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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA**

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

_____ (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.

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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

1 based upon a ___ year amortization. [OPTIONAL: The balance will be due at ___ years from the
2 Effective Date of the Plan]. The market rate shall be ___, unless the court determines otherwise.
3 The value of the collateral shall be \$ _____, unless the Court determines otherwise. Such
4 holder shall retain its interest in the collateral, subject to avoidance by the Debtors of such
5 interest pursuant to Section 506 of the Bankruptcy Code. If the Debtors are reducing the amount
6 to be paid on the secured creditor's claim, Debtors shall file a separate motion to determine the
7 value of the property.

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

10 2.2. **Class 2 is impaired. (Secured Claim of _____).** The holder of the
11 Class 2 claim shall be paid an amount equal to the holder's interest in the Debtors' interest in the
12 collateral, to be determined in accordance with Section 506 of the Bankruptcy Code. The
13 payments shall be made in equal monthly installments of principal and interest at a market rate
14 based upon a ___ year amortization. [OPTIONAL: The balance will be due at ___ years from the
15 Effective Date of the Plan]. The market rate shall be ___%, unless the court determines
16 otherwise. The value of the collateral shall be \$ _____, unless the Court determines
17 otherwise. Such holder shall retain its interest in the collateral, subject to avoidance by the
18 Debtors of such interest pursuant to Section 506 of the Bankruptcy Code. If the Debtors are
19 reducing the amount to be paid on the secured creditor's claim, Debtors shall file a separate
20 motion to determine the value of the property.

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

23 2.3. **Class 3 is impaired. (Secured Claim of _____).** The holder of the
24 Class 3 claim shall be paid in equal monthly installments over the term of the plan at 18%
25 interest.

26 2.4. **Class 4 is impaired. (Secured Claim of _____).** The holder of the
27 Class 4 claim shall be paid in monthly installments over the term of the plan at ___% interest.

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

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

6 3.1.2 **Trustee Fees**. The Trustee shall be paid from Debtors' payments as
7 provided by the Bankruptcy Code and 28 U.S.C. §586.

8 3.1.3. **Debtors' Counsel Fees**. Counsel for Debtors has received a total of
9 \$_____ prior to the filing of the case. Counsel for Debtors shall apply to the Court for
10 allowance of any future fees or expenses. Any future administrative expenses that may be
11 allowed to Debtors' counsel shall be disbursed by the Chapter 12 Trustee from funds paid to the
12 Trustee by the Debtors. Said funds shall be disbursed pro-rata after disbursement of the
13 estimated monthly payments referenced in section 3.1.1 of the Plan.

14 **ARTICLE IV**

15 **MISCELLANEOUS**

16 4.1. **De Minimis Distributions**. Notwithstanding any other provision of the Plan,
17 distributions of less than \$100.00 need not be made on account of any allowed claim. Any
18 distributions that would otherwise be made but for this provision shall carry over until the next
19 distribution date until the cumulative amount to which any holder of an allowed claim is entitled
20 to more than \$100.00, at which time the cumulative amount of such distributions will be paid to
21 such holder.

22 4.2. **Vesting**. The Debtors shall be re-vested with the assets of the estate on the
23 Effective Date of the Plan subject to the terms of the Plan.

24 4.3. **Post-Confirmation Management**. After confirmation of the plan, the Debtors
25 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,

1 the Debtors may sell, lease, or refinance their property without further Order of Court, upon
2 written approval of the Chapter 12 Trustee.

3 4.4. **Tax Returns.** The Debtors shall file all future tax returns and pay any and all
4 taxes owed on a timely basis. Copies of all filed returns shall be provided to Trustee within 30
5 days of filing.

6 4.5 **Remedies Upon Default.** If Debtors default under this plan or do not complete
7 the plan within 60 months, the Trustee, or any party in interest may request appropriate relief
8 pursuant to Local Bankruptcy Rules. This relief may consist of, without limitation, dismissal of
9 the case, or relief from the automatic stay to pursue rights against collateral.

10 4.6 **Impermissible Provisions.** Notwithstanding any other term in this plan, Debtors
11 do not seek through the confirmation and completion of this plan either a determination of
12 dischargeability of any debt or the discharge of any debt that is non-dischargeable as a matter of
13 law in a Chapter 12 Case under 11 U.S.C. §1228.

14 Dated: _____
15 _____
16 Debtor

17 Dated: _____
18 _____
19 Debtor

20 Dated: _____
21 _____
22 Attorney for Debtors