

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MISSOURI  
SOUTHEASTERN DIVISION

In re:	)	
	)	Case No. 16-10742
FARMHAND SUPPLY, LLC	)	
	)	Chapter 11
Debtor.	)	

**FIFTH AMENDED PLAN OF REORGANIZATION**

Farmhand Supply, LLC (hereinafter referred to as "Debtor"), proposes the following Fifth Amended Plan of Reorganization with its creditors pursuant to Section 1121 et seq. of the Bankruptcy Code.

**DEFINITIONS**

The following terms when used in this Fifth Amended Plan of Reorganization shall, unless the context otherwise requires, have the following meanings, respectively:

"Debtor": Farmhand Supply, LLC.

"Bankruptcy Code": Title 11, United States Code, Section 101 et seq.

"Chapter 11": Chapter 11 of the Bankruptcy Code.

"Reorganization Case": The case for the reorganization of the Debtor.

"Court": The United States Bankruptcy Court for the Eastern District of Missouri, Southeastern Division, acting in this Reorganization Case.

"Plan": This Fifth Amended Plan of Reorganization.

"Impaired": A class of claims is impaired under the Plan unless the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim entitles the holder of such claim.

"Confirmation of the Plan": The entry by this Court of a final and non-appealable Order confirming the Plan in accordance with Chapter 11.

## **ARTICLE I**

### **Classification of Claims and Interest**

1.0 All claims against the Debtor shall be dealt with under the Plan and are classified as follows:

1.1 "Class 1." Claims against the Debtor that are entitled to priority under Section 503(b) of the Bankruptcy Code.

1.2 "Class 2." The approved and allowed claims of governmental units, including the United States of America, states, counties, cities or any political subdivisions thereof, for taxes incurred prior to the commencement of the Reorganization Case.

1.3 "Class 3." Class 3 consists of the secured claims of Rabo AgriFinance LLC, formerly known as Rabo Agrifinance, Inc. (hereinafter "Rabo") arising under the *Credit Agreement* dated August 16, 2013 by and between John Dale Murphy and Linda Jo Murphy, as married spouses, Farmhand Supply, LLC, J Murphy Farms, James Howard Murphy and Janet Murphy, as married spouses, and Murphy Farms ("collectively, the "Borrowers"), as amended from time to time thereafter (the "Credit Agreement" and together with the notes issued under the Credit Agreement, the "Loan Documents"):

- (a) A real estate term loan in the original principal amount of \$6,100,000.00 (the "Term Loan");
- (b) A crop production line of credit loan in the principal amount not to exceed \$1,500,000.00 (the "CP LOC Loan");
- (c) A line of credit loan originally in a principal amount not to exceed \$500,000.00 (the "LOC-1 Loan"); and

- (d) A line of credit loan in a principal amount not to exceed \$1,000,000 (the “LOC-2 Loan” and together with the Term Loan, the CP LOC Loan, the LOC-1, the “Loans”).

As of July 31, 2017, the Allowed Secured Claims of Rabo, in the aggregate amount of \$10,243,000.32, are as follows:

Loan	Principal	Interest	Legal Fees	Costs	Default Interest	Interest-Legal Fees	Total
Term Loan	\$5,581,209.69	672,598.01	107,220.49	4,663.21	106,154.22	4,914.14	6,476,759.76
CP LOC Loan	1,464,156.53	243,162.50	27,683.98		254,822.03	1,287.91	1,991,112.95
LOC-1 Loan	293,496.51	27,229.22	8,788.56		55,515.60	409.50	385,439.39
LOC-2 Loan	994,219.00	115,497.56	17,577.11			819.00	1,128,112.67
Termination Amount	218,268.05						218,268.05
June Legal			32,685.70				32,685.70
July Legal			10,621.80				10,621.80
Total	8,551,349.78	1,058,487.29	204,577.64	4,663.21	416,491.85	7,430.55	10,243,000.32

The Class 3 Allowed Secured Claims of Rabo are secured by liens and security interests in various assets owned by the Debtor(s) and non-debtors, including real estate in Stoddard and Dunklin Counties (the “Real Estate”), farm products, proceeds of crop insurance, price support or other government programs, profits, inventory, equipment, accounts, contract rights and general intangibles (the “Collateral”), evidenced by the following documents:

