

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF KANSAS  
KANSAS CITY DIVISION

IN RE: )  
 )  
Parker Pork Farms LLC, ) Case No. 17-20202-DLS  
 ) Jointly Administer, Lead Case  
 )  
\_\_\_\_\_) )  
IN RE: )  
 )  
Edwin Elzie Parker, ) Case No. 17-20203-DLS  
 ) Jointly Administered  
 )  
\_\_\_\_\_) )

**JOINT COMBINED DISCLOSURE STATEMENT AND PLAN OF LIQUIDATION**

**(AUGUST 7, 2017)**

Table of Contents

**BACKGROUND** ..... 2

**A. HISTORY OF DEBTOR** ..... 2

**B. LIQUIDATING PLAN SUMMARY** ..... 2

**C. PLAN ALTERNATIVES** ..... 3

**ARTICLE 1: INTRODUCTION** ..... 3

**ARTICLE 2: DEFINITIONS** ..... 4

**ARTICLE 3: CLASSIFICATION OF CLAIMS AND INTERESTS** ..... 9

**ARTICLE 4: TREATMENT OF CLASSES OF CLAIMS AND INTERESTS** ..... 10

**ARTICLE 5: EXECUTION AND IMPLEMENTATION OF THE PLAN** ..... 15

**ARTICLE 6: EXECUTORY CONTRACTS AND UNEXPIRED LEASES** ..... 20

**ARTICLE 7: MISCELLANEOUS PLAN PROVISIONS** ..... 20

**ARTICLE 8: RESOLUTION OF UNDETERMINED CLAIMS** ..... 24

**ARTICLE 9: DISCHARGE OF DEBTOR AND INJUNCTIONS** ..... 25

**ARTICLE 10: RETENTION OF JURISDICTION** ..... 27

**ARTICLE 11: MODIFICATION TO THE PLAN** ..... 28

**ARTICLE 12: CONFIRMATION REQUEST** ..... 28

## **BACKGROUND**

### **A. HISTORY OF DEBTOR**

Parker Pork Farms LLC (“PPF”) and Edwin Elzie Parker (“EP”) (collectively, “Debtors” and individually, “Debtor”) collectively operate a swine production facility and a row-crop growing farm located in Doniphan County and Brown County, Kansas. This land is a family farm that has been in EP’s family for generations. PPF operates a hog farming operation on land owned by EP consisting of 80 acres of land, barns, and other agricultural and office buildings that is designed to breed hogs from birth up to sellable feeder weight to be finished offsite (the “Hog Operation”). EP—though his revocable trust The Edwin E. Parker Trust dated December 2, 2010—owns a crop growing operation for soybeans and corn production, consisting of approximately 640 acres total with 590 acres of useable crop ground and numerous pieces of farm machinery to farm that land (the “Crop Operation”). The Debtor has two main secured creditors: Farm Credit Services of America PCA and Farm Credit Services of America, FLCA (collectively, “Farm Credit”) and Great Western Bank (“GWB”). Debtor PPF grew the size and magnitude of its hog operations in recent years by taking out loans from GWB and Farm Credit. The immediate impetus for the bankruptcy filing was that GWB had instituted a law suit for imposition of a receiver in February 2017.

### **B. LIQUIDATING PLAN SUMMARY**

Debtors’ main assets are real estate. A description of Debtors’ real estate and other assets is provided on *Exhibit A*. Debtors propose to sell off their real estate assets no later than February 28, 2018. Up until that guaranteed sale date, Debtors are working on three alternative proposals to sell all or a significant part of their assets. Whatever real estate assets are not sold by December 31, 2017 will be auctioned off on or by February 28, 2018. Based on comparable sales of land in the area, Debtor’s real estate assets are worth an amount sufficient to pay off all

creditors in full. The agricultural equipment and farm machinery (collectively, “Equipment”) and non-agricultural vehicles (“Vehicles”) owned by the Debtors are described on *Exhibit A*. The Plan proposes that Debtor sell or surrender the Equipment and Vehicles, as needed, to pay for ongoing expenses and for payments to unsecured creditors or as satisfaction (whether partial or full) of the Allowed Secured Claim secured by that piece of Equipment. The Plan also proposes that EP retain any piece of Equipment or any of the Vehicles necessary for EP’s continued operation as a tenant farmer, with provision made for payments to any holder of an Allowed Secured Claim in that Equipment or the Vehicles per written agreement.

### **C. PLAN ALTERNATIVES**

The Debtor believes that a planned sale of assets will produce the best results for creditors. Debtor has explored other options including immediate liquidation, surrender to creditors, and reorganization. Immediate liquidation without sufficient marketing time is not the best result for creditors because it decreases the likelihood that all creditors will be paid in full because the sales price will be depressed. Surrendering property to secured creditors is a flawed action for the same reason—secured creditors have no incentive to maximize value for the payment of unsecured creditors, unlike the fiduciary duty of the debtor in possession to maximize value for unsecured creditors and the incentive for Debtor to create value to flow down to equity. Finally, Debtors do not believe reorganization is a viable route to take. Debtors have analyzed their ability to reorganize their property by seeking a lease of the hog operation and continuing to farm the row crops and do not believe there is sufficient cash-flow to meet the debt obligations under reasonable amortizations of the secured debt. Annexed hereto as *Exhibit B* is Debtor’s Claim Summary.

