

DRAFT PROPOSED FORM INDIVIDUAL CHAPTER 11 PLAN FOR U.S. BANKRUPTCY COURT FOR DISTRICT OF ARIZONA

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By: Name of Responsible Individual Attorney(s) (Bar Number(s))

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

In re:

[NAME OF DEBTOR(S)],

Debtor(s).

Chapter 11 Proceedings

Case No. _____¹

**CHAPTER 11 PLAN OF
REORGANIZATION DATED**

_____²

Debtor(s) _____,³ by and through its (their) undersigned counsel, respectfully submit(s) the *Chapter 11 Plan of Reorganization Dated* _____⁴ pursuant to Title 11 of the United States Code (the "Bankruptcy Code"), in the form attached hereto and made a part hereof.

¹ Case Number

² Date of filing Plan

³ Debtor's name

⁴ Date of filing Plan

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I. INTRODUCTION.

_____ ⁵(“Debtor”) is the debtor in a Chapter 11 bankruptcy case. On _____ ⁶ _____ ⁷ commenced a bankruptcy case by filing _____ ⁸ Chapter 11 petition under the Bankruptcy Code. This document is the Chapter 11 plan proposed by _____ ⁹ (“Proponent”). Sent to you along with this document is the Disclosure Statement, which has been approved by the United States Bankruptcy Court for the District Arizona, and is provided to help you understand the Plan. This is a _____ ¹⁰ plan. The Proponent seeks to accomplish payments under the Plan by _____ ¹¹. The Effective Date of the proposed Plan is _____ ¹².

As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various Classes according to their right to priority of payments as provided in the Bankruptcy Code. The Plan states whether each Class of Claims or Interests is Impaired or unimpaired. The Plan provides the treatment each Class will receive under the Plan.

II. DEFINITIONS.

Scope of Definitions. For purposes of this Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not defined shall have the meanings assigned to them in this Section of the Plan. In all references herein to any parties, persons, entities, or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text may require.

⁵ Debtors’ name(s)

⁶ Petition Date

⁷ Debtor(s) or petitioning creditor(s)

⁸ Voluntary or involuntary

⁹ Plan proponent’s name

¹⁰ “Liquidating,” “reorganizing,” or “combined liquidating and reorganizing”

¹¹ Provide brief summary of how Proponent will fund the Plan.

¹² Effective Date of Plan

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1. **Administrative Expense** shall mean any cost or expense of administration of the Chapter 11 case allowable under Bankruptcy Code § 503, including, without limitation, any actual and necessary expenses of preserving Debtor’s estate, any actual and necessary expense of operating Debtor’s business, any indebtedness or obligation incurred or assumed by Debtor in connection with the conduct of its business or for the acquisition or lease of property or the rendition of services to Debtor, all allowances of compensation and reimbursement of expenses, any fees or charges assessed against the estate of any Debtor under Chapter 123, Title 28, of the United States Code, and the reasonable fees and expenses incurred by the Proponent in connection with the proposal and Confirmation of this Plan.

2. **Allowed** when used as an adjective preceding the word “Claims” shall mean any Claim against Debtor, proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing proofs of claim against such Debtor, or if no proof of claim is filed that has been or hereafter is listed by Debtor as liquidated in amount and not disputed or contingent, and in either case, a Claim as to which no objection to the allowance of which has been submitted within the applicable time period fixed by the Plan, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Local Rules, or as to which any objection has been submitted and such Claim has been Allowed in whole or in part by a Final Order. Unless otherwise specified in the Plan, “Allowed Claim” shall not, for purposes of computation of distributions under the Plan, include interest on the amount of such Claim from and after the Petition Date.

3. **Bankruptcy Code** shall mean the Bankruptcy Reform Act of 1978, as amended, and as codified in Title 11 of the United States Code.

4. **Bankruptcy Court** shall mean the United States Bankruptcy Court for the District of Arizona having jurisdiction over the Chapter 11 Case, and to the extent of any reference made pursuant to 28 U.S.C. § 158, the unit of such District Court constituted pursuant to 28 U.S.C. § 151.