- (a) The *Deed of Trust, Assignment of Rents and Security Agreement* from John Dale Murphy and Linda Jo Murphy, as married spouses, and James Howard Murphy and Janet Murphy, as married spouses, dated August 16, 2013 and recorded with the Recorder of Deeds for Stoddard County, Missouri on August 27, 2013 in Book 2013, Page 3689 (the “Stoddard County Deed of Trust”);
- (b) The *Deed of Trust, Assignment of Rents and Security Agreement* from John Dale Murphy and Linda Jo Murphy, as married spouses, and James Howard Murphy and Janet Murphy, as married spouses, dated August 16, 2013 and recorded with the Recorder of Deeds for Dunklin County, Missouri on August 27, 2013 in Book 2013, Page 2957 (the “Dunklin County Deed of Trust”); and

- (c) The *Security Agreement* from John Dale Murphy and Linda Jo Murphy, as married spouses, Farmhand Supply, LLC, J Murphy Farms, James Howard Murphy and Janet Murphy, as married spouses, and Murphy Farms dated August 16, 2013 (the “Security Agreement” and together with the Stoddard County Deed of Trust and the Dunklin County Deed of Trust, the “Collateral Documents”).

1.4 “Class 4.” Class 4 consists of the fully secured claim of Linhai Powersports. The Class 4 creditor has a first lien on the ATV and UTV inventory of Debtor. The Class 4 creditor will be paid in full by extension of the debt payment period.

1.5 “Class 5.” Class 5 consists of the creditors holding general unsecured claims against Debtor but the debts are also guaranteed by John and/or Linda Murphy.

1.6 “Class 6.” Class 6 consists of the general unsecured claims not guaranteed by John and/or Linda Murphy.

## **ARTICLE II**

### **Property to be Dealt With by the Plan**

2.0 All of the property of Debtor shall be dealt with by the Plan. Upon Confirmation of the Plan, all of such property, except the cash and other property specifically and expressly required for distribution to creditors pursuant to the terms of the Plan, shall remain vested in Debtor.

## **ARTICLE III**

### **Claims and Interest Dealt With Under the Plan**

3.0 Holders of claims under Class 1, if any, shall receive payments, in cash, on the Confirmation of the Plan (except for Debtor’s attorney fees), equal to the approved and allowed balance of such claims. Debtor’ attorney’s fees and expenses shall be submitted to the Court for approval following Confirmation and will be paid in full on or before March 1, 2019. Any such delay in payment will not affect Confirmation or the subsequent closing of this Chapter 11

bankruptcy estate. Professional fees owed to realtors, appraisers, accountants and other professionals, if any, shall be paid in full, as a condition of Confirmation within 30 days of approval of such professional's fees.

3.1 The holders of the claims under Class 2 shall receive deferred cash payments in five equal annual installments beginning within 60 days of Confirmation to pay out in full the amounts of allowed and approved claims plus interest at the rate established by Missouri statute or by Section 6621 of the Internal Revenue Code. If there is a disputed claim not yet resolved when the first annual payment is due, the annual payment will be escrowed until the Court rules on the claim(s) and objection(s) to same. All allowed and approved claims shall be paid in full within five years of the date of assessment.

In the event that either the Internal Revenue Service's or the Missouri Department of Revenue's Allowed Administrative Expenses, if any, Allowed Secured Claims, Allowed Priority Tax Claims, and Allowed General Unsecured Claims are not paid in accordance with the terms of the Plan of Reorganization or Confirmation Order, Debtor will be in default. The Missouri Department of Revenue and Internal Revenue Service, respectively, will provide Debtor with written notice of the default by mail. If default is not made good within fifteen (15) days after notification, the entire principal and accrued interest shall at once become due and payable without further notice. The Missouri Department of Revenue and/or the Internal Revenue Service may thereafter proceed with either or all of the following remedies: (a) enforce the entire amount of its claim under Missouri and/or federal law; (b) exercise any and all its rights and remedies under Missouri and/or federal law; and (c) seek such relief as may be appropriate in this Court.

3.2 Rabo shall be the holder of Class 3 Allowed Secured Claims to the full extent of the indebtedness of the Debtors and non-debtors to Rabo under the Loans, Loan Documents and

the Collateral Documents. Except as expressly provided herein, the legal, contractual and equitable rights of Rabo under the Loans, Loan Documents, the Collateral Documents and applicable law shall remain unaltered by this Plan and in full force and effect. Notwithstanding confirmation of this Plan, Rabo's Class 3 Allowed Secured Claims are and will remain fully secured and cross-collateralized against the assets of the Debtors and the non-debtor parties identified in the Loan Documents and the Collateral Documents.