## **ARTICLE 1: INTRODUCTION**

1.1 This Joint Combined Disclosure Statement and Plan of Reorganization (the “Plan”

or “Plans”) is proposed by Parker Pork Farms LLC and Edwin Elzie Parker (collectively, “Debtors” and individually, “Debtor”), the Debtors-In-Possession in Case Nos. 17-20202, and 17-20203 under Chapter 11 of the Bankruptcy Code, for the resolution of Debtors’ outstanding creditor claims and equity interests. Each Debtor is a proponent of its respective Joint Plan within the meaning of section 1129 of the Bankruptcy Code.

1.2 Unless specified otherwise in a particular reference, a reference in this Plan to an article or a section is a reference to that article or section of this Plan.

1.3 Any reference in this Plan to a document being in a particular form means that the document shall be in substantially such form.

1.4 Any reference in this Plan to an existing document means such document, as it may have been amended, restated, modified, or supplemented from time to time.

1.5 Whenever from the context it is appropriate, each term stated in either the singular or the plural shall include both the singular and the plural.

1.6 In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

1.7 All exhibits to this Plan are incorporated into this Plan, and shall be deemed to be included in this Plan, regardless of when they are filed.

## **ARTICLE 2: DEFINITIONS**

A term used in the Plan and not defined, but that is defined in the Code, shall have the meaning set forth in the Code. In addition, the following terms shall have the meanings set forth, regardless of whether such terms are defined in the Code:

2.1 “Allowed Claim” shall mean a Claim:

(A) For which a proof of claim has been filed with the Court, prior to the Bar Date, unless an objection is filed according to the terms specified herein; or

(B) That is listed in the Schedule of Debtor's Assets and Liabilities prepared and filed with the Court by the Debtor, and that is not listed in same as disputed, contingent or unliquidated as to amount;

and in either case as to which no objection to the allowance thereof is filed by the Plan Proponent according to the terms contained herein, or if an objection is so filed, the Claim is determined as to amount and status by a Final Order of the Court; provided however that in the event a taxing authority files amended or additional proofs of claim after the Effective Date, the Debtor shall not be precluded from filing objections to such amended or additional proofs of claim beyond the deadline set forth in this Paragraph.

2.2 “Allowed Interest” shall mean a claim of an equity security holder in the Debtor that is approved by the Court under this Plan.

2.3 “Allowed Secured Claim” shall mean an Allowed Claim secured by a lien, security interest, or other charge against—or interest in—property in which the Debtor has an interest, or which is subject to setoff under § 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with § 506(a) of the Bankruptcy Code or by agreement between the Debtor and the Claimant) of the interest of the Holder of such Allowed Claim in the Debtor's interests in such property, or to the extent of the amount subject to such setoff as the case may be.

2.4 “Allowed Unsecured Claim” shall mean an Allowed Claim for which the Claimant has not asserted—or is determined by a Final Order not to hold—a valid, perfected and enforceable lien, security interest, or other interest in or encumbrance against the property of the Debtor or any right to setoff to secure the payment of such Claim.

2.5 “Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Kansas, Kansas City Division.

2.6 “Bar Date” is July 28, 2017, which is the deadline established by the Court. For claims filed after the Bar Date:

(A) Any Proof of Claim filed will have no effect on this plan; and

(B) The holder of such Proof of Claim shall have no right to participate with other Creditors under the Plan unless they otherwise possess an Allowed Claim.

2.7 “Claim” shall mean any claim as defined by § 101(4) of the Code and any other debt or obligation of whatever character of Debtor through the Confirmation Date.

2.8 “Class” shall mean a category of Claims or Interests as specified in Article III of this Plan.

2.9 “Code” shall mean the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as amended and applicable through the Confirmation Date.

2.10 “Confirmation” shall mean the entry by the Court of an order confirming the Plan at or after a hearing pursuant to § 1129 of the Code that shall have the effect prescribed in § 1141 of the Code.

2.11 “Confirmation Date” shall mean the date upon which the Order of Confirmation, as hereinafter defined, becomes a final order.

2.12 “Court” and “Bankruptcy Court” are used interchangeably and shall mean the United States Bankruptcy Court for the District of Kansas, Kansas City Division.

2.13 “Debtors” shall mean Parker Pork Farms LLC and Edwin Elzie Parker.

2.14 “Effective Date” shall mean the first day that (a) is not a Saturday, Sunday, or legal holiday, and (b) that is more than fourteen (14) days (as calculated in accordance with Fed. R. Bankr. P. 9006(a)) after the Confirmation Date, and (c) on which day no stay of the Order of Confirmation is in effect.

2.15 “Estate” shall mean the estate created by § 541 of the Code upon the filing by Debtor of its voluntary petition under Chapter 11 of the Code.

2.16 “Filed” shall mean filed with the Bankruptcy Court in the Reorganization Case.

2.17 “Filing Date” and “Petition Date” are used interchangeably and shall mean the date Debtor filed its voluntary petition pursuant to Chapter 11 of the Code, which was February 13, 2017.

2.18 “Interest” shall mean any equity interest of the Debtor.

2.19 “IRS” shall mean the Internal Revenue Service.