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5. **Bankruptcy Rules** shall mean the rules and forms of practice and procedure in bankruptcy, promulgated under 28 U.S.C. § 2075 and also referred to as the Federal Rules of Bankruptcy Procedure.

6. **Claim** shall mean any right to payment from Debtor whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from Debtor whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, as such term is defined under Bankruptcy Code § 101(5).

7. **Class** shall mean a grouping of substantially similar Claims for common treatment thereof pursuant to the terms of this Plan.

8. **Confirmation** shall mean the entry of an Order by this Bankruptcy Court approving the Plan in accordance with the provisions of the Bankruptcy Code.

9. **Creditor** shall mean any Person that has a Claim against Debtor that arose on or before the Petition Date or a Claim against Debtor's estate of any kind specified in Bankruptcy Code §§ 502(g), 502(h) or 502(i). This includes all persons, corporations, partnerships, or business entities holding Claims against Debtor.

10. **Debt** means, refers to, and shall have the same meaning as defined under Bankruptcy Code § 101(12).

11. **Disbursing Agent** shall mean the _____¹³ or any party appointed by and subject to Bankruptcy Court approval, which shall effectuate this Plan and hold and distribute consideration to be distributed to holders of Allowed Claims pursuant to the provisions of the Plan and Confirmation Order.

¹³ Name of disbursing agent under the Plan, if any.

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12. **Disclosure Statement** means and refers to the Disclosure Statement filed by Debtor as required pursuant to Bankruptcy Code §1125 *et seq.*

13. **Effective Date** shall mean the day on which the Confirmation Order becomes a Final Order.

14. **Final Order** shall mean an order of the Bankruptcy Court or a court of competent jurisdiction to hear appeals from the Bankruptcy Court, which not having been reversed, modified, or amended, and not being stayed, and the time to appeal from which or to seek review or rehearing of which having expired, has become final and is in full force and effect.

15. **Impaired** when used as an adjective preceding the words “Class of Claims,” shall mean that the Plan alters the legal, equitable, or contractual rights of the member of that Class.

16. **Interest** means the equity rights in Debtor.

17. **Person** shall mean an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated organization, or a government or any political subdivision thereof or other entity.

18. **Petition Date** shall mean the date on which Debtor filed the petition for relief commencing this Chapter 11 case.

19. **Plan** shall mean the Plan of Reorganization filed in these Proceedings, together with any additional modifications and amendments.

20. **Priority Non-Tax Claim** shall mean a Claim entitled to priority under Bankruptcy Code §§ 507(a), except Claims arising under Bankruptcy Code § 507(a)(8), but only to the extent it is entitled to priority in payment under any such subsection.

21. **Priority Tax Claim** shall mean any Claim entitled to priority in payment under Bankruptcy Code § 507(a)(8), but only to the extent it is entitled to priority under such subsection.

22. **Proceedings** shall mean the Chapter 11 Case of Debtor.

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23. **Professional Person** means and refers to attorneys, accountants, appraisers, consultants, and other professionals retained or to be compensated pursuant to an Order of the Bankruptcy Court entered under Bankruptcy Code §§ 327, 328, 330, and/or 503(b).

24. **Reorganized Debtor** means Debtor after Confirmation of the Plan.

25. **Secured Claim** means and refers to a Claim that is secured by a valid lien, security interest, or other interest in property in which Debtor has an interest, which has been perfected properly as required by applicable law, but only to the extent of the value of Debtor's interest in such property, determined in accordance with Bankruptcy Code § 506(a).

26. **Unsecured Claim** shall mean a Claim against Debtor arising or is deemed by the Bankruptcy Code to have arisen prior to the Petition Date and is not: (i) a Secured Claim pursuant to Bankruptcy Code § 506, as modified by Bankruptcy Code § 1111(b); or (ii) a Claim entitled to priority under Bankruptcy Code §§ 503 or 507. "Unsecured Claim" shall include all Claims against Debtor that are not expressly otherwise dealt with under the Plan.