(a) Payments. For purposes of this Plan only, Rabo's Class 3 Allowed Secured Claims will be paid as follows:

(1) Farmhand Installment Payments. On or before each of July 15, 2017, October 16, 2017, January 15, 2018 and April 15, 2018, Farmhand Supply, LLC ("Farmhand") will pay \$25,000.00 to Rabo. Rabo shall apply each installment payment to the outstanding balance due under the LOC – 1 Loan in its sole and absolute discretion;

(2) Murphy Payment. On or before March 1, 2018, Borrowers will pay \$388,000.00 to Rabo (the "Murphy Payment"). Rabo shall apply the Murphy Payment first to interest, then to reasonable attorneys' fees and costs incurred and then to the unpaid principal of such outstanding Loans as Rabo chooses in its sole and absolute discretion;

(3) Maturity Date and Maturity Date Payment. The Maturity Date for the Class 3 Allowed Secured Claims is March 1, 2019. On or before March 1, 2019, the Borrowers shall pay to Rabo the outstanding balance of the Class 3 Allowed Secured Claims, including unpaid principal and unpaid interest accrued thereon, together with attorneys' fees and other charges incurred under the Loans, Loan Documents and Collateral Documents;

(4) Interest. From and after the Confirmation Date through the Maturity Date, and so long as the Borrowers are not in default under their respective Plans, interest shall accrue on the Class 3 Allowed Secured Claims at a rate equal to the thirty day LIBOR plus four percent (4%) per annum (the "Standard Rate"). Upon a default which is not timely cured, the Class 3 Allowed Secured Claims, without further notice, shall bear interest at the Standard Rate plus ten percent (10%) per annum;

(5) Sale of the Holcomb Property. John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall sell, convey and transfer all right, title and interest in and to 400 acres of real estate located near Holcomb, Missouri (the

“Holcomb Property”), in accordance with the following procedures, timeline and deadlines:

(i) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall execute and deliver to Rabo a special warranty deed (the “Stalking Horse Deed”) conveying the Holcomb Property to Rabo for the purchase price of \$1,750,000.00 (the “Purchase Price”) free and clear of all claims, interests and encumbrances and pursuant to Section 363(f) of the Bankruptcy Code. Rabo shall pay the Purchase Price by credit bid and reduction of the Class 3 Allowed Secured Claims of Rabo. Rabo shall hold the deed in escrow, subject to the right of the Murphy Debtors and James and Janet Murphy to sell the Holcomb Property at a price in excess of the Purchase Price and which results in the payment to Rabo of more than \$1,750,000.00 on or before the Closing Date (as defined hereinafter) in accordance with the following procedures and conditions:

(A) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall hire a realtor and execute a retail listing contract signed by all necessary parties within 14 days after the confirmation date of the Murphy Debtors’ Plan;

(B) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall enter into a Contract for Sale of the Holcomb Property on or before December 31, 2107; and

(C) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall close on the sale of the Holcomb Property on or before March 1, 2018 (the “Closing Date”);

(ii) All proceeds from the sale of the Holcomb Property, net of (a) reasonable and customary sales expenses and closing costs; and (b) the Tax Escrow (as defined in section 3.2(b) hereinafter), shall be paid to Rabo at closing;

(iii) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy may market the Holcomb Property in a single lot or divide it into tracts and offer each individual tract for sale. However, the sale price for the Holcomb Property, whether in bulk or in parcels, shall result in the payment to Rabo of more than \$1,750,000.00 on or before the Closing Date (a “Minimum Topping Offer”);

(iv) At the closing of the sale of the Holcomb Property on a Minimum Topping Offer, Rabo shall: (a) return the Stalking Horse Deed to John Murphy or Michael Payne, Debtors’ counsel; and (b) release its liens on the Holcomb Property. However, if the Holcomb Property is not

sold for a price that results in a payment to Rabo of at least \$1,750,000.00 on or before the Closing Date, or if the Murphy Debtors fail to comply with any one of the deadlines set forth in sections 3.2(a)(1), (2) or (3), Rabo shall have the immediate right, without further notice or opportunity to cure, to record the Stalking Horse Deed. No merger of the Stalking Horse Deed and the Collateral Documents is intended or shall occur; and

(v) John Murphy, Linda Jo Murphy, James Murphy or Janet Murphy shall promptly provide to Rabo copies of any offers to purchase the Holcomb Property, or any portion thereof, and shall continuously keep Rabo informed of developments with respect to the sale of the Holcomb Property.

