UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

1220 SOUTH OCEAN BOULEVARD LLC,

Debtor.
_____/

CASE NO. 12-32609-BKC-EPK
CHAPTER 11

DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION BY DEBTOR 1220 SOUTH OCEAN BOULEVARD LLC

January 21, 2013

Kenneth S. Rappaport, Esq.
Tarek Kiem, Esq.
RAPPAPORT OSBORNE & RAPPAPORT, P.L.
1300 N. Federal Highway, Suite 203
Boca Raton, Florida 33432
Telephone: (561) 368-2200
Facsimile: (561) 338-0350
Email: rappaport@kennethrappaportlawoffice.com

ATTORNEYS FOR THE DEBTOR

TABLE OF CONTENTS

I. INTRODUCTION
A. Overview of the Plan
B. Voting Instructions
II. THE CHAPTER 11 CASE
A. Background of the Debtor
B. Commencement and Development of the Chapter 11 Case
C. Retained Professionals
D. Retained Professionals
III. CHAPTER 11 PLAN
A. Unclassified Claims
1. Allowed Administrative Claims
a. Ordinary Course Claims
b. Professional Fees and Expense Claims
2. United States Trustee Fees
3. Priority Tax Claims and Other Priority Claims
B. Treatment of Claims and Interests
1 Class 1 - Allowed Secured Claim of TD Bank
2 Class 2 – Allowed Secured Claims of New Providence
3 Class 3 – Allowed Secured Claim of Taxing Authority
4 Class 4 – Allowed General Unsecured Claims
5 Class 5 – Allowed Equity Interests
C. Distributions Under the Plan
D. Distributions Withheld for Disputed Claims
(a) Establishment and Maintenance of Reserve
(b) Property Held in Disputed Claims Reserve
(c) Distributions Upon Allowance of Disputed Claims
(d) Surplus Distributions to Holders of Allowed Claims
(e) Expenses of Disputed Claims Reserve
E. Procedures for Allowance or Disallowance of Disputed Claims
(a) Objections to and Resolution of Administrative Claims
(b) No Distribution Pending Allowance
F. Plan Administration
G. Disbursing Agent
H. Estimations of Claims
I. No Recourse
J. Amendments to Claims
K. Post Petition Interest on Claims
L. Unclaimed Funds
IV. EXECUTORY CONTRACTS AND UNEXPIRED LEASES
1 Assumption or Rejection of Executory Contracts and Unexpired Leases

(a) Executory Contracts and Unexpired Leases
(b) Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases
2 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan
3 Indemnification Obligations
V. MEANS FOR IMPLEMENTATIONAND EFFECT OF CONFIRMATION OF PLAN
1 General
2 Vesting of Assets
3 Corporate Action
4 Funding
5 Approval of Agreements
6 Effectiveness of Instruments and Agreements
7 Continued Limited Liability Company Existence
8 Term of Bankruptcy Injunction or Stays
9 Causes of Action
10 Injunction Against Interference with the Plan
11 General Release of Third Parties
12 The Private Sale
13 The Auction
14 The Reorganized Debtor
15 The Discharge of Debtor
VI. RETENTION OF JURISDICTION
VII. CONFIRMATION OF THE PLAN
A. Confirmation Hearing
B. Confirmation Standards
C. Best Interests Test and Liquidation Analysis
VIII. ALTERNATIVES TO THE PLAN

EXHIBIT INDEX

EXHIBIT A: Chapter 11 Plan of Reorganization

EXHIBIT B: Liquidation Analysis

DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION BY DEBTOR 1220 SOUTH OCEAN BOULEVARD LLC

THE DEBTOR RESERVES THE RIGHT TO AMEND OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT AT OR BEFORE THE CONFIRMATION HEARING.

I. INTRODUCTION

1220 South Ocean Boulevard LLC (the "Debtor") provides this Disclosure Statement (the "Disclosure Statement") to all of the Debtor's creditors and equity interest holders of the Debtor in order to permit such creditors and equity interest holders to make an informed decision in voting to accept or reject the chapter 11 plan of reorganization proposed by the Debtor (the "Plan"), which was filed on January 21, 2013 with the United States Bankruptcy Court for the Southern District of Florida (the "Bankruptcy Court") in connection with the above-captioned case (the "Chapter 11 Case"). A copy of the Plan accompanies this Disclosure Statement. Capitalized terms used herein, but not otherwise defined, have the meanings assigned to such terms in the Plan. Whenever the words "include," "includes" or "including" are used in this Disclosure Statement, they are deemed to be followed by the words "without limitation."

The Disclosure Statement is presented to certain holders of Claims against or Equity Interests in the Debtor in accordance with the requirements of section 1125 of the United States Bankruptcy Code, 11 U.S.C. §§ 101–1330 (the "Bankruptcy Code"). Section 1125 of the Bankruptcy Code requires that a disclosure statement provide information sufficient to enable a hypothetical and reasonable investor, typical of the Debtor's creditors and stockholders, to make an informed judgment whether to accept or reject the Plan. The Disclosure Statement may not be relied upon for any purpose other than that described above.

THE DISCLOSURE STATEMENT AND PLAN ONLY APPLY TO THE CREDITORS AND EQUITY INTERESTS OF 1220 SOUTH OCEAN BOULEVARD LLC

THE DISCLOSURE STATEMENT AND THE PLAN ARE AN INTEGRAL PACKAGE, AND THEY MUST BE CONSIDERED TOGETHER FOR THE READER TO BE ADEQUATELY INFORMED. THIS INTRODUCTION IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN.