27. **Other Definitions**, a term used and not defined herein, but which is defined under the Bankruptcy Code shall have the meaning set forth under the Bankruptcy Code. 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. Some terms defined herein are defined in the section in which they are used.

III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS.

A. Non-Voting Classes.

Certain types of Claims are not placed into voting Classes; instead they are unclassified. They are not considered Impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them under the

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Bankruptcy Code. As such, the Proponent has not placed the following Claims in a Class. The treatment of these Claims is provided below.

1. Administrative Expenses and Fees

Administrative Expenses are Claims for costs or expenses of administering Debtor’s Chapter 11 case, which are allowed under Bankruptcy Code § 503(b). Fees payable to the Clerk of the Bankruptcy Court and the Office of the United States Trustee were also incurred during the Chapter 11 Case.

The Bankruptcy Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to different treatment. The Bankruptcy Court must approve all professional compensation and expenses. Each Professional Person requesting compensation in the case pursuant to Bankruptcy Code §§ 327, 328, 330, 331, 503(b) and/or 1103 shall file an application for allowance of final compensation and reimbursement of expenses not later than ninety (90) days after the Confirmation Date. Nothing herein shall prohibit each Professional Person from requesting interim compensation during the course of this case pending Confirmation of this Plan. No motion or application is required to fix fees payable to the Clerk’s Office or the Office of the United States Trustee, as those fees are determined by statute.

B. Classified Claims and Interests.

1. Classes of Secured Claims

Secured Claims are Claims secured by liens on property of the estate.

The following represents all Classes containing pre-petition Secured Claims and their treatment under this Plan:

Property to Be Surrendered

Class	Name of Creditor	Description of Collateral

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Debtor will surrender the above collateral on the Effective Date of the Plan. The Confirmation Order will constitute an order for relief from stay. Any Secured Claim in this category is satisfied in full through surrender of collateral. Any remaining deficiency Claim is a general Unsecured Claim and will be treated in Section (B)(5) below. **These Secured Claims are not Impaired and are not entitled to vote.**

Property to Be Sold

Class	Name of Creditor	Description of Collateral	Value of Collateral	Payment Terms

Debtor will sell the above collateral after the Effective Date of the Plan. Any Secured Claim will be satisfied in full through sale of the collateral. Any remaining deficiency Claim is a general Unsecured Claim and will be treated in Section (B)(5) below. **These Secured Claims are Impaired and are entitled to vote.**

Creditors' Rights Remain Unchanged

Class	Name of Creditor	Description of Collateral	Payment Terms

These Creditors' legal, equitable, and contractual rights remain unchanged with respect to the above collateral. Creditors in these Classes shall retain their interest in the collateral until paid in full. **These Secured Claims are not Impaired and are not entitled to vote.**

Debtor to Make Regular Payments and Pay Arrears over Time

Class	Name of Creditor	Description of Collateral	Payment Terms

These Secured Claims are Impaired and entitled to vote.

Debtor to Strip Lien to Value of Collateral and Pay over Time

Class	Name of Creditor	Description of Collateral	Payment Terms

Debtor contends the value of the collateral is less than the amount of the Claim. Debtor will pay as a Secured Claim the amount equal to the value of the collateral as established by Bankruptcy Court order or stipulation. Debtor will pay the above Secured Claim in full with interest from the Effective Date through ___¹⁴ equal payments. Payments will be due on the __¹⁵ day of the month, starting on __.¹⁶ Any remaining amount due is a general Unsecured Claim and will be treated in Section (B)(5) below.

These Claims are Impaired and entitled to vote on Confirmation of the Plan.

Debtor to Strip Lien

Class	Name of Creditor	Description of Collateral	Payment Terms

Any Claim of a Creditor whose lien is stripped is a general Unsecured Claim and will be treated in Section (B)(5) below. **These Claims are Impaired and entitled to vote.**

Debtor to Adjust Terms and Pay Amount in Full over Time

Class	Name of Creditor	Collateral	Amount Due /	Interest Rate	Monthly Payment	Term

¹⁴ Number of payments.