(6) The 2016 Crop. The Collateral securing the Class 3 Allowed Secured Claims includes a lien, subordinate only to the lien held by the Class 4 Claim of Ag Resource Management, on the Debtors' 2016 crop and all proceeds of the 2016 crop. John Murphy and Linda Jo Murphy will pay or cause to pay all proceeds received on account of the 2016 crop to Rabo immediately following (a) the sale of the 2016 crop, the receipt of crop insurance or other governmental payments in regard to the 2016 crop and (b) the payment in full of the Class 4 allowed claim of ARM. Contemporaneously therewith, John Murphy and Linda Jo Murphy will provide to Rabo an accounting of all funds received on account the 2016 crop and all payments made with such funds. Any payments made to Rabo from the 2016 crop shall not be used or applied to reduce the Murphy Payment.

(b) Tax Escrow. John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy intend to offer to sell the Holcomb Property for a price of \$6,000 per acre. With an expected gross sale price of approximately \$2,400,000.00, John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy anticipate the sale will trigger tax liability of approximately \$400,000.00. Accordingly, John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy will undertake the following:

(1) Prior to January 1, 2018, the accountant(s) for John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy will estimate and project the amount of the tax (less NOLS, losses and other offsets and in an amount not to exceed \$400,000.00 without the approval of Rabo) that will be incurred by John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy as a result of the sale of the Holcomb Property (the "Tax Estimate") and provide the Tax Estimate and supporting data to Rabo;

(2) Prior to January 1, 2018, John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy and Rabo will enter into an Escrow Agreement establishing an Escrow Account with a third party escrow agent acceptable to the parties;



(3) Upon closing of the sale of the Holcomb Property on a Minimum Topping Offer, an amount equal to the Tax Estimate will be deposited into the Escrow Account. The amount of the Tax Estimate will be held in escrow, subject to the liens and security interests of Rabo, until the 2018 tax returns for John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy are prepared and the actual tax resulting from the sale of the Holcomb Property is finally calculated (the "Tax Liability") and furnished to the Escrow Agent and Rabo;

(4) John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy shall use the funds in the Escrow Account to pay the Tax Liability incurred as a result of the sale of the Holcomb Property. However, the Escrow Agent shall release funds from the Escrow Account in an amount equal to the Tax Liability for John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy only if (a) John Murphy, Linda Jo Murphy and Farmhand are not in default under this Plan, and (b) James and Janet Murphy have not filed for relief under Title 11 of the U.S. Code; and

(5) The Escrow Agent shall pay to Rabo any funds remaining in the Escrow Account in excess of the Tax Liability resulting from the Holcomb Property sale. Such excess funds paid to Rabo from the Escrow Account shall not be used or applied to reduce the Murphy Payment.

(c) Reporting and Financial Covenants.

(1) John Murphy, Linda Jo Murphy and Farmhand shall prepare, or cause to be prepared, monthly financial reports, including income and expenses, profit and loss, budgets and balance sheets, for each "Business" segment each operates, using QuickBooks or whatever system is then being used to generate monthly reports. For purposes of the monthly financial reports, the Murphy Debtors' farming operation is one Business (the "Farm Operation Business") and Farmhand, Treasure Seekers, and the car wash are collectively a second Business (collectively, the "Farmhand Supply Business");

(2) The monthly financial reports for each month shall be supplied, whether in written or electronic format, to Rabo, care of Steve Tornio, by the 15th day of the following month;

(3) The Farm Operation Business and Farmhand Supply Business shall maintain separate bank accounts. John Murphy, Linda Jo Murphy and/or Farmhand shall provide Rabo with copies of all checks for each particular month and all bank statements for each particular month so as to include all checks and all bank statements for all accounts for the entire calendar month. Those checks and those bank statements will be electronically provided to Rabo by the 15th of the next month;

(4) Within 14 days of the Confirmation Date, John Murphy and Linda Jo Murphy will provide a current equipment list with serial numbers for all farm equipment. John Murphy and Linda Jo Murphy will also provide access to an equipment appraiser designated by Rabo. Any appraisal costs shall be added to the amount of the Class 3 Allowed Secured Claims if there is a default by John Murphy, Linda Jo Murphy or Farmhand under section 3.2(f) of this Plan, which default gives Rabo the right to take action against or to protect the Collateral, including repossession or liquidation;