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THE

DISCLOSURE STATEMENT AND ITS EXHIBITS SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR, WHO WILL IN TURN DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ANY EXHIBITS CONCERNING THE FINANCIAL CONDITION OF THE DEBTOR AND THE OTHER INFORMATION CONTAINED HEREIN, HAS NOT BEEN SUBJECT TO AN AUDIT OR INDEPENDENT REVIEW EXCEPT AS EXPRESSLY SET FORTH HEREIN. ACCORDINGLY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONCERNING THE DEBTOR OR ITS FINANCIAL CONDITION IS ACCURATE OR COMPLETE. THE PROJECTED INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY, AND, BECAUSE OF THE UNCERTAINTY AND RISK FACTORS INVOLVED, THE DEBTOR'S ACTUAL RESULTS MAY NOT BE AS PROJECTED HEREIN.

ALTHOUGH AN EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS IS CORRECT. THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. EACH CREDITOR AND STOCKHOLDER IS STRONGLY URGED TO REVIEW THE PLAN PRIOR TO VOTING ON IT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH SINCE THE DATE OF THE DISCLOSURE STATEMENT.

A STATEMENT OF THE ASSETS AND LIABILITIES OF THE DEBTOR AS OF THE DATE OF THE COMMENCEMENT OF THE CHAPTER 11 CASE IS ON FILE WITH THE CLERK OF THE BANKRUPTCY COURT AND MAY BE INSPECTED BY INTERESTED PARTIES DURING REGULAR BUSINESS HOURS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST OR INTERESTS IN THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT WILL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN. EACH CREDITOR SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISERS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Pursuant to the Bankruptcy Code, the Plan was filed with the Bankruptcy Court on January 21, 2013 and this Disclosure Statement was filed thereafter. The Bankruptcy Court will schedule a hearing on approval of this Disclosure Statement and on confirmation of the Plan (the "**Confirmation Hearing**") to be held at the United States Bankruptcy Court for the Southern District of Florida, Flagler Waterview Building, 1515 North Flagler Drive, 8th Floor, Courtroom B, West Palm Beach, Florida 33401. At the Confirmation Hearing, the Bankruptcy Court will consider whether this Disclosure Statement and the Plan satisfy the requirements of the Bankruptcy Code, including whether the Plan is in the best interests of the claimants.

To obtain, at your cost, additional copies of this Disclosure Statement or of the Plan, please contact Rappaport Osborne & Rappaport, P.L., 1300 N. Federal Highway, Suite 203, Boca Raton, Florida 33432, Phone: (561) 368-2200, Facsimile: (561) 338-0350.

A. Overview of the Plan

THE FOLLOWING IS A BRIEF SUMMARY OF THE TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY AND IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN AND THE PLAN DOCUMENTS. CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN SECTION III OF THIS DISCLOSURE STATEMENT AND THE PLAN ITSELF. THE PLAN IS ATTACHED AS EXHIBIT A TO THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS.

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. The fundamental purpose of a chapter 11 case is to formulate a plan to restructure a debtor's finances so as to maximize recoveries to its creditors. With this purpose in mind, businesses sometimes use chapter 11 as a means to conduct asset sales and other forms of liquidation. Whether the aim is reorganization or liquidation, a chapter 11 plan sets forth and governs the treatment and rights to be afforded to

creditors and stockholders with respect to their claims against and equity interests in a debtor's bankruptcy estate.

The Plan divides the Claims against and Equity Interests in the Debtor into Classes. Certain Claims, in particular, Administrative Claims, remain unclassified in accordance with section 1123(a)(1) of the Bankruptcy Code. The Plan assigns all other Claims and Interests as described below and as defined in the Plan.

Class	Description	Approximate Amount Asserted	Estimated Allowed Amount[1]	Estimated Recovery (Private Sale)	Estimated Recovery (Auction)	Status
N/A	Administrative Claims	$805,000[2]	$805,000	$805,000	$805,000	Un-classified and not entitled to vote
N/A	Allowed Priority Tax Claims	$0	$0	$0	$0	Un-classified and not entitled to vote
1	Allowed Secured Claim of TD Bank	$22,930,391.11	$21,234,571.66	$21,234,571.66	$21,234,571.66	Not Impaired
2	Allowed Secured Claims of New Providence	$7,342,418.08	$6,332,692.25	$6,332,692.25	$6,332,692.25	Not Impaired
3	Allowed Secured Claim of Taxing Authority	$345,659.76	$345,659.76	$345,659.76	$345,659.76	Not Impaired
4	Allowed General Unsecured Claims	$22,502,494	$22,502,494	$22,502,494	$22,502,494	Impaired
5	Allowed Equity Interests	Unknown	Unknown	Unknown	Unknown	Impaired, Insider
Total		$53,420,962.95	$50,709,417.67	$50,709,417.67	$50,709,417.67	

[1] Allowed claims figures herein does not include interest, other charges or fees, which may ultimately be allowed and paid in full by the Debtor.

[2] Rappaport Osborne and Rappaport, PL approximately $300,000 (of which approximately $75,000 was received as a retainer), Kaufman Rossin & Co, PA, approximately $25,000, other administrative expense for maintenance fees through sale date in December 2013 (at approximately $30,000 per month) approximately $480,000.

B. Voting Instructions

The Bankruptcy Code entitles only holders of Impaired Claims or Equity Interests who receive some distribution under a proposed plan to vote to accept or reject that plan. Holders of Claims or Equity Interests that are Unimpaired under a proposed plan are conclusively presumed to have accepted that plan and are not entitled to vote on it. Holders of classes of Claims or Equity Interests that will receive no distributions under a proposed plan are conclusively presumed to reject that plan and, therefore, also not entitled to vote on it.

