy Code other than claims against the following entities: Citibank, N.A., Unicredito Italiano, any and all direct and indirect affiliates of the Debtors, any prepetition insiders or prepetition members of management of any of the Debtors or their affiliates, and/or any entity to which a payment was made on behalf of any and all direct and indirect affiliates or prepetition insiders or prepetition members of management of any of the Debtors.

9.2 Allocation Agreement. Prior to the Confirmation Hearing, the Debtors shall file a form of Allocation Agreement in the Plan Supplement. The Bankruptcy Court shall hear any objections to the Allocation Agreement and shall approve the form of Allocation Agreement, with any amendments deemed appropriate thereto, in the Confirmation Order. The Debtors shall execute such Allocation Agreement, as amended by the Confirmation Order, prior to the Effective Date.

9.3 Distributions of Cash. Any payment of Cash made pursuant to the Plan may be made at the option of any of the Debtors, Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator either by check drawn on a domestic bank or by wire transfer from a domestic bank.

9.4 Distributions Free and Clear. Except as otherwise provided herein, any distributions or transfers by any Debtor under the Plan, including, but not limited to, distributions to any holder of an Allowed Claim, shall be free and clear of any liens, claims and encumbrances, and no other entity, including the Debtors, the Debtors in Possession, Reorganized Farmland, the Unsecured Creditors' Trustee, the Litigation Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator shall have any interest, legal, beneficial or otherwise, in assets transferred pursuant to the Plan.

9.5 Delivery of Distributions and Undeliverable Distributions. Distributions to holders of Allowed Claims shall be made at the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court, unless superseded by a new address as set forth (a) on a proof of claim filed by a holder of an Allowed Claim or (b) in another writing notifying Reorganized Farmland (for all Claims against Farmland other than Claims in Class 3a and Class 3c), Unsecured Creditors' Trustee (for Claims against Farmland in Class 3a and Class 3c), the PUSA Plan Administrator (for all Claims against PUSA), and/or MPA Plan Administrator (for all Claims against MPA) (at the addresses set forth in the Plan) of a change of address. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable, is notified of such holder's

then-current address, at which time all missed distributions shall be made to such holder, without interest. All demands for undeliverable distributions shall be made on or before six (6) months after the date such undeliverable distribution was initially made.

Thereafter, the amount represented by such undeliverable distribution shall irrevocably revert to Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable, and any Claim in respect of such undeliverable distribution shall be discharged and forever barred from assertion against the Debtors or their respective property.

9.6 Withholding and Reporting Requirements. In connection with the Plan and all instruments issued in connection therewith and distributed thereon, Farmland, Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable, shall comply with all applicable withholding and reporting requirements imposed by any federal, state, or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or disbursing party for payment of any such tax obligations.

9.7 Time Bar to Cash Payment Rights. Checks issued in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be made to Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable, by the holder of the Allowed Claim to whom such check originally was issued. Any claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the sixty day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable, and any Claim in respect of such voided check shall be discharged and forever barred from assertion against the Debtors and their property.

9.8 Setoffs. The Debtors may, in accordance with section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), any Causes of Action that the Debtors may hold against the holder of such Allowed Claim; provided, however, unless otherwise agreed pursuant to a stipulation filed and so ordered by the Bankruptcy Court, neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Causes of Action that the Debtors may possess against such holder. To the extent the Debtors fail to set off against

a creditor and seek to collect a Cause of Action from such creditor after a distribution to such creditor pursuant to the Plan, the Debtors, to the extent successful in asserting such Cause of Action, shall be entitled to full recovery against such creditor.

9.9 Professional Fees and Expenses.

(a) Professional Fees and Expenses Incurred After the Commencement Date, Prior to the Effective Date.