(5) John Murphy, Linda Murphy, James Murphy and Janet Murphy shall provide a copy of their 2016 federal tax returns to Rabo within the later of (x) 30 days of the Confirmation Date or (y) 15 days after the filing of their 2016 federal tax return. If an extension for 2016 is requested by John Murphy, Linda Jo Murphy, James Murphy or Janet Murphy, a copy of the request for extension will be submitted to Rabo to verify that the due date for the return is being extended;

(6) Within 30 days following confirmation, James Murphy and Janet Murphy shall provide their 2015 federal tax return(s) to Rabo;

(7) John Murphy, Linda Jo Murphy and/or Farmhand shall make all payments and perform all obligations under this Plan when due. Within five business days of the failure by John Murphy, Linda Jo Murphy and/or Farmhand to (i) make any payment to any creditor, other than Rabo, under this or the Farmhand Supply Plan or (ii) to perform an obligation under the or the Farmhand Supply Plan to any creditor other than Rabo, John Murphy, Linda Jo Murphy and/or Farmhand shall report the same in writing to Rabo; and

(8) John Murphy, Linda Jo Murphy and/or Farmhand shall pay all real estate taxes and personal property taxes on the Collateral when due.

(d) Release of Claim for Default Interest. Should John Murphy, Linda Murphy and Farmhand timely perform their respective obligations under this section 3.2 of the Plan and timely pay all amounts due and owing to Rabo on or before March 1, 2019, Rabo will then release its claims for default interest. So long as John Murphy, Linda Jo Murphy and Farmhand have not defaulted under this Plan, John Murphy, Linda Jo Murphy and/or Farmhand shall have a right to pay the Class 3 Allowed Secured Claim in full, without default interest, at any time prior to March 1, 2019. Upon receipt of payment in full, Rabo shall release its liens on the Collateral.

(e) Waiver of Redemption Rights. John Murphy, Linda Jo Murphy, James Murphy and Janet Murphy each waive his/her right of redemption as to any of the Real Estate on which Rabo forecloses.

(f) Default and Remedies.

(1) Farmhand Default. The failure to pay any payment required under section 3.2(a)(1) of this Plan within five calendar days following its scheduled due date shall constitute an immediate and automatic default for which no prior notice or opportunity to cure shall be due or given. Upon such default: (a) Rabo shall have the immediate right to access, take possession, remove and/or liquidate Rabo's collateral not used in the Murphy Debtors' farming operation, including inventory, equipment and accounts owned by or in the possession of Farmhand, John Murphy and/or Linda Jo Murphy (the "Farmhand Collateral") in its sole and absolute discretion; (b) Farmhand, John Murphy and Linda Jo Murphy shall cooperate in the assembling, voluntary surrender, turnover, removal and liquidation of the Farmhand Collateral; and (c) upon request of Rabo, Farmhand, John Murphy and Linda Jo Murphy will allow Rabo and its agents access to the collateral and the premises upon which the Farmhand Collateral is located. Should Rabo decide to liquidate the Farmhand Collateral on premises owned by John Murphy and Linda Jo Murphy, Rabo, John Murphy and Linda Jo Murphy shall negotiate an agreement pursuant to which Rabo will pay reasonable rent, utilities and other costs arising from the use of the premises for the liquidation of the Farmhand Collateral;

(2) Murphy Default. The failure to make any payment required under sections 3.2(a)(2) or 3.2(a)(3) when due shall constitute an immediate and automatic default for which no prior notice or opportunity to cure shall be due or given. Upon such default, Rabo shall have the immediate right to exercise its remedies under the Loan Documents or the Collateral Documents as applicable, including the right to foreclose on and/or take possession of, remove, and/or liquidate any and all of Rabo's collateral. Rabo shall have the right to credit bid at any foreclosure sale and the amount of a successful credit bid by Rabo shall be applied to reduce the Class 3 Allowed Secured Claims;

(3) Holcomb Sale Default. The failure to sell the Holcomb Property according to the procedures and timeline provided in section 3.2(a)(5) of this Plan shall constitute an immediate and automatic default for which no prior notice or opportunity to cure shall be due or given. Upon such default, Rabo shall have the immediate right: (a) to record the Stalking Horse Deed; or (b) foreclose on the Holcomb Property. Rabo shall have the right to credit bid at any foreclosure sale and the amount of a successful credit bid by Rabo shall be applied to reduce the Class 3 Allowed Secured Claims of Rabo;