An Impaired Class of Claims will have accepted the Plan if (i) the holders of at least two-thirds in amount of the Allowed Claims actually voting in the Class have voted to accept the Plan, and (ii) the holders of more than one-half in number of the Allowed Claims actually voting in the Class voted to accept the Plan, not counting the vote of any holder designated under section 1126(e) of the Bankruptcy Code or any insider. A vote may be disregarded if the Court determines, after notice and a hearing, that acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Code.

Each holder of an Allowed Claim or Equity Interest in an Impaired Class of Claims or Equity Interests that is entitled to vote on the Plan pursuant to the Code shall be entitled to vote separately to accept or reject the Plan as provided in such order as may be entered by the Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan, or any other order or orders of the Court. Each holder of a Claim or Equity Interest entitled to vote on the Plan will be asked to complete a Ballot. Holders of Claims valued at an unknown amount, and holders of Disputed Claims, shall not be entitled to vote on the Plan, unless otherwise provided for in the Plan.

II. THE CHAPTER 11 CASE

A. Background of the Debtor

The Debtor is in the business of developing real property, and property and construction management as it relates to the Estate Home. As of the Petition Date, the Debtor owned the Estate Home, which is located on the Island of Palm Beach. It was completed in 2011 and is located along “Billionaire’s Row,” on 2.5 acres, in over 20,000 square feet of living with an additional 7,000 square feet of patios, garages, and guest house. The Estate Home has 9 bedrooms, 17 bathrooms, and 5 garages. It is currently listed for sale at $74 million.

The Debtor is owned 100% by 1220 South Ocean Boulevard Holdings, LLC. As of the Petition Date, Dan Swanson was the manager for the Debtor and its owner, 1220 South Ocean Boulevard Holdings, LLC.

B. Commencement and Development of the Chapter 11 Case

The Debtor initiated this case in order to restructure its secured debts, obtain a greater distribution for its creditors, and perhaps make a return to its owner. The Debtor has the following Secured Creditors: TD Bank and New Providence. The total secured debt was approximately $27.8 million as of the Petition Date. TD Bank holds a first mortgage on the Estate Home with a loan balance as of the Petition Date of approximately $21.2 million. New Providence holds a second mortgage on the Estate Home with a loan balance as of the Petition Date of approximately $5.3 million. New Providence also holds a third mortgage on the property with a loan balance as of the Petition Date of approximately $1 million. The real estate taxes that will be owed on the Estate Home is for 2012 in the approximate amount of $345,659.76. As such, the total secured claims are approximately $28.15 million.

The Debtor has the Estate Home listed at $74 million with real estate broker James L. McCann of Corcoran Group Palm Beach. In December 2011, the Debtor obtained an appraisal of the Estate Home, which found the market value to be between approximately $65.4 million and from a cost replacement approach $69.7 million. In November 2012, TD Bank also obtained an appraisal of the Estate Home, which found the value to be between approximately $48 million and from a cost replacement approach $62 million. Finally, in January 2013, the Debtor obtained another appraisal, which found the market value of the Estate Home to be between approximately $67 million and from a cost replacement approach $74 million.

Under the Plan, the Debtor intends to sell the Estate Home by Private Sale, pursuant to 11 U.S.C. §363, free and clear of all liens and other interest, with such liens and other interests being paid 100% of their Allowed Claim from the proceeds of sale. The Debtor will continue to market for sale the Estate Home through its Real Estate Broker, with the goal of obtaining a bona fide contract for sale on the Estate Home on or before December 2, 2013, and closing on and thereby effectuating a Private Sale prior to the date set for the Auction.

If the Debtor is unable to effectuate a Private Sale prior to the Auction, then the Estate Home will be sold by Auction on December 16, 2013, pursuant to 11 U.S.C. §363, free and clear of all liens and other interest, with such liens and other interests being paid 100% of their Allowed Claim from the proceeds of sale.

C. Retained Professionals

The Bankruptcy Court authorized the Debtor to retain certain professionals in connection with the Chapter 11 Case. Specifically, the Debtor retained, and the Bankruptcy Court approved the retention of: i) Rappaport Osborne & Rappaport PL ("ROR"), as general bankruptcy counsel, Kaufman, Rossin & Co., P.A. as an accountant, and iii) James L. McCann of Corcoran Group Palm Beach., as real estate broker (the "Real Estate Broker").

D. The Claims Process

The Bankruptcy Code provides a procedure for all persons who believe they have a claim against a debtor to assert such claims, so that such claimant can receive distributions from the debtor's bankruptcy case. The bankruptcy court establishes a "bar date" – a date by which creditors must file their claims, or else such creditors will not participate in the bankruptcy case or any distribution. After the filing of all claims, the debtor evaluates such claims and can raise objections to them. These claims objections allow the debtor to minimize claims against it, and thereby maximize the recovery to creditors.

The Bankruptcy Court established the deadline for filing proofs of Claims or Equity Interests against the Debtor, other than claims of governmental units and Administrative Claims, as December 20, 2012 (the "Claims Bar Date").

The Debtor has been reviewing and analyzing Claims on an ongoing basis as part of the claims reconciliation process. To date, 6 proofs of claim have been asserted in the chapter 11 Case. Nonetheless, the actual ultimate aggregate amount of Allowed Claims may differ significantly from the amounts used for the purposes of Debtor's estimates. Accordingly, the distribution amount that will ultimately be received by any particular holder of an Allowed Claim may be adversely affected by the outcome of the claims resolution process.