2.20 “Lentz Clark Deines PA” shall mean Lentz Clark Deines PA, Debtor’s primary bankruptcy counsel.

2.21 “Order of Confirmation” shall mean the order entered by the Court confirming the Plan in accordance with the provisions of Chapter 11 of the Code.

2.22 “Person” shall mean any individual, corporation, general partnership, limited partnership, limited liability company, association, joint stock company, joint venture, estate, trust, government or political subdivision, governmental unit (as defined in the Bankruptcy Code), official committee appointed by the United States Trustee, unofficial committee of creditors, equity holders, or other entity.

2.23 “Plan” shall mean this Plan of Reorganization in its present form or as it may be amended or supplemented.

2.24 “Pro-rata” shall mean in the same proportion that the amount of the Allowed Claim in any Class of Claims bears to the aggregate amount of all claims in such Class.

2.25 “Reorganization Case” means each Debtor’s Chapter 11 case pending in the Bankruptcy Court.

2.26 “Reorganized Debtor” shall mean Debtor, on and after the Effective Date.

2.27 “Scheduled” shall mean as set forth on the Debtor’s Schedules of Assets and Liabilities.

2.28 “Secured Claim” and “Allowed Secured Claim” are used interchangeably and shall mean any Allowed Claim secured by a lien, security interest, or other claim against or interest in the property in which Debtor has an interest, to the extent of the value, determined in accordance with § 506 of the Bankruptcy Code, of the interest of the holder of such Allowed Claim in Debtor’s interests in such property.

2.29 “Guaranty Claim” shall mean a Claim filed against a Debtor the basis for which is a guaranty of an obligation owed to such Claimant by another Debtor entity.

2.30 “Disputed Claim”. with reference to a Claim, any Claim (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, (b) which is disputed under the Plan, (c) as to which the Debtor has interposed a timely objection and/or request for estimation in accordance with section 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018, which objection and/or request for estimation has not been withdrawn or determined by a Final Order, (d) any Claim, proof of which was filed in an amount greater than the amount reflected for such Claim as listed on the Schedules and for which the time to file an objection has not yet expired, and (e) any Claim proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of Claim was not timely or properly filed.

2.31 “Administrative Claim” shall mean any right to payment constituting a cost or expense of administration of the Chapter 11 Case allowed under sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary costs and

expenses of preserving the Debtors' estates, (b) any actual and necessary costs and expenses of operating the Debtors' businesses, (c) any indebtedness or obligations incurred or assumed by the applicable Debtor, as debtor in possession, during the Chapter 11 Case, and (d) any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 330 or 503 of the Bankruptcy Code.

### **ARTICLE 3: CLASSIFICATION OF CLAIMS AND INTERESTS**

3.1 The following is a designation of the classes of claims and interests under this Plan. A claim or interest is classified in a particular class only to the extent that the claim or interest qualifies within the description of that class and is classified in a different class to the extent that any remainder of the claim or interest qualifies within the description of such different class. A claim or interest is in a particular class only to the extent that the claim or interest is an Allowed Claim or Allowed Interest in that class and has not been paid, released or otherwise satisfied before the Effective Date. A single claim can be apportioned between two classes.

**A. Administrative Claims (non-voting class).**

**Class 1** shall consist of all Administrative Claims.

**B. Priority Claims (non-voting class).**

**Class 2** shall consist of all Priority Claims.

**C. Secured Claims.**

**Class 3** shall consist of the claims of Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA (collectively, "Farm Credit"), secured by Debtor's row crop operations and farming operation personal property. Class 3 is impaired.

**Class 4** shall consist of the claims of Great Western Bank ("GWB"), secured by Debtor's hog operation business assets, livestock, and all crops. Class 4 is impaired.

**Class 5** shall consist of the claim of Horton National Bank, secured by various pieces of Equipment, and Edwin Parker's Missouri house. Class 5 is impaired.

**Class 6** shall consist of the claims of (1) Wells Fargo; (2) Title Max; (3) Sheffield Financial; and (4) Ally Financial; secured by various vehicles. Class 6 is impaired.

**D. Unsecured Claims Without Priority.**

**Class 7** shall consist of Allowed Unsecured Claims that are not specifically classified in any other class. Class 7 is impaired.

**E. Interests**

**Class 8** shall consist of all Allowed Interests. Class 8 is not impaired.

**ARTICLE 4: TREATMENT OF CLASSES OF CLAIMS AND INTERESTS**

In full and complete satisfaction of the Allowed Claims herein, the holders of such Allowed Claims shall receive the treatment set forth below.

**A. Treatment of Administrative Claims (Class 1).**

4.1 The Bankruptcy Court previously set an administrative claim bar date of July 28, 2017. The administrative claim bar date has now expired and no administrative claims and/or applications were filed. As such, Debtor does not believe any Allowed Claims for administrative costs or expenses exist. To the extent any allowed administrative claims exist, except for professional fees or as otherwise specifically provided herein, each holder of an Allowed Claim for administrative costs and expenses of the kind specified in the § 507(a)(2) or § 503(b) of the Bankruptcy Code, shall receive, subject to the bar date provisions herein, on account of and in full satisfaction of such Allowed Claim, deferred cash payments equal to the amount of such Allowed Claim, unless the holder agrees to less favorable treatment of such claim. Such Allowed Claims for administrative expenses and costs shall be paid in cash on the Effective Date, the date such payments ordinarily come due or such other time as may be agreed to by the Holder and the

Reorganized Debtor, and as outlined in paragraphs 4.2 through 4.3 of this Plan. Any agreement by the parties may need to be approved by the Court. Without limiting the foregoing, all fees payable under 28 U.S.C. § 1930 which have not theretofore been paid shall be paid on the Effective Date. Payment on an administrative claim will not be made until such payment would have become due in the ordinary course of the Debtor's business or under the terms of the claim in the absence of this Case.