(i) Except as otherwise provided by the Bankruptcy Court, each professional person or firm retained with approval by order of the Bankruptcy Court or requesting compensation in the Chapter 11 Cases pursuant to sections 327, 330, 503(b), or 1103 of the Bankruptcy Code, other than professionals that the Debtors are authorized to pay in the ordinary course of business, shall be required to file an application for an allowance of final compensation and reimbursement of expenses in the Chapter 11 Cases incurred through the Effective Date on or before a date to be set by the Bankruptcy Court in the Confirmation Order or other later Final Order.

(ii) After the Effective Date, the PUSA Plan Administrator, Reorganized Farmland, or the MPA Plan Administrator, as applicable, shall pay the fees and expenses incurred after the Commencement Date but prior to the Effective Date of any professional person or firm retained during the Chapter 11 Cases pursuant to sections 327, 330, 363(b), 503(b), or 1103 of the Bankruptcy Code, other than professionals that the Debtors are authorized to pay in the ordinary course of business, within five (5) Business Days after entry of a Final Order with respect to such professional's fees and expenses.

(iii) The PUSA Plan Administrator, Reorganized Farmland, and the MPA Plan Administrator shall each, in accordance with the Allocation Agreement, be required to reserve sufficient Cash to pay all fees and expenses, from the Commencement Date through the Effective Date, of each professional person or firm retained during the Chapter 11 Cases pursuant to sections 327, 330, 363(b), 503(b), or 1103 of the Bankruptcy Code, other than professionals that the Debtors are authorized to pay in the ordinary course of business, as if all fees and expenses submitted in Monthly Statements (as such term is defined in the Interim Compensation Order) or other invoices of such professional are Allowed in full, including any amounts held back as a result of the Interim Compensation Order or other order of the Bankruptcy Court until the Bankruptcy Court has entered a Final Order with respect to the fees and expenses incurred by such professional during the Chapter 11 Cases and such professional's fees have been paid.

(b) Professional Fees and Expenses Incurred After the Effective Date.

After the Effective Date, Reorganized Farmland, the Unsecured Creditors' Trustee, the Litigation Trustee, the PUSA Plan Administrator, and the MPA Plan Administrator shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses, incurred after the Effective

Date, of the professional persons employed by Reorganized Farmland, the Unsecured Creditors' Trustee, the Litigation Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator, as applicable.

9.10 Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28, United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date, and the PUSA Plan Administrator, Reorganized Farmland, and the MPA Plan Administrator shall pay all such fees payable postpetition by PUSA, Reorganized Farmland, and MPA, respectively, until a final decree is entered or the chapter 11 case of the applicable Debtor is otherwise closed.

9.11 Transactions on Business Days. If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

9.12 Allocation of Distributions. Distributions to any holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising prepetition interest (but solely to the extent that interest is an allowable portion of such Allowed Claim).

9.13 Compromise of Controversies. Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtors, the Estates, creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.

ARTICLE X.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.1 Executory Contracts and Unexpired Leases. Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtors and any person or entity shall be deemed rejected by the Debtors, as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed pursuant to an order of the Bankruptcy Court entered prior to the Effective Date and for which the motion was filed prior to the Confirmation Date, (ii) as to which a motion for approval of the assumption or rejection of such executory contract or unexpired lease has been filed prior to the Confirmation Date, or (iii) that is specifically designated in the Plan Supplement as a contract or lease to be assumed; provided, however, that the Debtors reserve the right, on or prior to the

Confirmation Date, to amend the Plan Supplement to delete any executory contract or unexpired lease therefrom or add any executory contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be, respectively, rejected or assumed; provided further, however, nothing herein shall prejudice the Debtors' or the Creditors' Committee's rights to argue that any of its unexpired leases, including the Master Lease Financing Agreement, should be recharacterized as a secured financing. The Debtors shall provide notice of any amendments to the Plan Supplement to the parties to the executory contracts and unexpired leases affected thereby. The listing of a document in the Plan Supplement shall not constitute an admission by the Debtors that such document is an executory contract or an unexpired lease or that the Debtors have any liability thereunder.