III. CHAPTER 11 PLAN

THE FOLLOWING IS A BRIEF SUMMARY OF CERTAIN OF THE MORE SIGNIFICANT MATTERS CONTEMPLATED BY OR IN CONNECTION WITH THE CONFIRMATION OF THE PLAN. THUS, THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT A. THIS SUMMARY ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF THE PLAN. CONSIDERATION OF THIS SUMMARY WILL NOT, NOR IS IT INTENDED TO, YIELD A THOROUGH UNDERSTANDING OF THE PLAN. SUCH CONSIDERATION IS NOT A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO REVIEW THE PLAN CAREFULLY. THE PLAN, IF CONFIRMED, WILL BE BINDING ON THE DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. Unclassified Claims

1. Allowed Administrative Claims

a. Ordinary Course Claims

Allowed Administrative Claims representing liabilities incurred in the ordinary course of business by the Debtor shall be paid in full and performed by the

Debtor in the ordinary course of business consistent with past practices and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions, including any prior Court orders. Notwithstanding anything herein to the contrary, all ordinary course of business expenses, including the funds lent by the Swansons to the Debtor Post-Petition to maintain the Estate Home, shall be paid in full on the Confirmation Date except for the Swansons Claim, which shall be paid on the Effective Date from the proceeds of the Private Sale and or Auction.

b. Professional Fees and Expense Claims

Compensation of professionals and reimbursement of expenses incurred by professionals are Administrative Claims pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4) and 503(b)(5) of the Code (the "Professional Fees and Expenses Claims"). All payments to Professionals for Professional Fees and Expenses Claims will be made in accordance with the procedures established by the Code, the Rules and the Court relating to the payment of interim and final compensation for services rendered and reimbursement of expenses. The Court will review and determine all applications for compensation for services rendered and reimbursement of expenses.

All entities seeking an award by the Court of Professional Fees and Expenses shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date pursuant to section 330 of the Code and Rule 2016 by the date that is fifteen (15) days after the Effective Date or such other date as may be fixed by the Court.

The time for filing objections to applications for the allowance and payment of Professional Fees and Expenses, and the date and time for a hearing in respect of such applications and the related objections, if any, shall be set forth in the Confirmation Order or other order of the Court.

Notwithstanding anything herein to the contrary, all Professional Fees and Expenses that are awarded by the Court shall become Allowed Administrative Claims and shall be paid in full on the Confirmation Date.

2. United States Trustee Fees

The Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) through Confirmation on the Effective Date. The Debtor shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) every quarter, until the earlier of the entry of a Final Decree by the Court, or an order of this Court dismissing this Case, or converting this Case to another chapter under the Code. The Debtor shall file with the Court post confirmation operating reports until the Court enters a Final Decree, dismisses the Case, or converts the Case to another chapter in bankruptcy. The foregoing fees shall be paid in full on the Confirmation Date.

3. Priority Tax Claims and Other Priority Claims

Except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall be paid in the in accordance with Section 1129(a)(9)(C)(ii) and (D) of the Bankruptcy Code, One Hundred Percent (100%) of the Allowed amount of the Claim over a period ending not later than five (5) years after the Petition Date. With regards to other allowed priority claims, said claims shall be paid in full on the Effective Date from the proceeds of the Private Sale and or Auction.

B. Treatment of Claims and Interests

1 <u>Class 1 - Allowed Secured Claim of TD Bank</u>

(a) <u>Description</u>. Class 1 consists of the Allowed Secured Claim of TD Bank with an approximate claim amount of $22,930,391.11 as detailed in its Proof of Claim No. 2.

(b) <u>Treatment</u>. On the Effective Date, to the extent the Proof of Claim filed by TD Bank is allowed, said Allowed Claim shall be paid in full from the proceeds of the Private Sale and or Auction.

(c) <u>Impairment</u>. The Class 1 Claims are not Impaired (as defined under 11 U.S.C. §1124) and are not entitled to vote to accept or reject the Plan.

2 <u>Class 2 – Allowed Secured Claims of New Providence</u>

(a) <u>Description</u>. Class 2 consists of the Allowed Secured Claims of New Providence with a total approximate amount of $7,342,418.08, as detailed in Proof of Claims Nos. 3 and 4.

(b) <u>Treatment</u>. On the Effective Date, to the extent the Proof of Claims filed by New Providence are allowed, said Allowed Claims shall be paid in full from the proceeds of the Private Sale and or Auction.

(c) Impairment. The Class 2 Claims are not Impaired (as defined under 11 U.S.C. §1124) and are not entitled to vote to accept or reject the Plan.

3 Class 3 – Allowed Secured Claim of Taxing Authority

(a) Description. Class 3 consists of the Allowed Secured Claims of Taxing Authority. The Debtor anticipates that the Class 3 claims will be from the Palm Beach County Tax Collector relating to the 2012 real estate taxes in the approximate amount of $345,659.76.

(b) Treatment. On the Effective Date, the Allowed Secured Claims of any Taxing Authority shall be paid in full from the proceeds of the Private Sale and or Auction.

(c) Impairment. The Class 3 Claims are not Impaired (as defined under 11 U.S.C. §1124) and are not entitled to vote to accept or reject the Plan.

4 Class 4 – Allowed General Unsecured Claims

(a) Description. Class 4 consists of the Allowed General Unsecured Claims. More specifically, Proof of Claim No. 1 filed by the Internal Revenue Service in the amount of $4,780, Mitchell B. Kirschner, P.A.in the amount of $17,735.00, Kaufman Rossin & Co PA in the amount of $6,000 (this claim was waived as part of claimant being retained as Debtor's bankruptcy accountant), Proof of Claim No. 5 filed by 1220 South Ocean Boulevard Corp. in the amount of $14,000,000.00 and Proof of Claim No. 6 filed by Dan Swanson and Karen Swanson in the amount of $8,473,979.00 The Debtor anticipates that the total amount of Class 4 claims, , would be approximately $22,502,494.00, of which $28,515 are non-Insider Claims and $22,473,979.00 are Insider Claims..