4.2 Professional fees. Lentz Clark Deines PA is Debtor's primary bankruptcy counsel. Lentz Clark Deines PA will file interim and/or final fee applications seeking approval of fees. Estimated administrative claims are \$50,000.

4.3 Bar Date for Administrative Claims. The Federal and State taxing authorities shall not be subject to any bar date for the filing of administrative expense claims for post-petition taxes. Debtor shall pay the amount due on their filed tax returns for any post-petition periods without the necessity of the governmental entity filing a proof of claim. Any professional fees or reimbursement of expenses incurred subsequent to the Effective Date by the Reorganized Debtor may be paid by such Reorganized Debtor without application to the Bankruptcy Court. Any dispute regarding the payment of such post-Effective Date professional fees and expenses incurred by the Reorganized Debtor that relate to this Reorganization Case or this Plan shall be determined by the Bankruptcy Court. All applications for final compensation of professional Persons for services rendered and for reimbursement of expenses incurred on or before the Effective Date shall be Filed no later than 120 days after the Effective Date.

**B. Treatment of Priority Claims (Class 2).**

4.4 **Class 2: Tax and Wage Claims:** Except as otherwise agreed to by the Reorganized Debtor and the applicable priority party, each holder of an allowed priority claim for wages or

taxes of the kind specified in Bankruptcy Code Section 507(a)(8) shall receive deferred cash payments over a period not exceeding five (5) years from the date of the order for relief, in an aggregate amount equal to the amount of such Allowed Claim, plus interest from the Effective Date on the unpaid portion of such Allowed Claim (without penalty of any kind) at the rate prescribed below or by applicable statute. The payment of the amount of each Allowed Claim shall be made in quarterly installments, in pro-rata proportion the allowed amount of each claim, with the first installment due on the latest of: (i) a date beginning on the tenth day of the first month after the Effective Date, and (ii) such other time or times as may be agreed by the holder of such claim and the Reorganized Debtor against which such claim is allowed. The Reorganized Debtor reserves the right to pay any priority claim, or any remaining balance of such claim, in full, at any time on or after the Effective Date, without premium or penalty. All payments on account of priority claims shall be made by the Reorganized Debtor. Any portion of a claim holder's claim that is not entitled to priority shall be paid as a general unsecured creditor according to Class 5.

With respect to any real property tax liability owed to any county located in the state of Kansas, taxes for each respective piece of property will be paid at closing of the sale of the Hog Operation or Crop Operation.

**C. Treatment of Secured Claims (Classes 3-5).**

4.5 **Class 3: Farm Credit Services of America, FLCA and Farm Credit Services of America, PCA (collectively, "Farm Credit")**. The two claims of Farm Credit as of the Petition Date total \$3573,430.36, plus postpetition interest and attorney fees to be incurred through the Effective Date. The claims of Farm Credit shall be paid off in full at the closing of the sale of the Crop Operation and/or Equipment, whether by private sale or Auction. All current loan documentation between the Debtor and Farm Credit, including, without limitation, the promissory

notes, guaranties, security agreements, financing statements and vehicle titles (collectively the “Loan Documents”), shall continue to be effective, except as above modified. Through the date of the Auction, Farm Credit is enjoined from collection efforts against the Debtors. Upon the satisfaction of the debt in full, Farm Credit shall promptly release all its liens and security interests, including by filing documents with any recording offices to release said liens and security interests.

4.6 **Class 4:** Great Western Bank (“GWB”). The three claims of GWB as of the Petition Date total \$2,113,868.80, plus postpetition interest and attorney fees to be incurred through the Effective Date. As a settlement for withdrawal of its Motion for Stay Relief, GWB shall be granted a security interest on the Hog Operation and the Crop Operation, junior in interest to any Allowed Secured Claim existing as of the Effective Date. In addition, upon Confirmation of the Plan, GWB shall release the insurance funds held in escrow to allow Debtors to repair the PPF office building that was damaged in a fire. This settlement, including, without limitation, the proposed treatment of GWB’s secured claims and the withdrawal of the stay relief request by GWB, and the security interests granted to GWB pursuant to the Plan is a part of a settlement agreement which Debtors and GWB propose pursuant to Rule 9019 of the Bankruptcy Rules and the entry of an order confirming this Plan shall constitute approval of such settlement pursuant to Bankruptcy Rule 9019.