¹⁵ Date of the month.

¹⁶ Payment start date.

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These Claims are Impaired and entitled to vote on Confirmation of the Plan.

2. Bankruptcy Code § 1111(b) Analysis

Deadline for Bankruptcy Code § 1111(b) Election. Creditors with an Allowed Secured Claim can make a timely election under Bankruptcy Code § 1111(b) no later than 14 days before the first date set for the hearing on Plan Confirmation. If any of the above-referenced Classes of Secured Creditors with Claims secured by a lien on property of the estate make the Bankruptcy Code § 1111(b) election, then the following terms apply instead of those stated above:

Class	Name of Creditor	Description of Collateral	Section 1111(b) Payment Terms

These Claims are Impaired and entitled to vote on Confirmation of the Plan.

3. Priority Non-Tax Claims¹⁷

Certain Priority Non-Tax Claims referred to under Bankruptcy Code §§ 507(a)(1)-(7) are entitled to priority treatment. These Claims are to be treated as follows:

Class	Name of Creditor	Payment Terms

These Claims are Impaired and entitled to vote on Confirmation.

4. Priority Tax Claims

Priority Tax Claims are Claims of governmental units for certain income, employment and other taxes described under Bankruptcy Code § 507(a)(8). These Claims

¹⁷ **NOTE:** There may need to be separate Classes for different categories of Priority Non-Tax Claims since they may require different treatment under the Plan. See Bankruptcy Code § 1129(a)(9)(A)-(B).

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are entitled to priority and must be paid pursuant to Bankruptcy Code § 1129(a)(9)(C)-(D). These Claims are to be treated as follows:

Class	Name of Creditor	Payment Terms

These Claims are Impaired and entitled to vote.

5. Class of General Unsecured Claims

General Unsecured Claims are not entitled to priority under Bankruptcy Code § 507(a). These Claims are to be treated as follows:

Class	Name of Creditor	Payment Terms

Under Bankruptcy Code § 1129(a)(15), if an unsecured creditor objects to Confirmation, an individual debtor must either pay the present value of that Unsecured Claim in full or make distributions under the Plan totaling at least the value of Debtor's net disposable income over the greater of: (i) five years; or (ii) the time period during which the Plan provides for payments. Bankruptcy Code § 1129(a)(15) should be read and applied in conjunction with Bankruptcy Code § 1123(a)(4), which provides that Plan must provide the same treatment for each Claim in the particular Class. **These Claims are Impaired and entitled to vote.**

6. Cramdown and Absolute Priority Rule

If a Class of Creditors does not accept the Plan, Debtor will seek to obtain Confirmation through the cramdown provisions of Bankruptcy Code § 1129(b). This means that the Plan must be fair and equitable to the Class that does not accept the Plan.

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The test for whether the Plan is fair and equitable is found under Bankruptcy Code § 1129(b).

The balance of this section only applies if a Class of Unsecured Claims does not accept the Plan. In that instance, Debtor seeks Confirmation of the Plan pursuant to Bankruptcy Code § 1129(b). The law is unclear whether the Absolute Priority Rule would apply in this individual Chapter 11 case. The Absolute Priority Rule is contained in Bankruptcy Code § 1129(b)(2)(B). If a Class of Unsecured Claims has not voted to accept the Plan, the Absolute Priority Rule provides that Debtor may not retain property unless the holders of Claims in the Class are paid in full.

If a Class of Unsecured Claims does not accept this Plan, Debtor will (mark all that apply):

- _____ Allege that the Absolute Priority Rule does not apply in a Chapter 11 case in which the debtors are individuals.
 - _____ Withdraw this Plan.
 - _____ Sell or surrender all of their non-exempt property and pay any resulting proceeds to Creditors.
 - _____ Increase the distribution to the holders of Unsecured Claims such that each holder is paid in full.
 - _____ Other. Describe: _____
-

C. Acceptance or Rejection of Plan.

Each Impaired Class of Creditors with Claims against Debtor's estate shall be entitled to vote separately to accept or reject the Plan. A Class of Creditors shall have accepted the Plan if the Plan is accepted by at least two-thirds in the aggregate dollar amount and more than one-half in number of holders of the Allowed Claims of such Class that have accepted or rejected the Plan.

