**UNITED STATES BANKRUPTCY COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

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| --- | --- | --- |
| In re  Debtors | )  )  )  )  )  )  )  )  )  )  )  )  ) | Case No.:  Chapter 12  **CHAPTER 12 PLAN** |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (collectively, the “Debtors”) propose this plan of reorganization (the “Plan”) pursuant to the provisions of Chapter 12 of the Bankruptcy Code.

This Plan sets forth the Debtors’ proposal for the satisfaction of certain claims against the Debtors. The Debtors hereby request that the Bankruptcy Court confirm the Plan. [OPTIONAL: Further, pursuant to 11 U.S.C. § 1222(c), Debtors herein request that payments on the Plan extend to five (5) years.]

The effective date (“Effective Date”) of the plan shall be the day the Bankruptcy Court enters an order confirming the plan.

**ARTICLE I**

**DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

The claims against the Debtors are designated and classified below for purposes of the Plan.

1.1. **Class 1 (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** Class 1 consists of the allowed secured claim of \_\_\_\_\_\_\_\_\_\_\_\_\_, or its assignee, secured by a first priority Deed of Trust relating to the real property commonly known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1.2. **Class 2 (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** Class 2 consists of the allowed secured claim of \_\_\_\_\_\_\_\_\_\_\_\_\_, or its assignee, secured by a second priority Deed of Trust relating to the real property commonly known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1.3. **Class 3 (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** Class 3 consists of the allowed secured claim of \_\_\_\_\_\_\_\_\_\_\_\_\_, secured by statutory tax lien on the property commonly known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

1.4. **Class 4 (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** Class 4 consists of the allowed secured claim of \_\_\_\_\_\_\_\_\_\_\_\_\_, or its assignee, secured by the (ex: 2010 Subaru Outback).

1.5. **Class 5 (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** Class 5 consists of the allowed secured claim of \_\_\_\_\_\_\_\_\_\_\_\_\_, or its assignee, secured by the (ex: 2010 Subaru Outback).

1.6. **Class 6 (Priority Claims).** Class 6 consists of allowed claims entitled to priority pursuant to 11 U.S.C. §507.

1.7. **Class 7 (General Unsecured Claims).** Class 7 consists of all allowed unsecured

claims against the Debtors not included or provided for in any other class.

**ARTICLE II**

**TREATMENT OF CLAIMS UNDER THE PLAN**

2.1. **Class 1 is impaired. (Secured claim of \_\_\_\_\_\_\_\_\_.)** The holder of the Class 1 claim shall be paid an amount equal to the holder’s interest in the Debtors’ interest in the collateral, to be determined in accordance with Section 506 of the Bankruptcy Code. The payments shall be made in equal monthly installments of principal and interest at a market rate based upon a \_\_ year amortization. [OPTIONAL: The balance will be due at \_\_\_ years from the Effective Date of the Plan]. The market rate shall be \_\_\_, unless the court determines otherwise. The value of the collateral shall be $\_\_\_\_\_\_\_\_\_\_\_, unless the Court determines otherwise. Such holder shall retain its interest in the collateral, subject to avoidance by the Debtors of such interest pursuant to Section 506 of the Bankruptcy Code. If the Debtors are reducing the amount to be paid on the secured creditor’s claim, Debtors shall file a separate motion to determine the value of the property.

Any escrow amounts due for property taxes or insurance shall be made directly by the Debtors to the holder of the claim.

2.2. **Class 2 is impaired. (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** The holder of the Class 2 claim shall be paid an amount equal to the holder’s interest in the Debtors’ interest in the collateral, to be determined in accordance with Section 506 of the Bankruptcy Code. The payments shall be made in equal monthly installments of principal and interest at a market rate based upon a \_\_ year amortization. [OPTIONAL: The balance will be due at \_\_\_ years from the Effective Date of the Plan]. The market rate shall be \_\_\_%, unless the court determines otherwise. The value of the collateral shall be $\_\_\_\_\_\_\_\_\_\_\_, unless the Court determines otherwise. Such holder shall retain its interest in the collateral, subject to avoidance by the Debtors of such interest pursuant to Section 506 of the Bankruptcy Code. If the Debtors are reducing the amount to be paid on the secured creditor’s claim, Debtors shall file a separate motion to determine the value of the property.

Any escrow amounts due for property taxes or insurance shall be made directly by the Debtors to the holder of the claim.

2.3. **Class 3 is impaired. (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** The holder of theClass 3 claim shall be paid in equal monthly installments over the term of the plan at 18% interest.

2.4. **Class 4 is impaired. (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** The holder of the Class 4 claim shall be paid in monthly installments over the term of the plan at \_\_% interest.