The claim of GWB shall be paid off at closing of the sale of the Hog Operation and/or the Crop Operation, whether by private sale or Auction. The claim of GWB shall be paid first from proceeds of the sale of the Hog Operation, and second from the proceeds of the sale of the Crop Operation after payment of senior liens in the Crop Operation. All current loan documentation between the Debtor and GWB, including, without limitation, the promissory notes, guaranties, security agreements, financing statements and vehicle titles (collectively the “Loan Documents”),

shall continue to be effective, except as above modified. Through the date of the Auction, GWB is enjoined from collection efforts against the Debtors. Upon the satisfaction of the debt in full, GWB shall promptly release all its liens and security interests, including by filing documents with any recording offices to release said liens and security interests.

4.7 **Class 5: Horton National Bank (“Horton”).** The claim of Horton as of the Petition Date totals \$133,541.29, plus postpetition interest and attorney fees to be incurred through the Effective Date. The claims of Horton shall be paid off, to the extent collateral in which Horton holds an Allowed Secured Claim is sold, at the closing of the sale of the Crop Operation and/or Equipment, whether by private sale or Auction. All current loan documentation between the Debtor and Horton, including, without limitation, the promissory notes, guaranties, security agreements, financing statements and vehicle titles (collectively the “Loan Documents”), shall continue to be effective, except as above modified. Through the date of the Auction, Horton is enjoined from collection efforts against the Debtors. Upon the satisfaction of the debt in full, Horton shall promptly release all its liens and security interests, including by filing documents with any recording offices to release said liens and security interests. To the extent the Claim of Horton is not paid at the closing of the sale of the Crop Operation and/or Equipment, the Debtor will continue to pay Horton according to the payment terms of the loans over the contracted loan period starting within 120 days of the Auction Date. The pre-petition and postpetition default amounts owed to Horton shall be added to the end of the respective loan term, thereby extending the loan period for the number of months of defaulted payments and shall be otherwise paid under normal loan terms until the loans are paid in full.

4.8 **Class 6: Vehicle Lenders:** To the extent the Claims of Class 6 Creditors are not paid at the closing of the sale of the Crop Operation and/or Equipment, the Debtor will continue to pay

Class 6 creditors according to the payment terms of the loans over the loan period, starting within 120 days of the Auction Date. The pre-petition and postpetition default amounts shall be added to the end of the respective loan repayment period, thereby extending the loan period for the number of months of defaulted payments and shall be otherwise paid under normal loan terms until the loans are paid in full.

**D. Treatment of Unsecured Claims Without Priority (Class 7).**

**4.9 Class 7: General Unsecured Claims.** Holders of Class 7 claims shall receive 100% payment within 120 days of the Auction Date. To the extent that the proceeds of the sale of the Hog Operation, Crop Operation, and/or Equipment, whether by private sale or Auction, are not sufficient to pay Holders of Class 7 in full, they shall receive a pro rata payment of their Claims within 120 days of the Auction Date.

**E. Treatment of Interests (Class 8).**

**4.10 Class 8: Interests.** Class 8 Interests shall retain all of their equity ownership in the Debtor.

**ARTICLE 5: EXECUTION AND IMPLEMENTATION OF THE PLAN**

**5.1 Business Operations and Plan Funding.** The Plan contemplates that the Debtors will sell off their real estate assets via auction no later than February 28, 2018. Up until that guaranteed sale date, Debtors are working on three alternative proposals to sell all or a significant part of their assets. Whatever assets are not sold by December 31, 2017 will be auctioned off on or by February 28, 2018. Based on comparable sales of land in the area of Debtor's real estate, Debtor's real estate assets are worth an amount sufficient to pay off all creditors in full.

**5.2 Auction Details.**

1. *Auction Timing.* Debtors will sell the real estate comprising the Hog Operation and the Crop Operation at public auction ("Auction") on or before February

28, 2018 (“Auction Date”) if any or all of the real estate comprising the Hog Operation and the Crop Operation is not sold by the Debtors via private sale on or before by December 31, 2017. To meet the December 31, 2017 date, a private sale by the Debtors means the Debtor must have closed on the sale transaction and the funds must be delivered by the buyer to either the Debtor or a third-party escrow agent, such as a title company.

2. *Auction Procedure.*

a. The auction will be a no-reserve auction conducted by an attorney or auctioneer (“Auctioneer”) of Debtor’s choosing.

b. The sale of the real estate at auction will be free and clear of liens and encumbrances, with liens and encumbrances, if any, to attach to the sale proceeds.

c. The sale of the real estate shall also include an assignment of any executory contracts or unexpired leases related to the real estate that are purchased by the buyer at Auction.

d. Upon closing of the sale contemplated herein, the Debtor will have authority to pay the following costs and fees of closing (collectively, “Closing Costs”), without further motion or notice, including but not limited to

i. Allowed Secured Claims in the respective collateral being sold,

ii. the fees of Lentz Clark Deines PA,

iii. Commissions, expenses, and premiums to the Auctioneer, which the Auctioneer can deduct the foregoing commission and expenses from the gross sales proceeds;

iv. Title insurance;

v. Pro-rated portion of taxes;

vi. Survey and easement fees;

vii. other closing costs.

e. The closing on the real estate with the successful bidder or bidders will occur within a reasonable amount of time after the Auction, estimated at 30 days.

f. The time period between January 1, 2018 and February 28, 2018 will be used to market the auction. Confirmation of this Plan shall give Debtors the right to sell the Hog Operation and/or the Crop Operation per the terms of this Plan and any order confirming this Plan.

g. At the election of Debtor, the Auction may include any pieces of Equipment desired to be sold by Debtor, with any proceeds to be paid first to the Holder, if any, of an Allowed Secured Claim in the respective piece of Equipment.

h. The Debtor, the holders of Allowed Secured Claims, and the Auctioneer will have the sole discretion to set other conditions of the sale, without further approval from the Bankruptcy Court.