In the event that any Impaired Class of Creditors or Interest holders shall fail to accept the Plan in accordance with Bankruptcy Code § 1129(a), the Proponent reserves

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the right to request that the Bankruptcy Court confirm the Plan in accordance with Bankruptcy Code § 1129(b).

D. Means of Effectuating the Plan.

1. Funding for the Plan

The Plan will be funded as follows:

- \$ _____¹⁸ of cash available on the Effective Date;
- A sale of property(ies) identified in the Disclosure Statement which is estimated to produce net proceeds of \$ _____¹⁹ no later than _____;²⁰
- projected net/disposable income of not less than \$ _____²¹ per month for a term of _____²² months as calculated and set forth in greater detail in Exhibit 4 attached; and/or
- other sources of funding in the amount of \$ _____,²³ to be paid
- in whole on the Effective Date;
- in whole no later than _____;²⁴ or
- in partial amounts not less than \$ _____²⁵ per month for a term of _____²⁶ months, as further detailed and explained in the Disclosure Statement.

2. Feasibility

The Effective Date feasibility of Debtor's Plan is set forth in Exhibit 5, attached.

3. Liquidation Analysis

¹⁸ Amount of money available to fund the Plan.

¹⁹ Amount of money available to fund the Plan through property sales.

²⁰ Date.

²¹ Amount of monthly projected disposable income.

²² Number of months.

²³ Amount of money from other funding sources.

²⁴ Date.

²⁵ Amount of partial monthly payments.

²⁶ Number of months.

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An analysis of the liquidation values and expenses is attached as Exhibit 2, attached.

4. Disbursing Agent

_____ ²⁷ shall act as the disbursing agent for the purpose of making all distributions provided for under the Plan. The Disbursing Agent shall serve _____ ²⁸ bond and shall receive _____ ²⁹ for distribution services rendered and expenses incurred pursuant to the Plan.

IV. TREATMENT OF MISCELLANEOUS ITEMS.

A. Executory Contracts and Unexpired Leases.

1. Assumptions

The following are the unexpired leases and executory contracts to be assumed as obligations of the Reorganized Debtor under this Plan:

Executory Contracts and Unexpired Leases Assumed

Counterparty	Description of Agreement	Payment Terms

Executory Contracts and Unexpired Leases Rejected

Counterparty	Description of Agreement

On the Effective Date, each of the unexpired leases and executory contracts listed above shall be assumed as obligations of the Reorganized Debtor. The Order of the

²⁷ Name and identify of disbursing agent.

²⁸ “with” or “without”

²⁹ Explain whether disbursing agent will be compensated or reimbursed for services and expenses rendered and incurred in connection with making distributions under the Plan. If the Disbursing Agent will be compensated or reimbursed, specify the exact amount and the interval of payment.

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Bankruptcy Court confirming the Plan shall constitute an Order approving the assumption of each lease and contract listed above. If you are a party to a lease or contract to be assumed and you object to the assumption of your lease or contract, you must file and serve your objection to the Plan within the deadline for objecting to the Confirmation of the Plan.

2. Rejections

On the Effective Date, all executory contracts not assumed shall be deemed to be rejected. The Order confirming the Plan shall constitute an order approving the rejection of the lease or contract. If you are a party to a contract or lease to be rejected and you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the Confirmation of the Plan. See Disclosure Statement for the specific date. **THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS _____.**³⁰ Any Claim based on the rejection of an executory contract or unexpired lease will be barred if the proof of Claim is not timely filed, unless the Bankruptcy Court later orders otherwise.