(b) Treatment. On the Effective Date, the Allowed General Unsecured Claims shall be paid in full, without interest, from the proceeds of the Private Sale and or Auction. Payment on the Insider Claims shall be subordinated to all other Claims in this class.

(c) Impairment. The Class 4 Claims are Impaired and are entitled to vote to accept or reject the Plan.

5 Class 5 – Allowed Equity Interests

(a) Description. Class 5 consists of the Allowed Equity Interests. Equity Interests consist of any share of preferred stock, common stock or other instrument evidencing an ownership interest in the Debtor, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest.

(b) Treatment. On the Effective Date, all Allowed Equity Interests in the Debtor shall continue in existence. However, there shall be no distribution on Allowed Equity Interests.

(c) Impairment. The Class 5 Claims are Impaired but are not entitled to vote to accept or reject the Plan.

C. Distributions Under the Plan

(a) Subject to Rule 9010, and except as otherwise provided in the Plan, all distributions under the Plan shall be made by the Debtor through the Disbursing Agent (defined herein) at the address listed on the Schedules and/or Proof of Claim as of the Effective Date, unless the Debtor has been notified in writing of a change of address, including by the filing of a proof of Claim by such Creditor that provides an address different from the address reflected on the Schedules.

(b) Any payment of Cash made by the Disbursing Agent pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer.

(c) Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(d) No payment of Cash less than One Hundred 00/100 Dollars ($100.00) shall be made by Disbursing Agent to any holder of a Claim unless a request therefor is made in writing to the Debtor, or unless the Distribution is a final Distribution.

(f) When any Distribution on account of an Allowed Claim pursuant to the Plan would otherwise result in a Distribution that is not a whole number, the actual distribution shall be rounded as follows: fractions of ½ or greater shall be rounded to the next higher whole number and fractions of less than ½ shall be rounded to the next lower whole number. Cash to be distributed pursuant to the Plan shall be adjusted as necessary to account for the rounding provided in the Plan.

(g) Any distribution of Cash or other property under the Plan that is unclaimed for a period of six (6) months after the Distribution Date shall constitute Unclaimed Funds and any entitlement of any holder of any Claim to such distributions shall be extinguished and forever barred.

(h) At the close of business one Business Day before the Effective Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Debtor shall have no obligation to recognize any transfer of any Claims occurring after the Effective Date; *provided, however,* that the foregoing will not be deemed to prohibit the sale or transfer of any Claim subsequent to the Effective Date and prior to the Effective Date. The Debtor shall instead be entitled to recognize and deal for all purposes under the Plan with only those record holders as of the close of business one day before the Effective Date.

D. Distributions Withheld for Disputed Claims

(a) Establishment and Maintenance of Reserve

The Debtor shall reserve from the Distributions to be made to the holders of Allowed Claims, an amount equal to One Hundred Percent (100%) of the Distributions to which holders of Disputed Claims would be entitled under the Plan as of such dates if such Disputed Claims were Allowed Claims in their Disputed Claim Amounts, or as estimated by the Debtor or the Court in accordance with the Plan (the "Disputed Claims Reserve").

(b) Property Held in Disputed Claims Reserve

Cash in the Disputed Claims Reserve shall (together with all dividends or other accretions or distributions thereon) be held in trust by the Debtor's Disbursing Agent for the benefit of the potential recipients of such Cash, and shall not constitute property of the Debtor.

(c) Distributions Upon Allowance of Disputed Claims

The holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Distribution Date shall receive distributions of Cash and any other consideration from the Disputed Claims Reserve from Debtor's Disbursing Agent within ninety (90) days following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such Distributions shall be made in accordance with the Plan.

(d) Surplus Distributions to Holders of Allowed Claims

To the extent that a Disputed Claim is not Allowed or becomes an Allowed Claim in an amount less than the Disputed Claim Amount, the excess of Cash and any other consideration in the Disputed Claims Reserve over the amount of Cash and any other consideration actually distributed on account of such Disputed Claim shall be distributed to Class 5 Pro Rata.

(e) Expenses of Disputed Claims Reserve

Except as otherwise ordered by the Court, the amount of any reasonable expenses incurred by the Debtor on or after the Effective Date with respect to the Disputed Claims Reserve shall be paid by the Debtor.

E. Procedures for Allowance or Disallowance of Disputed Claims

(a) Objections to and Resolution of Administrative Claims

Except as to applications for the allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Code, the Debtor shall have the exclusive right to make and file objections to Administrative Claims. All objections shall

be litigated to Final Order; *provided, however*, that the Debtor shall have the authority to compromise, settle, otherwise resolve or withdraw any of their objections without approval of the Court. The Debtor reserves the right to object to Administrative Claims as such claims arise in the ordinary course of business. The Debtor shall bear all costs and expenses relating to the investigation and prosecution of Disputed Claims.

(b) **No Distribution Pending Allowance**

Notwithstanding any other provision of the Plan, if any portion of a Claim is disputed, the full amount of such Claim shall be treated as a Disputed Claim for purposes of this Plan, and no payment or Distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim or Allowed Equity Interest (in whole or in part).

F. Plan Administration

The Debtor through its Disbursing Agent shall make all disbursements of distributions to holders of Allowed Claims in accordance with the terms of the Plan. The Debtor's Disbursing Agent shall hold all reserves pursuant to the Plan.

After the confirmation of the Plan, the payment of the fees and expenses of the Debtor's Professionals shall continue to be made in accordance with the procedures established by the Code, the Rules and the Court relating to the payment of interim and final compensation for services rendered and reimbursement of expenses. The Court will review and determine all applications for compensation for services rendered and reimbursement of expenses.