(4) Reporting Defaults. The failure to provide a report, statement or information required under section 3.2(c) of the Plan shall constitute a default for which no prior notice shall be due or given. John Murphy, Linda Jo Murphy and/or Farmhand shall have five (5) business days to cure such default. If the default under section 3.2(c) is not timely cured, Rabo shall have the right to

exercise its remedies under the Loan Documents, the Collateral Documents or applicable law, including the right to foreclose on and/or take possession of, remove, and/or liquidate any and all of Rabo's collateral. Rabo shall have the right to credit bid at any foreclosure sale and the amount of a successful credit bid by Rabo shall be applied to reduce the Class 3 Allowed Secured Claims; and

(5) **Plan Defaults.** The failure of John Murphy, Linda Jo Murphy and/or Farmhand to timely pay or perform any obligation owed by John Murphy, Linda Jo Murphy and/or Farmhand to a creditor other than Rabo, and as to which John Murphy, Linda Jo Murphy and/or Farmhand do not formally dispute or contest in a court of law or cure the non-payment or non-performance within thirty (30) days of the failure to pay, or the receipt of a notice of default or demand for cure, shall constitute a default for which no prior notice shall be due or given. If the default is not timely cured, Rabo shall have the immediate right to exercise its remedies under the Loan Documents or the Collateral Documents as applicable, including the right to foreclose on and/or take possession of, remove, and/or liquidate any and all of Rabo's collateral. Rabo shall have the right to credit bid at any foreclosure sale and the amount of a successful credit bid by Rabo shall be applied to reduce the Class 3 Allowed Secured Claims.

(g) **Conditions Precedent.** As a condition to confirmation of this Plan, James Murphy and Janet Murphy shall each: (a) sign and have notarized the Stalking Horse Deed; and (b) agree in writing to the waiver of redemption rights.

(h) Upon payment of the Class 3 Allowed Secured Claims in full, as set out in section 3.2(a) above, Rabo shall release its interests in the Collateral in the ordinary course of its business and the Class 3 Allowed Secured Claims shall be shown as satisfied in the real estate records for Stoddard County and Dunklin County, Missouri.

(i) All defaults existing with regard to the Class 3 Allowed Secured Claims that occurred prior to the date of confirmation of this Plan shall be waived and deemed to be cured upon Confirmation.

(j) John Murphy, Linda Jo Murphy and/or Farmhand shall cause insurance coverage to be maintained on the Collateral in the same kind, quality, and coverage as it now has, to include theft, fire, storm and other casualty loss. John Murphy, Linda Jo Murphy and/or Farmhand shall continue to name the Class 3 creditor as "loss payee" as its interest may appear with the insurance carrier. John Murphy, Linda Jo Murphy and/or Farmhand shall properly maintain the Collateral in good condition reasonably satisfactory to Rabo. John Murphy, Linda Jo Murphy and/or Farmhand shall cooperate with and provide assistance to enable Rabo to inspect its Collateral at all reasonable times.

3.3 The Class 4 claim consists of the fully secured claim of Linhai Powersports. This claim is secured by the ATV's and UTV's in Debtor's inventory. The total principal owing is \$25,245. Debtor will pay this claim in full with the agreed contract interest rate by paying \$5,000 on or before November 1, 2017, \$5,000 on or before November 1, 2018, \$5,000 on or before November 1, 2019, and the balance of principal and interest on or before November 1, 2020.

3.4 Class 5 consists of the claims of the general unsecured creditors of Debtor whose claims are listed on Table 1A attached as an Exhibit to this Plan. These creditors are creditors of Debtor whose claims are also guaranteed by John and/or Linda Murphy, Debtors in pending bankruptcy case number 16-10684.

Allowed and approved claims of the Class 5 creditors will be paid as follows;

(a) Debtor will pay 10% of each Class 5 creditor's allowed and approved claims on May 15, 2018; another 10% on May 15, 2019, and another 10% on May 15 of 2020, 2021, 2022, 2023, 2024 and 2025, until eight total payments of 10% are made, totaling 80% of each Class 5 creditor's allowed and approved claim. As a condition prior to payment, Proofs of Claim by the Class 5 creditors shall be filed by August 31, 2017 and shall include a copy of documentation of the Farmhand debt by John Murphy and/or Linda Murphy.

(b) If Debtor does not pay any payment by the due date, Debtors John and/or Linda Murphy in case number 16-10684 will pay that payment within 60 days of receiving written notice to do so by such Class 5 creditor.