3. Disputed Claims Reserve

Debtor disputes the following Claims:

Class	Name of Creditor	Amount According to Creditor	Amount According to Debtor

Debtor must create a reserve for disputed Claims in the amount of the Claim, unless the Claim is estimated for distribution in a different amount under Bankruptcy Code § 502(c). Each time Debtor makes a distribution to the holders of Allowed Claims,

³⁰ Deadline for filing proof of claim based on a Claim arising from the rejection of contract or lease is fixed by FED. R. BANKR. P. 3003.

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Debtor will place into a reserve the amount that would have been distributed to the holders of disputed Claims if such Claims had been Allowed in the full amount claimed. Debtor must file objections to disputed Claims no later than 180 days after entry of the Confirmation Order. If a disputed Claim becomes an Allowed Claim, Debtor must immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the Plan calculated using the amount of the Allowed Claim. Any funds no longer needed in reserve must be _____.³¹

B. Retention of Jurisdiction.

The Bankruptcy Court shall retain jurisdiction of this case pursuant to the provisions of the Bankruptcy Code, pending the final allowance or disallowance of all Claims affected by the Plan, and to make such orders as are necessary or appropriate to carry out the provisions of this Plan.

In addition, the Bankruptcy Court shall retain jurisdiction to implement the provisions of the Plan in the manner as provided under Bankruptcy Code § 1142(a)-(b). If the Bankruptcy Court abstains from exercising, or declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section, or if Debtor or the Reorganized Debtor elect to bring an action or proceeding in any other forum, then this Section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court, public authority or commission having competent jurisdiction over such matters.

C. Procedures for Resolving Contested Claims.

Objections to Claims and Interests, except for those Claims more specifically deemed Allowed in the Plan, may be filed by Reorganized Debtor or any party in interest up to and including sixty (60) days following the entry of the Confirmation Order. With respect to disputed Claims or Interests, the Disbursing Agent will hold in a separate

³¹ Insert one of the following: (i) returned to Debtor; or (ii) distributed *pro rata* among Allowed Claims in this Class.

interest bearing reserve account such funds as would be necessary to make the required distribution on the Claim or Interest, as listed either in Debtor's schedules or the filed proof(s) of claim.

D. Notices under the Plan.

All notices, requests or demands with respect to this Plan shall be in writing and shall be deemed to have been received within five (5) days of the date of mailing, provided they are sent by registered mail or certified mail, postage prepaid, return receipt requested, and if sent to the Proponent, addressed to: _____.³²

V. EFFECT OF CONFIRMATION OF PLAN.

A. Discharge.

This Plan provides that upon Confirmation of the Plan, Debtor shall be discharged of liability for payment of debts incurred before Confirmation, to the extent specified in Bankruptcy Code § 1141. Any liability imposed by the Plan, however, will not be discharged.

Under Bankruptcy Code § 1141(d)(5), an individual Debtor will not be discharged from any debts unless and until: (i) Debtor completes all payments under the Plan and obtains an order of the Court granting a discharge; (ii) the Court grants a limited ("hardship") discharge as allowed under Bankruptcy Code § 1141(d)(5)(B); or (iii) the Bankruptcy Court orders otherwise for cause. Notwithstanding the other terms of this paragraph, non-dischargeable debts under Bankruptcy Code § 523 will not be discharged.

If Confirmation of this Plan does not occur, the Plan shall be deemed null and void. In such event, nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claims against Debtor or its estate or any other Persons, or to prejudice in any manner the rights of Debtor or its estate or any Person in any further proceeding involving Debtor or its estate. The provisions of this Plan shall be binding upon Debtor

³² Address and telephone number of Proponent

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and all Creditors, regardless of whether such Claims are Impaired or whether such parties accept this Plan, upon Confirmation thereof.

B. Re-vesting of Property in Debtor.

Except as provided in Section V(D) below, and except as provided elsewhere in the Plan, the Confirmation re-vests all of the property of the estate in Debtor.

C. Modification of Plan.

The Proponent may modify the Plan at any time before Confirmation. The Bankruptcy Court, however, may require a new disclosure statement or re-voting on the Plan if the Proponent modifies the Plan before Confirmation. The Proponent may also seek to modify the Plan at any time after Confirmation as long as: (i) the Plan has not been substantially consummated; and (ii) the Bankruptcy Court authorizes the proposed modification after notice and a hearing.