10.2 Approval of Assumption and Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall, subject to and upon the occurrence of the Effective Date, constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases assumed and assigned pursuant to the Plan and (ii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to the Plan; provided, however, to the extent any provision of an executory contract or unexpired lease to be assumed by any of the Debtors under the Plan limits such Debtor's ability to assume or assume and assign such executory contract or unexpired lease, the effectiveness of such provision shall be limited or nullified to the full extent provided in section 365(f) of the Bankruptcy Code.

10.3 Claims Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan Any Claim arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan, other than Claims arising out of the rejection of the Master Lease Financing Agreement, shall be classified as a General Unsecured Claim against the Debtor that is a party to such executory contract or unexpired lease (i.e. either a PUSA Class 3 Claim, a Farmland Class 3 Claim, or a MPA Class 3 Claim); provided, however, that all claims arising out of the rejection of the Master Lease Financing Agreement, shall be classified as a Farmland Class 3b Master Lease Claim.

10.4 Cure of Defaults. Except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, Reorganized Farmland shall cure any and all undisputed defaults under any executory contract or unexpired lease assumed by Farmland pursuant to the Plan, in accordance with section 365(b) of the Bankruptcy Code. All disputed defaults that are required to be cured shall be cured either within thirty (30) days of the entry of a Final Order determining the amount, if any, of Reorganized Farmland's liability with respect thereto, or as may otherwise be agreed to by the parties.

10.5 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan Claims arising out of the

rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon the relevant Debtor no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order, and (iii) notice of an amendment to the Plan Supplement relating to such executory contract or unexpired lease. All such Claims not filed within such time will be forever barred from assertion against the Debtors and their estates or Reorganized Farmland and its property.

ARTICLE XI.

EFFECTIVENESS OF THE PLAN

11.1 Conditions Precedent to the Confirmation of the Plan. A condition precedent to the confirmation of each Plan is that the Bankruptcy Court shall have entered a Confirmation Order with respect to such Plan in form and substance satisfactory to the applicable Debtor and the Creditors' Committee and, with respect to the Confirmation Order for the Farmland Plan, satisfactory to the Lessor; provided, however, notwithstanding anything to the contrary herein, there may be up to three separate Confirmation Orders for the Plans of the three Debtors, and such Confirmation Orders may be entered on different dates and are not dependent on one another.

11.2 Conditions Precedent to the Effective Date of PUSA Plan. The following are conditions precedent to the Effective Date of the PUSA Plan:

- (a) No stay of the Confirmation Order shall then be in effect; and
- (b) the certificate of incorporation and by-laws of PUSA shall have been amended to the extent necessary to effectuate the PUSA Plan.

11.3 Conditions Precedent to the Effective Date of Farmland Plan. The following are conditions precedent to the Effective Date of the Farmland Plan:

- (a) No stay of the Confirmation Order shall then be in effect;
- (b) the Reorganized Farmland LLC Agreement shall have been executed by the Lessor and such persons as are required to execute such agreement at the time of the Effective Date in connection with the implementation of the Management Incentive Plan;
- (c) All of the payments to be made by Farmland by or on the Effective Date shall have been made or will be made on the Effective Date;
- (d) Farmland shall have entered into the Exit Facilities; and
- (e) the Buyback Agreement shall have been entered into.

11.4 Conditions Precedent to the Effective Date of MPA Plan. The following are conditions precedent to the Effective Date of the MPA Plan:

(a) No stay of the Confirmation Order shall then be in effect; and

(b) The Amended MPA LLC Agreement shall have been executed by the MPA Plan Administrator.

11.5 Waiver of Conditions. Notwithstanding the foregoing, each Debtor reserves its right, upon obtaining the consent of the Creditors' Committee and, with respect to the Farmland Plan, the Lessor, to waive the occurrence of the conditions precedent to the Effective Date of its Plan set forth in the Plan. Any such waiver may be effected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If any of the Debtors decides, after consultation with the Creditors' Committee and, with respect to the Farmland Plan, the Lessor, that one of the conditions precedent to the Effective Date of its Plan cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Debtor shall file a notice of the inability to satisfy such condition to the Effective Date with the Bankruptcy Court.