5.3 Private Sale Alternatives. Debtors are currently pursuing the private sale alternatives listed below. Debtors shall have the unfettered right to sell any and all of the Crop

Operation and/or the Hog Operation via private sale, as long as the sale price is sufficient to satisfy Allowed Secured Claims in the respective collateral. All Holders of Allowed Secured Claims and the fees of Lentz Clark Deines PA will be paid at closing of sale under the best sale alternative as determined by the Debtor. Debtors shall have the unfettered right to sell any and all Equipment and/or Vehicles, as long as the sale price is sufficient to pay all Allowed Secured Claims in that Equipment, or with agreement of the holder of any and all Allowed Secured Claims in that Equipment. The sale of the real estate shall also include an assignment of any executory contracts or unexpired leases that are purchased by the buyer through private sale. Confirmation of this Plan shall give Debtors the right to sell the Hog Operation and/or the Crop Operation per the terms of this Plan and any order confirming this Plan.

1. Brandon Parker is the son of EP and an accomplished farmer in his own right, with equipment, land, and tenant farming arrangements wholly separate from those of EP. Brandon Parker is currently farming the Crop Operation via a cash rent arrangement approved by the Court (Doc. 77). Brandon Parker is pursuing financing through the Business and Industry (B&I) Guaranteed Loan Program backed by the United States Department of Agriculture Rural Development division. Receiving approval of a loan through this process takes about 60-90 days to fund. Brandon Parker would purchase the Crop Operation and the Hog Operation with the loan proceeds, and Debtors would pay off all Allowed Secured Claims against the Crop Operation and the Hog Operation with the sale proceeds. This sale would allow Brandon Parker to keep the family farm in the family.

2. Steve Gage is an investor and businessman based in Stanberry, MO with extensive experience in the agricultural market, including as operator of GFG Ag

Services, LLC, which provides agricultural supply sales, grain purchasing, and storage options to farmers. Steve Gage has been seriously negotiating a potential purchase of the Crop Operation and the Hog Operation, with potential for EP to operate as a tenant farmer and farm the Crop Operation for future income.

3. Nemaha County Coop is a full-service co-op located in Seneca, Kansas that provides products and services including ag chemicals, petroleum products, propane, fertilizer, seed, feed, and grain storage. Nemaha County Coop is seriously pursuing an option to buy the Hog operation outright.

5.4 Equipment and vehicles. The Equipment and Vehicles will be sold as needed to pay for ongoing expenses of the Debtors. Confirmation of this Plan shall authorize Debtor to sell any and all Vehicles and retain the funds to use as needed, provided any Allowed Secured Claims in the Vehicles are paid from proceeds of the sale. Alternatively, Debtor shall have the authority to surrender any and all Equipment to secured lenders if not needed for operations. Alternatively, EP can retain any and all Equipment to use for tenant farming, provided that all Claims have been paid in full by the Auction Date or that EP provide agreed upon payment to any holder of an Allowed Secured Claim in any of the Equipment so retained.

5.5 Exemption from Transfer Tax. Pursuant to § 1146(c) of the Bankruptcy Code, any transfers from the Debtor or the Estate to any third party shall not be subject to any document recording tax, stamp tax, conveyance fee, mortgage tax, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to desist from any collection action of any such tax or assessment and to accept for filing and recordation any

instruments or other documents relating to any such transfers without the payment of any such tax or governmental assessment.

5.6 Debtor shall have authority to enter into and execute any agreements and/or documents necessary to close the sales contemplated herein.

#### **ARTICLE 6: EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

6.1 Executory Contracts and Unexpired Leases. On the Auction date, all executory contracts and unexpired leases that exist between Debtor and any other Entity shall be deemed rejected as of the Auction date, except for any executory contract or unexpired lease (a) that has been rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date or pursuant to the Confirmation Order, or (b) as to which a motion for approval of the rejection of such executory contract or unexpired lease has been filed and served prior to the Confirmation Date, or (c) that are listed below. Entry of the Confirmation Order shall constitute the approval, pursuant to § 365(a) of the Bankruptcy Code, of the assumption of the executory contracts and unexpired leases pursuant to the Plan. The following contracts shall be assumed pursuant to this Plan:

1. Cash rent arrangement with Brandon Parker as approved by the Court (Doc. 77).
2. PPF manure spreading agreements.

#### **ARTICLE 7: MISCELLANEOUS PLAN PROVISIONS**

7.1 Any property to be distributed on account of a claim against or interest in the Debtor shall be distributed by mail to the latest mailing address Filed of record for the party entitled thereto, or if no such mailing address has been so Filed, the mailing address reflected in the

Schedules of Assets and Liabilities Filed by the Debtor. Any property so distributed that is unclaimed for ninety (90) days after the distribution thereof by mail shall become property of the Reorganized Debtor. In addition, such persons to whom such unclaimed assets are distributed shall be eliminated from all future mailings of the Reorganized Debtor or Disbursing Agent.

