

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re:

**Jointly Administered under
Case No. 08-45257**

Petters Company, Inc., et al.,

Court File No. 08-45257

Debtors.

Court Files No.'s:

(includes:

Petters Group Worldwide, LLC;

08-45258 (GFK)

PC Funding, LLC;

08-45326 (GFK)

Thousand Lakes, LLC;

08-45327 (GFK)

SPF Funding, LLC;

08-45328 (GFK)

PL Ltd., Inc.;

08-45329 (GFK)

Edge One LLC;

08-45330 (GFK)

MGC Finance, Inc.;

08-45331 (GFK)

PAC Funding, LLC;

08-45371 (GFK)

Palm Beach Finance Holdings, Inc.)

08-45392 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

**ORDER GRANTING EXPEDITED HEARING AND AUTHORIZING REJECTION OF
A LEASE OF NONRESIDENTIAL REAL PROPERTY, AUTHORIZING DEBTOR TO
ENTER INTO NEW LEASE, AUTHORIZING DEBTOR TO SELL PERSONAL
PROPERTY OF THE ESTATE FREE AND CLEAR OF LIENS AND APPROVING THE
ALLOWANCE OF LANDLORD'S ADMINISTRATIVE EXPENSE CLAIM**

This matter came on for hearing before the Court on January 29, 2009 on the motion of Petters Group Worldwide, LLC ("PGW" or "Debtor") for (1) expedited hearing, (2) authorization to reject a lease of nonresidential real property with Welsh Baker Road LLC ("Welsh Baker Road"), (3) authorization to enter into the New Lease, (4) authorization to sell personal property of the estate free and clear of liens, interests, claims and other encumbrances and (5) approval of the allowance of Welsh Baker Road's administrative expense claim. Capitalized terms used not otherwise defined herein shall have the meanings given to such terms

in the motion filed in connection herewith (the "Motion"). James A. Lodoen appeared for the Debtors. Other appearances were noted on the record. Based on the arguments of counsel, moving documents and the record made at the hearing,

IT IS HEREBY ORDERED:

1. The Motion for expedited relief is granted.
2. PGW is authorized to reject the Lease with Welsh Baker Road.
3. Rejection of the Lease shall be effective as of January 1, 2009 so long as each of the following has occurred (i) the New Lease has been consummated; (ii) all payments required to be made to Welsh Baker Road shall have been made; (iii) the Polaroid motion described in Paragraph 13 of the Motion shall have been approved and the new Polaroid lease shall have been consummated; (iv) the equity transfer described in Paragraph 13 of the Motion shall have been approved by the United States District Court for the District of Minnesota and such equity transfer shall have been consummated. Items (i) through (iv) are collectively referred to herein as the "Conditions Precedent".
4. PGW is authorized to enter into the New Lease with Welsh Baker Road under such terms as are stated in the Motion.
5. PGW shall immediately surrender to Welsh Baker Road the portions of the Headquarters Location not subject to the New Lease.
6. PGW and Welsh Baker Road shall be entitled to exercise all of their respective rights and remedies under the New Lease and under applicable law without first obtaining relief from the automatic stay or any other approval of this Court, such rights and remedies shall include without limitation (i) termination of the New Lease or PGW's possession of the premises

described therein, (ii) commencement of any action to evict PGW, and (iii) relocation of PGW, in each case in accordance with the terms of the New Lease.

7. To the extent not paid, rent and such other amounts owing by PGW under the New Lease shall be entitled to priority as an administrative expense claim in this case.

8. Nothing contained herein shall prejudice Welsh Baker Road's right to file a proof of claim for damages arising from the rejection of the Lease.

9. The administrative claim of Welsh Baker Road for postpetition rent owing from the inception of these cases until the effective date of the rejection of the Lease shall be allowed in the compromised amount of \$204,729.06 and Debtor is authorized to pay such claim contemporaneously with the execution of the New Lease, provided, however, in the event any of the Conditions Precedent are not satisfied, nothing contained herein shall prejudice or otherwise impair either party's rights regarding any claim made by Welsh Baker Road for payment of all post-petition rent under the current Lease as an administrative expense priority.

10. PGW is authorized to sell its Office Furniture to Welsh Baker Road for \$60,000 under the terms and conditions outlined in the Motion. Pursuant to Section 363(f) of the Bankruptcy Code, such Office Furniture shall be sold free and clear of any and all liens, claims, interests and encumbrances and PGW is authorized to apply such proceeds against the Welsh Admin Claim.

11. The reversal or modification on appeal of the authorization provided herein to consummate the sale of the Office Furniture to Welsh Baker Road shall not affect the validity of such sale to Welsh Baker Road, unless such authorization is duly stayed pending an appeal.

12. This Order (a) is and shall be effective as a determination that all liens, interests, claims and other encumbrances existing as to the Office Furniture conveyed to Welsh Baker

Road have been and hereby are adjudged and declared to be unconditionally released, discharged and terminated, and (b) is and shall be binding upon and govern the acts of all entities, including secretaries of state, federal, state and local officials and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments. All such entities described in this Paragraph 12 are authorized and specifically directed to strike all recorded liens, interests, and encumbrances against the Office Furniture from their records, official and otherwise.

13. This Order shall be binding in all respects upon all creditors and equity-holders of any of the Debtor, all successors and assigns of the Debtor and their affiliates and subsidiaries, and any trustees, examiners, "responsible persons" or other fiduciaries appointed in the Debtor's bankruptcy case or upon a conversion to Chapter 7 under the Bankruptcy Code, and the sale of the Office Furniture to Welsh Baker Road shall not be subject to rejection or avoidance under any circumstances.

14. The Court shall retain exclusive jurisdiction to resolve any disputes arising from or relating to the subject matter of the Motion or this Order.

15. Notwithstanding Fed. R. Bankr. P. 6004(h), this Order shall take effect immediately upon entry.

Dated: _____

BY THE COURT:



HONORABLE GREGORY F. KISHEL
UNITED STATES BANKRUPTCY JUDGE