D. Post-Confirmation Conversion/Dismissal.

A creditor or party in interest may bring a motion to convert or dismiss the case under Bankruptcy Code § 1112(b), after the Plan is confirmed, if there is a default in performing under the Plan. If the Bankruptcy Court orders the case converted to Chapter 7 after the Plan is confirmed, then all property that had been property of the Chapter 11 estate, and that has not been disbursed pursuant to the Plan, will re-vest in the Chapter 7 estate, and the automatic stay will be re-imposed upon the re-vested property only to the extent that relief from stay was not previously granted by the Bankruptcy Court during this case.

E. Post-Confirmation Quarterly Fees.

Quarterly fees pursuant to 28 U.S.C. § 1930(a)(6) continue to be payable to the office of the United States Trustee post-Confirmation until such time as the case is converted, dismissed, or closed pursuant to a final decree.

DATED this ____ day of _____, 20 ____

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FOR DISTRICT OF ARIZONA***

By: _____

***DRAFT PROPOSED FORM INDIVIDUAL CHAPTER 11 PLAN FOR U.S. BANKRUPTCY COURT
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Exhibit 1 - Events that Led to Bankruptcy, Significant Events that Have Occurred During the Bankruptcy, and Summary of Plan.

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Exhibit 2 – Liquidation Analysis: What Creditors Would Receive if the Case Were Converted to a Chapter 7.

Real Property #1: [Insert Address]

Fair Market Value	Liens	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
	1st				
	2nd				
	3rd				

Real Property #2: [Insert Address]

Fair Market Value	Liens	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
	1st				
	2nd				
	3rd				

Real Property #3: [Insert Address]

Fair Market Value	Liens	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
	1st				
	2nd				
	3rd				

Real Property #4: [Insert Address]

Fair Market Value	Liens	Cost of Sale	Resulting Tax	Amount of Exemption	Net Proceeds
	1st				
	2nd				
	3rd				

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Exhibit 2 (continued) – Liquidation Analysis: What Creditors Would Receive if the Case Were Converted to Chapter 7.

Personal Property:

Description	Liquidation Value	Secured Claim	Amount of Exemption	Net Proceeds
Cash				
Automobile #1				
Automobile #2				
Household Furnishings				
Jewelry				
Equipment				
Stocks / Investments				
Other Personal Property				
TOTAL				

Summary:

Net Proceeds of Real Property and Personal Property	
Recovery from Preferences / Fraudulent Conveyances	[ADD]
Chapter 7 Trustee Fees	[SUBTRACT]
Chapter 7 Trustee's Professionals' Fees	[SUBTRACT]
Other Chapter 7 Liabilities	[SUBTRACT]
Unpaid Chapter 11 Liabilities	[SUBTRACT]
Priority Claims	[SUBTRACT]
NET FUNDS AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS	

Estimated Amount of Unsecured Claims	
Percent Distribution to Unsecured Creditors Under Proposed Plan	%
Percent Distribution to Unsecured Creditors Under Liquidation Analysis	%

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Exhibit 3 – Summary of Monthly Operating Reports (“MOR”).

<u>Month</u>	<u>MOR ECF#</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Net</u>
1		\$	\$	\$
2		\$	\$	\$
3		\$	\$	\$
4		\$	\$	\$
5		\$	\$	\$
6		\$	\$	\$
7		\$	\$	\$
8		\$	\$	\$
9		\$	\$	\$
10		\$	\$	\$
11		\$	\$	\$
12		\$	\$	\$
Average:		\$	\$	\$

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Exhibit 4 – Projected Post-Confirmation Monthly Income & Expenses.