7.2 All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as determined by the Bankruptcy Court at the hearing pursuant to Section 1128 of the Bankruptcy Code, shall be paid on or before the Auction Date. The Reorganized Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After Confirmation, the Reorganized Debtor shall file with the Court and serve on the United States Trustee a quarterly disbursement report for each quarter, or portion thereof, until a Final Decree has been entered, or the case has been dismissed or converted to another chapter, in a format prescribed by and provided to the Debtor by the United States Trustee.

7.3 Neither the Debtor nor any of its members, directors, officers, agents, servants, or employees, nor any professional Persons employed by any of them shall have or incur any liability to any Person for any act taken or omission made in good faith in connection with or related to formulating, implementing, confirming or consummating this Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created in connection with this Plan, except for intentional misconduct, breach of fiduciary duty or similar cause of action under Kansas law or applicable Bankruptcy law.

7.4 The Debtor and the Reorganized Debtor may execute such documents and take such other action as is necessary or appropriate to effectuate the transactions provided for in this Article and this Plan.

7.5 General Reservation of Right to Pursue Claims. Claims and causes of action for

avoidance of preferences or any other claims Debtor may have, whether known or unknown, are hereby preserved for the benefit of the Bankruptcy Estate; however, as Debtor is proposing a 100% payout to creditors Debtor does not anticipate pursuing any such claims.

7.6 Distributions of Cash. Any payment of Cash made by the Debtors or the Reorganized Debtors pursuant to the Plans may be made at the option of the respective party making disbursements either by check drawn on a domestic bank or by wire transfer from a domestic bank.

7.6 Allocations after Effective Date. Allocations or disbursements made after the Effective Date for the benefit of the holders of Disputed Claims that later become Allowed Claims shall be deemed to have been made on the Effective Date.

7.7 Severability of Plan Provisions. In the event that, prior to the Confirmation Date, any term or provision of Plans is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall 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 Plans, as the case may be, 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 or Plans, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable in accordance with its terms.

7.8 Single Satisfaction of Identical Claims Filed against Multiple Debtors. To the

extent that any Claimant filed Claims against more than one Debtor for which the basis is identical, including, without limitation, Guaranty Claims, such Claimant shall only be entitled to a single recovery of the valid and Allowed Claim from the appropriate Debtor's estate. For the avoidance of doubt, Guaranty Claims will be discharged pursuant to this Joint Plan, and such Claimant's Claim will be satisfied by the appropriate Debtor against which the holder of a Guaranty Claim has a direct obligation.

7.9 Compliance with Tax Requirements. In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, in making distributions under the Plan, shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The respective party making distributions, as applicable, may withhold the entire distribution due to any holder of an Allowed Claim until such time as such holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property so withheld will then be paid by the respective party making distributions, as applicable, to the appropriate authority. If the holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six months from the date of first notification to the person in need for such information or for the cash necessary to comply with any applicable withholding requirements, then the holder's distribution shall be treated as an undeliverable distribution in accordance with this Article 7.

7.10 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 a Saturday, Sunday or Legal Holiday, the transactions contemplated by the Plan to occur on such day shall instead occur on the next succeeding business day.

7.11 Satisfaction of Claims before the Effective Date. To the extent that any of the Debtors, for whatever reason, have satisfied a Claim in full, by payment or otherwise, before the occurrence of the Effective Date, the respective Debtor shall not be required to provide a distribution to the holder of such Claim pursuant to the respective Debtor's Plan.

7.12 Special Provisions Regarding Insider Claims and Intercompany Claims. Claims among and against joint debtors, insiders or related parties shall not be pursued by the Debtors.

## **ARTICLE 8: RESOLUTION OF UNDETERMINED CLAIMS**

8.1 General Statement: Debtor scheduled several unsecured claims as contingent, unliquidated or disputed. Other alleged creditors have filed proof of claims, to which the Debtor disputes the underlying alleged claim and intends to lodge objections. Collectively, these claims are referred to as the "Undetermined Claims." The Debtor anticipates that litigation may be necessary to resolve the Undetermined Claims. 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. With respect to all Disputed Claims, the Debtors or Reorganized Debtors shall withhold distributions and will make the appropriate distributions to holders of Disputed Claims to the extent such Claims are later Allowed as provided for in the Plan.

8.2 Procedure: Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtors and, following the Effective Date, the Reorganized Debtors shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to make and file objections to Claims against the Debtors and shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later

than 65 days after the entry of the Confirmation Order. Following the Effective Date, exclusive rights to prosecute or settle all objections to Claims asserted by the Debtors shall be vested in the Reorganized Debtors. From and after the Confirmation Date, all objections shall be litigated to a Final Order except to the extent the Debtors or the Reorganized Debtors elect to withdraw any such objection or the Debtors or the Reorganized Debtors and the claimant elect to compromise, settle, or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim.

8.3 Allowance of Claims: To the extent that an Undetermined Claim becomes an Allowed Claim, whether by Court determination or agreement between the parties, such Allowed Claim shall be entitled to distributions in the manner provided for by this Plan.