All entities seeking an award by the Court of Professional Fees and Expenses incurred post-confirmation shall file their respective applications for allowance of compensation for services rendered and reimbursement of expenses pursuant to section 330 of the Code and Rule 2016.

Distributions to any holder of an Allowed Claim will be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest (but solely to the extent that interest is an allowable portion of such Allowed Claim pursuant to the Plan or otherwise). All payments will be made in accordance with the priorities established in the Bankruptcy Code unless otherwise provided in the Plan or agreed to with the payee.

G. Disbursing Agent

The Debtor's bankruptcy counsel, Rappaport Osborne & Rappaport, P.L., will act as disbursing agent ("Disbursing Agent") under the Plan with respect to the initial Distributions. Distributions under and Private Sale will be made by the Closing Agent of the Debtor's choosing or the Auctioneer (also of the Debtor's choosing) under Auction.

The Disbursing Agent shall hold all reserves pursuant to the Plan, including the Disputed Claims Reserve.

H. Estimations of Claims

For purposes of calculating and making Distributions under the Plan, any Claimholder with a Disputed Claim is not entitled to vote on the Plan unless said Claimholder has its Claim estimated by the Court. The Debtor may at any time request that the Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Code or otherwise regardless of whether the Debtor previously objected to such Claim or whether the Court has ruled on any such objection, and the Court will retain jurisdiction to estimate any Claim at any time during litigation concerning such objection to any claim, including without limitation, during the pendency of any appeal relating to any such objection. In the event that the Court estimates any contingent or unliquidated claim, the amount so estimated shall constitute either the Allowed Amount of such Claim or a maximum limitation on the amount of such Claim, as determined by the Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtor may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation, and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

I. No Recourse

Notwithstanding that the Allowed Amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Code and Rules, or is Allowed in an amount for which after application of the payment priorities established by the Plan there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims in the respective Class, no Claimholder shall have recourse against the Disbursing Agent, Debtor, or any of their respective professionals, consultants, officers, directors or Affiliates or their respective successors or assigns, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Code.

J. Amendments to Claims

A Claim may be amended after the Claims Bar Date and prior to the Confirmation Date only as permitted by the Court, the Rules or applicable law. After the Confirmation Date, a Claim may not be amended without the authorization of the Court. Any amendment to a Claim filed after the Confirmation Date shall be deemed disallowed in full and expunged without any action by the Debtor or Estate unless the Claim holder has obtained prior Court authorization for the filing of such amendment.

K. Post Petition Interest on Claims

Unless expressly provided in the Plan, the Confirmation Order, or any contract, instrument, release, settlement, or other agreement entered into in connection with the Plan or required by applicable law, Post-Petition Interest shall not accrue on or after the Petition Date on account of any Claim.

L. Unclaimed Funds

Any funds unclaimed for the period described in paragraph 6.02(g) above shall be forfeited by the holder and will be re-deposited in the Disbursing Agent's account to be paid over Pro Rata to Class 4 Creditors pursuant to Local Rule 3011-1(B)(2).

IV. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1 Assumption or Rejection of Executory Contracts and Unexpired Leases

(a) Executory Contracts and Unexpired Leases

The Code grants the Debtor the power, subject to the approval of the Court, to assume or reject Executory Contracts and unexpired leases. If an Executory Contract or unexpired lease is rejected, the other party to the agreement may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, such damage claims are subject to certain limitations imposed by the Code.

Pursuant to sections 365(a) and 1123(b)(2) of the Code, all Executory Contracts and unexpired leases between the Debtor and any Person shall be deemed rejected as of the date of the Confirmation Order, except for any Executory Contract or unexpired lease (i) which previously has been assumed or rejected pursuant to an order of the Court entered prior to the entry of the Confirmation Order, or (ii) as to which a motion for approval of the assumption or rejection of such Executory Contract or unexpired lease has been filed and served prior to the Confirmation Order.

(b) Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases

Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the assumption of the executory contracts and unexpired leases assumed pursuant to Article VII of the Plan and (ii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to the Plan.

2 Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan

Claims arising out of the rejection of an Executory Contract or unexpired lease pursuant to the Plan must be filed with the Court and/or served upon the Debtor or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such Executory Contract or unexpired lease, and (ii) notice of entry of the Confirmation Order. Any Claim not filed within such time will be forever barred from assertion against Debtor and its Estate. Unless otherwise ordered by the Court, all Claims arising from the rejection of Executory Contracts and unexpired leases shall be treated as Unsecured Claims under the Plan.

3 Indemnification Obligations

For purposes of the Plan, the obligations of the Debtor to defend, indemnify, reimburse, or limit the liability against any claims or obligations of its present and former directors, officers or employees who served as directors, officers and employees, respectively, on or after the Petition Date, pursuant to Debtor's certificate of organization or bylaws, applicable state law or specific agreement, or any combination of the foregoing, shall not survive confirmation of the Plan, and shall be released, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Commencement Date.

V. MEANS FOR IMPLEMENTATIONAND EFFECT OF CONFIRMATION OF PLAN

1 General

Upon confirmation of the Plan, and in accordance with the Confirmation Order, the Debtor will be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. In addition to the provisions set forth elsewhere in the Plan, the following shall constitute the means for implementation of the Plan.

2 Vesting of Assets

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date and pursuant to section 1123(a)(5)(B) of the Code, all Assets of the Estate of the Debtor, shall be vested in the Reorganized Debtor, free and clear of all Liens, Claims and Equity Interests of holders of Claims and Equity Interests.