(c) Once payments totaling 80% of each of the allowed and approved claims have been paid, the Class 5 claims will be deemed to be satisfied.

3.5 Class 6 consists of the general unsecured claims. A table listing the unsecured claims and a listing of the approximate amounts claimed are shown on Table 1 attached. Class 6

claims will be paid by paying 80% of the total amount of the allowed and approved claim of each claimant as follows: 10% to each creditor being paid each year for the eight years starting with June 1, 2018 and then 10% or before June 1, 2019; 10% on or before June 1, 2020; 10% on or before June 1, 2021; and 10% on or before June 1, 2022, 2023, 2024 and 2025.. The Class 6 claims will be considered paid in full after all eight payments are made. As a condition prior to payment, Proofs of Claim by the Class 6 creditors shall be filed by August 31, 2017.

If Objections are filed to any Proof of Claims filed by a Class 5 or Class 6 creditor and such Objection has not been ruled upon when the first distribution to such Class 5 or Class 6 creditor is due, all distributions to those unsecured creditors shall be withheld and reserved until rulings become final and not subject to further appeal or review. At that time, all withheld distributions shall be paid as established by the resolutions between the conflicting parties or by rulings of the Court. Objections to presently filed Proofs of Claim will be filed by August 20, 2017. Objections to other Proofs of Claim will be filed by 30 days after the Proof of Claim is filed.

#### **ARTICLE IV**

##### **Means for Execution of the Plan**

4.0 Debtor will continue to operate its stores. Once the Plan is confirmed, Debtor will make payments as specified in the foregoing Article III of this Plan of Reorganization, subject to the terms of Article VII. At all times Debtor will continue to own, operate, use and possess all its property. Debtor shall be free to solicit additional capital investors after Confirmation, but said investor shall not be paid any share of profits or have his investment repaid if same would impair the ability of Debtor to meet the obligations as set out in this Plan.

John D. Murphy, managing member of Debtor, will continue to be the managing member of the Debtor following Confirmation.

This LLC has only been in business since 2013. In its early days, management wanted to grow the business, perhaps too quickly. Debtor had losses in 2013 and a very substantial loss in 2014. In part, that was caused by the expenditure of labor to make capital improvements on the store facilities to accommodate growth. Debtor's "wages expenses" were \$813,542 in 2014 and \$702,325 in 2015. Debtor reduced this substantially, down to \$498,080.17 in 2016.

Debtor is also now making a concentrated effort to sell unique, uncommon or slow-moving items on line. Debtor has operated at a profit for the period of the last ten months.

## **ARTICLE V**

### **Post Confirmation Operations**

5.0 All expenses of operation of the Debtor's business along with expenses of sales, if any, including professional services of accountants, lawyers, appraisers, realtors and others, shall be paid in the ordinary course of business from the proceeds of operations or from sale proceeds without the need for further Orders from this Court. Debtor shall be free to borrow money after Confirmation provided the repayment of said loan or loans will not impair the ability of Debtor to service the debts stated in this Plan.

Confirmation of this Plan shall operate in the same manner as an Order of Court permitting and approving the sale of real estate or the sale of property within the framework established in this Plan provided that the sale is also acceptable to the secured creditor involved. If no secured creditor is involved, no additional approval shall be necessary in order to sell or mortgage an unencumbered piece of property, if any, by Debtor as it utilizes its best judgment and discretion in the operation of the business.

## **ARTICLE VI**

### **Miscellaneous**

6.0 All fees payable under 28 U.S.C. Section 1930, as may be determined by the Court at Confirmation, shall be paid in full on the Confirmation date.

6.1 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 serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open. The monthly financial report shall include the following:

- (1) a statement of all disbursements made during the course of the month, whether or not pursuant to the Plan;
- (2) a summary, by class, of amounts distributed or property transferred to each recipient under the Plan and an explanation of the failure to make any distributions or transfers of property under the Plan;
- (3) Debtor's projections as to its continuing ability to comply with the terms of the Plan;
- (4) a description of any other factors which may materially affect the Debtors' ability to consummate the Plan; and
- (5) an estimated date when an application for final decree will be filed with the court (in the case of the final monthly report, the date the decree was filed).

6.2 All executory contracts of Debtor shall be accepted except those specifically rejected in this Plan. Specifically, Debtor is rejecting its lease of 518 S. Walnut Street from John and Linda Murphy. All other executory contracts are hereby accepted. See Table 2 for a description of all the leases.