## **ARTICLE 9: DISCHARGE OF DEBTOR AND INJUNCTIONS**

9.1 The rights afforded in this Plan and the treatment of all claims and equity interests therein shall be in exchange for and in complete satisfaction, discharge, and release of all claims and equity interests of any nature whatsoever, including any interest accrued on such claims from and after the Petition Date except as otherwise set forth in this Plan, against the Debtor, or any of its assets. Except as otherwise provided in this Plan or the Order of Confirmation (i) on the Effective Date, the Debtor shall be deemed discharged and released from all claims and interests, including, but not limited to, demands, liabilities, claims and interests that arose before the Confirmation Date and all debts of the kind specified in Sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not: (a) a proof of claim or proof of interest based on such debt or interest is Filed or deemed Filed pursuant to Section 501 of the Bankruptcy Code, (b) a claim or interest based on such debt or interest has accepted the Plan; and (ii) all Persons shall be precluded from asserting against the Reorganized Debtor, its successors, or its assets or properties any other

or further claims or equity interests based upon any action or omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date. Except as otherwise provided in this Plan, the Order of Confirmation shall act as a discharge of any and all claims against and all debts and liabilities of the Debtor, as provided in Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment against the Debtor at any time obtained to the extent that it relates to a claim discharged. Debtor may seek entry of a final decree of this Bankruptcy Case prior to the completion of payments by motion filed with the Court. EP anticipates that he will seek entry of discharge after payments to Class 7 creditors have been completed.

9.2 Except as otherwise provided in this Plan or the Order of Confirmation, on and after the Effective Date, all Persons who have held, currently hold or may hold a debt, claim or interest discharged pursuant to the terms of this Plan are permanently enjoined from taking any of the following actions on account of any such discharged debt, claim, or interest: (1) commencing or continuing in any manner any action or other proceeding against the Debtor or the Reorganized Debtor, its successors or its property; (2) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor or the Reorganized Debtor its successors or its property; (3) creating, perfecting or enforcing any lien or encumbrance against the Debtor or the Reorganized Debtor, its successors or its property; (4) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due to the Debtor or the Reorganized Debtor, its successors or its property; and (5) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of this Plan or the Order of Confirmation. Any Person injured by any violation of such injunction shall recover actual damages, including costs and attorney's fees, and, in appropriate circumstances,

may recover punitive damages, from the willful violator.

#### **ARTICLE 10: RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain jurisdiction over the Case after Confirmation for the following purposes:

(a) To determine the allowability, classification, or priority of claims and interests upon objection by Reorganized Debtor, or by other parties in interest with standing to bring such objection or proceeding.

(b) To construe and to take any action to enforce and execute this Plan, the Order of Confirmation, or any other Order of the Bankruptcy Court, issue such Orders as may be necessary for the implementation, execution, performance, and consummation of this Plan and all matters, referred to herein, and determine all matters that may be pending before the Bankruptcy Court in this Reorganization Case on or before the Effective Date with respect to any entity;

(c) To determine any and all applications for allowance of compensation and expense reimbursement of professionals for periods on or before the Effective Date;

(d) To determine any other request for payment of administrative expenses;

(e) To resolve any dispute regarding the implementation, execution, performance, consummation, or interpretation of this Plan;

(f) To determine motions for the rejection, assumption, or assignment of executory contracts or unexpired leases Filed before the Effective Date and the allowance of any claims resulting therefrom;

(g) To determine all applications, motions, adversary proceedings, contested matters, and any other litigated matters instituted prior to the closing of this case;

(h) To determine such other matters and for such other purposes as may be provided in

the Order of Confirmation;

(i) To modify this Plan under Section 1127 of the Bankruptcy Code, to remedy any apparent defect or omission in this Plan, or to reconcile any inconsistency in the Plan so as to carry out its intent and purposes;

(j) To issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with this Plan or its execution or implementation by any entity; and

(k) To issue such orders in aid of consummation of the Plan and the Order of Confirmation, notwithstanding any otherwise applicable non-bankruptcy law, with respect to any entity, to the full extent authorized by the Bankruptcy Code.

#### **ARTICLE 11: MODIFICATION TO THE PLAN**

11.1 The Plan may be modified by Debtor at any time after Confirmation and before its substantial consummation, provided that such plan, as modified, meets the requirements of Sections 1122 and 1123 of the Code and the Court, after notice and hearing, confirms such Plan, as modified, under Section 1129 of the Code, and the circumstances warrant such modification.

11.2 A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within such time as fixed by the Court, such holder changes its previous acceptance or rejection.

#### **ARTICLE 12: CONFIRMATION REQUEST**

The Debtor requests Confirmation of this Plan under Section 1129(b) of the Bankruptcy Code if any impaired class does not accept this Plan. In that event, the Debtor may modify this Plan to the extent, if any, that Confirmation of this Plan under Section 1129(b) of the Bankruptcy

Code requires such modification in a manner that does not require amendment of the Disclosure Statement and resolicitation of acceptances and rejections of this Plan. The Debtor also reserves the right to modify the Plan in any manner that does not require such amendment or resolicitation.

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Respectfully Submitted By:

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Debtor In Possession

By: s/ Edwin Parker  
Its: President

EDWIN ELZIE PARKER  
Individual Debtor In Possession

s/ Edwin Parker

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