3 Corporate Action

On the Effective Date, all matters provided for under the Plan that would otherwise require approval of the board of directors of the Debtor shall be deemed to have occurred and shall be in full force and effect from and after the Effective Date pursuant to applicable state laws, and otherwise applicable general corporation law of the jurisdiction in which the Debtor is incorporated, without any requirement or further action by the board of the directors of the Debtor.

4 Funding

The Debtor shall fund all payments under the Plan from the proceeds from the Private Sale or Auction except for payments of U.S. Trustee Fees, which shall be funded, if necessary, from the Swansons' Post Petition Financing Funds.

5 Approval of Agreements

Entry of the Confirmation Order shall constitute approval of the Plan and all such transactions, subject to the occurrence of the Effective Date.

6 Effectiveness of Instruments and Agreements

On the Effective Date, all agreements entered into or documents issued pursuant to the Plan, shall become effective and binding upon the parties thereto in accordance with their respective terms and conditions and shall be deemed to be effective simultaneously.

7 Continued Limited Liability Company Existence

Except as otherwise provided in the Plan, the Debtor shall continue to exist after the Effective Date with all powers of a limited liability company, pursuant to the applicable law in the jurisdiction in which the Debtor is formed and pursuant to the respective certificate of incorporation and bylaws in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval. Following the Effective Date, Reorganized Debtor may operate its business free of any restrictions imposed by the Bankruptcy Code, the bankruptcy Rules or by the Court, subject only to the terms and conditions of this Plan and Confirmation Order.

8 Term of Bankruptcy Injunction or Stays

All injunctions or stays provided for in the Case under sections 105 or 362 of the Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

9 Causes of Action

As of the Effective Date, pursuant to section 1123(b)(3)(B) of the Code, any and all Actions accruing to the Debtor and Debtor in Possession, including, without limitation, claims against TD Bank (including Legacy Bank of Florida) and New Providence, actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553 of the Code, shall vest in the Reorganized Debtor. It is worth noting that section 547 of the Code enables a debtor in possession and/or trustee to avoid transfers to a creditor, based upon an antecedent debt, made within ninety (90) days of the petition date, which enables the creditor to receive more than it would in a liquidation. Creditors have defenses to the avoidance of such preferential transfers based upon, among other

things, the transfers having occurred as part of the debtor's ordinary course of business, or that subsequent to the transfer the creditor provided the debtor with new value.

10 Injunction Against Interference with the Plan

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions any such entity may take in connection with the pursuit of appellate rights.

11 General Release of Third Parties

This Plan, and the provisions and distributions set forth herein, is a full and final settlement and compromise of all Claims and causes of action, whether known or unknown, that the Debtor, the Insiders, the Estate and/or the Reorganized Debtor may have against any Creditors of the Estate, including Avoidance Actions. Upon the receipt of the Distribution by all Class 1, 2, 3, and 4 Claim holders, the Debtor, the Insiders, the Estate and the Reorganized Debtor shall be deemed to forever release, waive and discharge all Claims, Actions, Avoidance Actions, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce obligations under this Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder) against the Creditors, whether such claims liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the State Court Cases or the conduct thereof, or this Plan.

Upon the receipt of the Distribution by all Class 1, 2, 3, and 4 Claim holders, the Creditors (including Legacy Bank of Florida, which is a junior participant to TD Bank) shall be deemed to forever release, waive and discharge all Claims, Actions, Avoidance Actions, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights to enforce obligations under this Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder) against the Debtor, the Insiders, the Estate and/or Reorganized Debtor, whether such claims liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the chapter 11 case, the State Court Cases or the conduct thereof, or this Plan.

12 The Private Sale

The Debtor shall obtain a bona fide contract to purchase the Estate Home on or before December 2, 2013, and shall have through and including the Closing Deadline to close on the Private Sale of the Estate Home. In the event the Private Sale occurs pursuant to the foregoing terms, the Private Sale of the Estate Home shall be free and clear of all liens, claims, and encumbrances, and the Auction shall be cancelled. All Allowed Secured Claims would be paid in full from the proceeds of sale of the Private Sale.

13 The Auction

In the event the Private Sale is not completed on or before the Closing Deadline, the Debtor shall conduct the Auction of the Estate Home, which Auction shall be conducted according to the terms which are in the sole discretion of the Debtor, with the employment of an auctioneer of the Debtor's own choosing if the Debtor deems an auctioneer is needed, unless otherwise ordered by the Court. The Auction shall take place on December 16, 2013.

14 The Reorganized Debtor

The primary purposes of the Reorganized Debtor will be: i) to perform all actions necessary to wind down the business (if necessary) and liquidate the Assets; ii) except as provided for in the Plan, prosecute all Causes of Action and objections to Claims, if in the best interest of the Debtor's estate and its creditors; iii) to close the Bankruptcy Case; iv) to pay the Reorganized Debtor's U.S. Trustee's Fees and expenses relating to the administration of the Assets; v) to prepare and file post-confirmation quarterly reports; and vi) to do anything necessary, related or incidental to the foregoing.

15 The Discharge of Debtor

Except as otherwise provided in the Plan or in the Confirmation Order, the rights afforded herein and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Equity Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Commencement Date, against the Debtor and the Debtor in Possession, the Estate, any of the assets or properties under the Plan. Except as otherwise provided in the Plan, or in the Confirmation Order, (i) on the Effective Date, all such Claims against the Debtor, and Equity Interest in the Debtor shall be satisfied, discharged and released in full, and (ii) all Persons shall be precluded and enjoined from asserting against the Reorganized Debtor, its successors, its assets or properties, any other or further Claims or Equity Interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such holder has filed a proof of claim or proof of equity interest and

whether or not such holder has voted to accept or reject the Plan. Notwithstanding the foregoing, nothing in the Plan shall release, discharge, enjoin or preclude any Claim that has not arisen as of the Effective Date that any governmental unit may have against the Debtor and nothing in the Plan shall release, nullify or enjoin the enforcement of any liability to a governmental unit under environmental statutes or regulations that any entity would be subject to as the owner or operator of property after the date of entry of the Confirmation Order.