ARTICLE XII.

EFFECTS OF CONFIRMATION

12.1 Vesting of Assets.

(a) As of the Effective Date, the property of each Debtor's Estate shall vest in the applicable Debtor or such other entity as provided in the Plan.

(b) From and after the Effective Date, Reorganized Farmland, the Unsecured Creditors' Trustee, the PUSA Plan Administrator, and the MPA Plan Administrator may dispose of assets of their respective Debtors free of any restrictions of the Bankruptcy Code, but in accordance with the provisions of the Plan.

(c) As of the Effective Date, all assets of the Debtors shall be free and clear of all Claims, liens, encumbrances, charges, and other interests, except as provided in the Plan or the Confirmation Order.

12.2 Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Debtors and their respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

12.3 Discharge of Farmland. Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise expressly provided herein, each holder (as well as any trustees and agents on behalf of each holder) of a Claim or Equity Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged Farmland and Reorganized Farmland, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Equity Interests, rights, and liabilities that arose prior to the Confirmation Date. Upon the Effective Date, all such persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Equity Interest in Farmland.

12.4 Exculpation. The Debtors, the Creditors' Committee, the Lessor, Citibank N.A., General Electric Capital Corporation, in its capacity as postpetition lender under the Debtors' postpetition credit agreement and subordinated letter of credit facility, and the Released Parties, and any property of or professionals retained by such parties, or direct or indirect predecessor in interest to any of the foregoing persons, shall not have or incur any liability to any person for any act taken or omission, after the Commencement Date, in connection with or related to the Chapter 11 Cases or the operations of the Debtors' businesses during the Chapter 11 Cases, including but not limited to (i) formulating, preparing, disseminating, implementing, confirming, consummating or administering the Plan (including soliciting acceptances or rejections thereof); (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with the Plan; or (iii) any distributions made pursuant to the Plan, except for acts constituting willful misconduct or gross negligence, and in all respects such parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, that the exculpation set forth in this section shall extend as far as, but no further than, permitted under applicable law.

12.5 Retention of Causes of Action/Reservation of Rights.

(a) Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of Action that the Debtors may have or choose to assert on behalf of their respective Estates under any provision of the Bankruptcy Code or any applicable nonbankruptcy law, including, without limitation, (i) any and all Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtors, their officers, directors, or representatives and (ii) the turnover of any property of the Debtors' Estates.

(b) Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Commencement Date, against or with respect to any Claim left unimpaired by the Plan. The Debtors shall have, retain, reserve, and be entitled

to assert all such Claims, Causes of Action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Commencement Date fully as if the Chapter 11 Cases had not been commenced, and all of the Debtors' legal and equitable rights respecting any Claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

(c) Except as expressly provided in the Plan, the PUSA Plan Administrator, Reorganized Farmland, and the MPA Plan Administrator shall, after the Effective Date, retain the rights of PUSA, Farmland, and MPA, respectively, to bring any Causes of Action that could have been brought by PUSA, Farmland, and MPA at any time.

12.6 Releases of Released Parties and the Lessor.

(a) As of the Effective Date, the Released Parties shall be released by the Debtors and any successors-in-interest of the Debtors for any act taken or omission committed in their capacity as representatives of the Debtors ~~or~~ the Creditors' Committee, Citibank N.A., or General Electric Capital Corporation, in its capacity as postpetition lender under the Debtors' postpetition credit agreement and subordinated letter of credit facility, except for acts constituting willful misconduct or gross negligence, and in all respects such parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