6.3 Debtor is not aware of any preferences or avoidance actions that should be pursued and, accordingly, does not intend to pursue any. Debtor will file Objections, if any, to presently filed Proofs of Claim by August 20, 2017, and will file objections to subsequently filed claims by 30 days after the Proof of Claim is filed.

## **ARTICLE VII**

### **Discharge of the Debtor**

7.0 The effect of Confirmation on Debtor and its creditors shall be as set out in 11 USC Section 1141, except as otherwise specifically set out in this Plan. All secured creditors shall retain their liens on property of the Debtor until the obligations of the Debtor set out in the Plan are fully satisfied. Upon Confirmation, Debtor will be discharged of its pre-petition debts but still have an obligation to pay all debts as described in this Plan.

## **ARTICLE VIII**

### **Modification**

8.0 This Plan may be modified pursuant to 11 U.S.C. Section 1127 and as herein provided. The Plan may be modified, before or after Confirmation, without notice or hearing, or on such notice or hearing as the Court deems appropriate if the Court finds that the modification does not materially and adversely affect the rights of interested parties which have not had notice and an opportunity to be heard with regard thereto. Without limiting the generality of the foregoing, the Plan may be modified after notice to all parties and a hearing.

8.1 In the event of any modification on or before Confirmation, any votes in favor of the Plan shall be deemed to be votes in favor of the Plan as modified unless the Court finds that the modification materially and adversely affects the rights of parties in interest which have cast said votes.

**ARTICLE IX**

**Retention of Jurisdiction**

9.0 The Court's retention of jurisdiction after Confirmation of the Plan shall be restricted and limited as follows:

(a) to hear and determine any disputed claims, to liquidate damages in connection with contingent or unliquidated claims, to determine the validity and amount of compensation and claims by Class 1 claimants and to enforce all causes of action which may exist on behalf of Debtor;

(b) to adjudicate all claims to a security interest in any property of the Debtor or in any proceeds thereof;

(c) to adjudicate the correct amount of any disputed claims;

(d) to adjudicate all claims or controversies arising out of any purchases, sales or contracts made or undertaken by Debtor during the pendency of this Reorganization Case;

(e) the modification of this Plan after Confirmation;

(f) the correction of any defect, the curing of any omission or the reconciliation of any inconsistency in this Plan or the Order of Confirmation as may be necessary to carry out the purposes and intent of this Plan;

(g) to interpret and construe the terms of this Plan; and

(h) entry of an Order concluding and terminating this bankruptcy case.

9.1 Nothing herein contained shall prevent the reorganized Debtor from taking such actions as may be necessary in the enforcement of any cause of action which may exist on behalf of Debtor and which may not previously have been enforced or prosecuted by Debtor.

Dated at Cape Girardeau, Missouri this 30th day of August, 2017.

THE LIMBAUGH FIRM  
407 N. Kingshighway #400, P.O. Box 1150  
Cape Girardeau, MO 63702-1150  
Telephone: (573) 335-3316  
Facsimile: (573) 335-0621  
mpayne@limbaughlaw.com

By /s/ J. Michael Payne  
J. Michael Payne #28733MO

ATTORNEYS FOR DEBTOR

FARMHAND SUPPLY, LLC

By: /s/John D. Murphy  
John D. Murphy  
Managing Member

**CERTIFICATE OF SERVICE**

I hereby certify that on August 30, 2017, a true and correct copy of the foregoing Fifth Amended Plan of Reorganization was electronically filed with the Court using the CM/ECF system which sent notification to all parties of interest listed below participating in the CM/ECF system, or by United States Mail to all creditors and parties in interest listed below not receiving electronic notice:

Erin M. Edelman on behalf of Interested Party Rabo AgriFinance LLC  
eedelman@armstrongteasdale.com, oharmon@armstrongteasdale.com

David L. Going on behalf of Interested Party Rabo AgriFinance LLC  
dgoing@armstrongteasdale.com, oharmon@armstrongteasdale.com,  
jroper@armstrongteasdale.com

Leonora S. Long on behalf of U.S. Trustee Office of US Trustee  
leonora.long@usdoj.gov

Office of US Trustee  
USTPRegion13.SL.ECF@USDOJ.gov

John T.M. Whiteman on behalf of Creditor Missouri Department of Revenue  
edmoecf@dor.mo.gov

Theodore Eftink  
102 S Interstate Drive  
Sikeston, MO 63801

/s/J. Michael Payne

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