2.5. **Class 5 is not impaired. (Secured Claim of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_).** The holder of the Class 5 claim shall be paid directly by the Debtors under the terms of the original purchase and financing agreement.

2.6. **Class 6 is impaired. (Priority Claims).** The holders of Class 6 claims shall be paid pro-rata, on a monthly basis, after payment of secured and administrative claims.

2.7. **Class 7 (General Unsecured Claims).** The holders ofClass 7 claims shall be paid pro-rata after priority and administrative claims are paid in full. The amount to be paid to this class shall be no less than $\_\_\_\_. Debtors estimate that holders of the allowed unsecured claims would receive the sum of $\_\_\_\_ if the estate were liquidated under Chapter 7 of the Code.

**ARTICLE III**

**PLAN PAYMENTS AND EXPENSES OF ADMINISTRATION**

3.1 **Payments.** Commencing on the first month following the Effective Date of the Plan, Debtors shall make payments to the Trustee on a monthly basis. Payments shall be made on or before the 20th day of each month for the term of the plan.

3.1.1. The plan payments are estimated to be \_\_\_\_\_\_\_\_\_\_ per month for 60 (or

36) months. All impaired claims shall be paid through the Chapter 12 Trustee. The monthly payments on the individual impaired claims are estimated as follows:

Class 1 Claim (Claim of \_\_\_\_): estimated at $\_\_\_\_\_ for 60 (or 36) months. At the conclusion of the Plan, the Debtors shall make payments directly to the holder of the claim.

Class 2 Claim (Claim of \_\_\_\_): estimated at $\_\_\_\_\_ for 60 (or 36) months. At the conclusion of the Plan, the Debtors shall make payments directly to the holder of the claim.

Class 3 Claim (Claim of \_\_\_): estimated at $\_\_\_\_ for 60 (or 36) months.

Class 4 Claim (Claim of \_\_\_): estimated at $\_\_\_\_ for 60 (or 36) months.

Class 6 Claims shall be paid pro rata, on a monthly basis, after payment of all estimated payments listed above, and after payment of any administrative claims provided for in Section 3.1.3.

Class 7 claims shall be paid pro-rata once all priority and administrative claims have been paid in full.

3.1.2 **Trustee Fees**. The Trustee shall be paid from Debtors’ payments as

provided by the Bankruptcy Code and 28 U.S.C. §586.

3.1.3. **Debtors’ Counsel Fees**. Counsel for Debtors has received a total of

$\_\_\_\_\_\_\_\_\_\_ prior to the filing of the case. Counsel for Debtors shall apply to the Court for allowance of any future fees or expenses. Any future administrative expenses that may be allowed to Debtors’ counsel shall be disbursed by the Chapter 12 Trustee from funds paid to the Trustee by the Debtors. Said funds shall be disbursed pro-rata after disbursement of the estimated monthly payments referenced in section 3.1.1 of the Plan.

**ARTICLE IV**

**MISCELLANEOUS**

4.1. **De Minimis Distributions.** Notwithstanding any other provision of the Plan,

distributions of less than $100.00 need not be made on account of any allowed claim. Any distributions that would otherwise be made but for this provision shall carry over until the next distribution date until the cumulative amount to which any holder of an allowed claim is entitled to more than $100.00, at which time the cumulative amount of such distributions will be paid to such holder.

4.2. **Vesting**. The Debtors shall be revested with the assets of the estate on the Effective Date of the Plan subject to the terms of the Plan.

4.3. **Post-Confirmation Management.** After confirmation of the plan, the Debtors

shall be free to operate their farming operations without further supervision or control by the

Bankruptcy Court and free of any restrictions imposed by the Bankruptcy Code except as provided in the Plan or by an order of the Bankruptcy Court. Specifically and without limitation, the Debtors may sell, lease, or refinance their property without further Order of Court, upon written approval of the Chapter 12 Trustee.

4.4. **Tax Returns.** The Debtors shall file all future tax returns and pay any and all taxes owed on a timely basis. Copies of all filed returns shall be provided to Trustee within 30 days of filing.

4.5 **Remedies Upon Default.** If Debtors default under this plan or do not complete the plan within 60 months, the Trustee, or any party in interest may request appropriate relief pursuant to Local Bankruptcy Rules. This relief may consist of, without limitation, dismissal of the case, or relief form the automatic stay to pursue rights against collateral.

4.6 **Impermissible Provisions**. Notwithstanding any other term in this plan, Debtors do not seek through the confirmation and completion of this plan either a determination of dischargeability of any debt or the discharge of any debt that is non-dischargeable as a matter of law in a Chapter 12 Case under 11 U.S.C. §1228.

Dated: \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debtor

Dated: \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Debtor

Dated: \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attorney for Debtors