Income	Debtor	Spouse
1. Current monthly gross wages, salary, and commissions		
2. Estimated monthly overtime		
3. SUBTOTAL		
4a. Payroll taxes and social security		
4b. Insurance		
4c. Union dues		
4d. Other (Specify):		
5. SUBTOTAL OF PAYROLL DEDUCTIONS		
6. TOTAL NET MONTHLY TAKE HOME PAY		
7. Regular income from operation of business or profession		
8. Income from real property		
9. Interest and dividends		
10. Alimony, maintenance or support payments		
11. Social security or government assistance (Specify):		
12. Pension or retirement income		
13. Other monthly income (Specify):		
14. SUBTOTAL OF LINES 7 THROUGH 13		
15. TOTAL MONTHLY INCOME (Add line 6 and line 14)		
A. TOTAL COMBINED MONTHLY INCOME		

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Exhibit 4 (continued) – Projected Post-Confirmation Monthly Income & Expenses.

Expenses	Amount
1. Rent or home mortgage (include lot rented for mobile home)	
1a. Are real estate taxes included? Yes [] No []	
1b. Is property insurance included? Yes [] No []	
2a. Utilities: Electricity and heating fuel	
2b. Utilities: Water and sewer	
2c. Utilities: Telephone	
2d. Utilities: Other	
3. Home maintenance (repairs and upkeep)	
4. Food	
5. Clothing	
6. Laundry and dry cleaning	
7. Medical and dental expenses	
8. Transportation	
9. Recreation, clubs, entertainment, newspapers, magazine, etc.	
10. Charitable contributions	
11a. Insurance: Homeowner's or renter's	
11b. Insurance: Life	
11c. Insurance: Health	
11d. Insurance: Auto	
11e. Insurance: Other	
12. Taxes: (not deducted from wages or included in home mortgage)	
13a. Installment payments: Auto (Do not list payments included in Plan)	
13b. Installment payments: Other (Do not list payments included in Plan)	
14. Alimony, maintenance, and support paid to others	
15. Payments for support of dependents not living at your home	
16. Regular expenses from operation of business or profession	
17. Other	
B. TOTAL MONTHLY EXPENSES	

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C. Disposable Income (Line A - Line B)	
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Exhibit 4 (continued) – Projected Post-Confirmation Monthly Income & Expenses.

Plan Payments Plan Payments Not Included in Calculating Disposable Income	Amount
Administrative Claims	
Priority Claims	
General Unsecured Creditors	
[OTHER PLAN PAYMENTS - DESCRIBE]	
D. Total Plan Payments	

E. Plan Feasibility (Line C - Line D) (Not feasible if less than zero)	
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Exhibit 5 – Effective-Date Feasibility.

Can Debtor Make the Effective Date Payments?

	Amount	Amount
A. Projected Total Cash on Hand on Effective Date	-	
Payments Required on Effective Date	-	-
Administrative Expense Claims		-
Priority Claims		-
Small Claims (Class 3(a))		-
U.S. Trustee’s Fees		-
Other		-
B. Total Payments on Effective Date	-	
C. Net Cash on Effective Date (Line A - Line B) (Not feasible if less than zero)	-	

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Exhibit 6 - Investment Property Analysis.

Properties with Positive Monthly Cash Flow:

Real Property #1 Income: [INSERT ADDRESS]

Rental Income ³³	Mortgage	Insurance	Property Taxes	Other Expenses ³⁴	Net Income
	1st				
	2nd				
	3rd				

[ADD ADDITIONAL TABLES FOR ADDITIONAL REAL PROPERTY]

Real Property #2 Income: [INSERT ADDRESS]

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
	1st				
	2nd				
	3rd				

A. Total Positive Cash Flow	
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Properties with Negative Monthly Cash Flow:

Real Property #3 Income: [INSERT ADDRESS]

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
	1st				
	2nd				
	3rd				

³³ Adjusted for projected vacancy rate.

³⁴ "Other Expenses" may include maintenance, home owners' association dues, property management fees, and legal costs.

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Exhibit 6 (continued) - Investment Property Analysis.

Real Property #4 Income: [INSERT ADDRESS]

Rental Income	Mortgage	Insurance	Property Taxes	Other Expenses	Net Income
	1st				
	2nd				
	3rd				

B. Total Negative Cash Flow	
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