(b) In consideration of the settlement contained herein, on the Effective Date, and except for the obligations arising under or in connection with this Plan, Farmland, Reorganized Farmland, and the Creditors' Committee, for themselves, their successors and assigns, Farmland's Estate, and any person claiming through any of the foregoing shall fully, finally, and irrevocably release and forever discharge the Lessor, its officers, directors, employees, partners, affiliates, administrators, trustees, advisors, consultants, attorneys, and any successors, predecessors, subsidiaries, and assigns of any of the foregoing of and from any and all claims, rights, actions, demands, injuries, damages, compensation, or causes of action of every kind and nature, whether foreseen or unforeseen, known or unknown, contingent or actual, liquidated or unliquidated, whether in tort or contract, whether statutory or at common law (including, without limitation, claims under section 506(c) of the Bankruptcy Code) which they have or may have as of the Confirmation Date relating to Farmland, arising from the beginning of the world up to the Confirmation Date.

12.7 Injunction.

(a) All persons or entities who have held, hold, or may hold Claims against or Equity Interests in any or all of the Debtors and other parties in interest, along with their respective present or former employees, agents, officers, directors,

or principals, are permanently enjoined, on and after the Effective Date, with respect to Farmland Claims discharged or released under the Plan, all Claims against PUSA and MPA, and all Equity Interests in any of the Debtors from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, Reorganized Farmland, the Released Parties, or their property, (ii) enforcing, levying attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors, Reorganized Farmland, the Released Parties, or their property, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, Reorganized Farmland, the Released Parties, or against the property or interests in property of the Debtors, (iv) asserting any right of setoff, directly or indirectly, against any obligation due the Debtors, the Released Parties, or any of their property, except as contemplated or allowed by the Plan, the Bankruptcy Code, or applicable law; (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; (vi) commencing, continuing or asserting in any manner any action or other proceeding of any kind with respect to any Claims and Causes of Action which are extinguished or released pursuant to the Plan, and (vii) taking any actions to interfere with the implementation or consummation of the Plan.

(b) All persons are permanently enjoined, on and after the Effective Date, from asserting any Claim (x) which is released by such person under the Plan or (y) for which the party against whom the Claim is being asserted has received exculpation under the Plan, including: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) on account of such Claim, (ii) enforcing, levying attaching (including, without limitation, any prejudgment attachment), collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order on account of such Claim, (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind on account of such Claim (iv) asserting any right of setoff, directly or indirectly, against any obligation on account of such claim (v) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; (vi) commencing, continuing or asserting in any manner any action or other proceeding of any kind with respect to any such Claim, and (vii) taking any actions to interfere with the implementation or consummation of the Plan.

12.8 PBGC Clarification No provisions of or proceeding within Farmland's reorganization proceedings, Farmland's Plan of Reorganization, or the Confirmation Order, shall in any way be construed as discharging, releasing, limiting or relieving

Reorganized Farmland or, unless explicitly released under the Plan, any other party in any capacity from liability to the PBGC with respect to the Pension Plans or any other defined benefit pension plan under any law, governmental policy or regulation provision. PBGC and the Pension Plans shall not be enjoined or precluded from enforcing liability with respect to the Pension Plans against Reorganized Farmland or any party not explicitly released herein resulting from any of the provisions of Farmland's Plan of Reorganization, or the Plan's Confirmation.

12.9 Terms of Injunctions or Stays. Unless otherwise provided in the Plan, the Confirmation Order, or a separate order of the Bankruptcy Court, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in such applicable order.

ARTICLE XIII.

RETENTION OF JURISDICTION

13.1 Jurisdiction of Bankruptcy Court. The Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(a) To hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases and the allowance of any Claims resulting therefrom;

(b) To determine any and all pending adversary proceedings, applications and contested matters relating to the Chapter 11 Cases;

(c) To hear and determine any objection to any Claims;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(e) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code;

(f) To consider any modifications of the Plan, to cure any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331 and 503(b) of the Bankruptcy Code;

- (h) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;
- (i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Allocation Agreement;
- (j) To hear and determine any actions brought against the Unsecured Creditors' Trustee, the Litigation Trustee, the PUSA Plan Administrator, or the MPA Plan Administrator in connection with the Plan;
- (k) To recover all assets of the Debtors, property of the Estates, assets of the Unsecured Creditors' Trust, assets of the Litigation Trust, assets of the PUSA Plan Administrator, and assets of the MPA Plan Administrator, wherever located;
- (l) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Commencement Date;
- (m) To hear all matters relating to Article XII of the Plan, including but not limited to all matters relating to the releases, exculpation, and injunction granted thereunder.
- (n) To hear any other matter consistent with the provisions of the Bankruptcy Code; and
- (o) To enter a final decree closing the Chapter 11 Cases.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.1 Dissolution of the Committee. On the date on which for all Debtors, either the Effective Date for the Plan has occurred or the Chapter 11 Case has been converted to a case under chapter 7 of the Bankruptcy Code, the Creditors' Committee shall be dissolved and the members thereof shall be released and discharged of and from all further authority, duties, responsibilities, and obligations related to and arising from and in connection with the Chapter 11 Cases, and the retention or employment of the Creditors' Committee's attorneys, accountants, and other agents shall terminate, provided, however, the Creditors' Committee shall continue to exist after such date solely to pursue, review, and object to all applications filed pursuant to sections 330 and 331 of the Bankruptcy Code seeking payment of fees and expenses incurred by any professional.

14.2 Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with

the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

14.3 Modification of Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim or Equity Interest that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such holder.

14.4 Withdrawal or Revocation. The Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

14.5 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.6 Notices. Any notices to or requests of the Debtors by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

Parmalat USA Corp.

Attention: PUSA Plan Administrator, at the address and telephone number to be set forth in the Confirmation Order

and

Farmland Dairies LLC

520 Main Avenue

Wallington, NJ 07057-1830

Attention: Martin Margherio, President
(973) 777-2500

and
Unsecured Creditors' Trustee, at the address and telephone number to
be set forth in the Confirmation Order
and
Litigation Trustee, at the address and telephone number to be set forth
in the Confirmation Order

and

Farmland Stremicks Sub, L.L.C.
(f/k/a Milk Products of Alabama L.L.C.)
Attention: MPA Plan Administrator, at the address and telephone number to be
set forth in the Confirmation Order

with copies to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention, Gary Holtzer, Esq.
(212) 310-8000

and

McDermott, Will & Emery
50 Rockefeller Plaza
New York, NY 10020
Attention: Stephen Selbst, Esq.
(212) 547-5400

and

Chadbourne & Parke LLP
30 Rockefeller Plaza
New York, NY 10112
Attention: David LeMay, Esq.
(212) 408-5100

and

Cole, Schotz, Meisel, Forman, and Leonard, P.A.
Court Plaza North
25 Main Street, P.O. Box 800
Hackensack, NJ 07602-0800
Attention: Michael Sirota, Esq.

(201) 489-3000

and

Jenner & Block, LLP
One IBM Plaza,
Room 3800
Chicago, IL 60611-3605
Attention: Michael Terrien, Esq.
(312) 222-9350

and

Kaye Scholer LLP
425 Park Avenue
New York, NY 10022
Attention: Arthur Steinberg, Esq.
(212) 836-8000

14.7 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of the Plan is invalid, void, or unenforceable, the Bankruptcy Court shall, with the consent of the Debtors, have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

14.8 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to the principles of conflicts of law thereof.

14.9 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

14.10 Exhibits. All Exhibits and Schedules to the Plan are incorporated into and are a part of the Plan as if set forth in full herein.

14.11 Successors and Assigns. All the rights, benefits, and obligations of any person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors, and/or assigns of such person.

Dated: New York, New York
January ~~10~~, 13, 2005

PARMALAT USA CORP.
FARMLAND DAIRIES LLC
FARMLAND STREMICKS, L.L.C. (F/K/A MILK
PRODUCTS OF ALABAMA L.L.C.)

By: /s/ James A. Mesterharm
James A. Mesterharm
Chief Restructuring Officer

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