VI. RETENTION OF JURISDICTION

The Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Code and for, among other things, the following purposes:

(a) to hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting, therefrom;

(b) to determine any and all adversary proceedings, motions, applications and contested matters, and other litigated matters pending on the Confirmation Date;

(c) to hear and determine all Actions, including, without limitation, Actions commenced by the Debtor or any other party in interest with standing to do so, pursuant to sections 505, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Code, collection matters related thereto, and settlements thereof;

(d) to hear and determine any objections to or the allowance, classification, priority, compromise, estimation or payments of any Administrative Claims, Claims or Equity Interests;

(e) to ensure that Distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(f) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(g) to issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Code;

(h) to consider any amendments to or modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in the Plan, any plan supplement, or any order of the Court, including, without limitation, the Confirmation Order;

(i) to hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 330, 331, and 503(b) of the Code;

(j) to hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(k) to recover all Assets of the Debtor and Property of the Estate, wherever located;

(l) to determine any Claim of or any liability to a governmental unit that may be asserted as a result of the transactions contemplated herein;

(m) to enforce the Plan, the Confirmation Order and any other order, judgment, injunction or ruling entered or made in the Case, including, without limitation, injunction, exculpation and releases provided for in the Plan;

(n) to take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following consummation;

(o) to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Code (including, but not limited to, an expedited determination under section 505(b) of the Code of the tax liability of the Debtor for all taxable periods through the Effective Date for all taxable periods of the Debtor through the liquidation and dissolution of such entity);

(p) to hear any other matter not inconsistent with the Code; and

(q) to enter a final decree closing the Case; *provided however*, that nothing in the Plan shall divest or deprive any other court or agency of any jurisdiction it may have over Debtor or Reorganized Debtor under applicable environmental laws.

VII. CONFIRMATION OF THE PLAN

A. Confirmation Hearing

The Bankruptcy Court shall schedule the Confirmation Hearing to consider approval of this Disclosure Statement and confirmation of the Plan before the Honorable Erik P. Kimball, Judge for the United States Bankruptcy Court for the Southern District of Florida, located at the United States Bankruptcy Court, 1515 North Flagler Drive, 8th Floor, Courtroom B, West Palm Beach, Florida 33401. The Confirmation Hearing may be adjourned from time to time without notice except as given at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing. The Bankruptcy Court shall set forth a deadline to file objections, if any, to the approval of this Disclosure Statement or the confirmation of the Plan.

B. Confirmation Standards

For a plan to be confirmed, the Bankruptcy Code requires, among other things, that a plan be proposed in good faith and comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Section 1129 of the Bankruptcy Code also imposes requirements that with respect to each class of claims or interests, such class has accepted the plan or such class is not impaired under the plan, that confirmation of a plan is not likely to be followed by the need for further financial reorganization, that a plan be in the best interest of creditors, and that a plan be fair and equitable with respect to each class of claims or interests which is impaired under the plan.

The Bankruptcy Court will confirm a plan only if it finds that all of the requirements enumerated in section 1129 of the Bankruptcy Code have been met. The Debtor believes that the Plan satisfies all of the requirements for confirmation.

C. Best Interests Test and Liquidation Analysis

Notwithstanding acceptance of the Plan by each Impaired Class, in order to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the best interests of each holder of a Claim or Interest in any such Impaired Class who has not voted to accept the Plan. Accordingly, if an Impaired Class does not unanimously accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the distribution that each such Class member would receive if Debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

To estimate what members of each Impaired Class of unsecured creditors and equity security holders would receive if Debtor were liquidated under chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from Debtor's assets if the chapter 11 Case was converted to a chapter 7 case under the Bankruptcy Code and the assets were liquidated by a Trustee in bankruptcy (the "Liquidation Value" of such assets). The Liquidation Value would consist of the net proceeds from the disposition of Debtor's assets and would be augmented by any cash held by Debtor.

As detailed in the liquidation analysis that is attached hereto as **Exhibit** "**B”**, the Debtor's Liquidation Value would not allow Class 4 Creditors to receive a distribution equal to or greater than 100% of Allowed General Unsecured Claims.

The Debtor has compared the Claims in the Plan with the liquidation analysis attached to the Disclosure Statement, and believes that distributions under the Plan will provide a greater recovery to holders of Allowed Claims against the Debtor on account of such Allowed Claims than would distributions by a chapter 7 Trustee.

VIII. ALTERNATIVES TO THE PLAN

Although this Disclosure Statement is intended to provide information to assist a Claim or Equity Interest holder in determining whether to vote for or against the Plan, a summary of the alternatives to confirmation of the Plan may be helpful.

If the Plan is not confirmed with respect to the Debtor, the following alternatives are available: (i) confirmation of another chapter 11 plan; (ii) conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code; or (iii) dismissal of the Chapter 11 Case leaving creditors to pursue available non-bankruptcy remedies. Due to the additional delays and administrative costs associated with the appointment of a chapter 7 trustee or state court liquidation, the alternatives to the Plan are very limited and not likely to maximize the value of the assets of this estate, which would reduce the creditors' distributions. Although the Debtor could theoretically file a new plan, the most likely result if the Plan is not confirmed is that the Chapter 11 Case will be converted to a case under chapter 7 of the Bankruptcy Code. The Debtor believes that conversion of the Chapter 11 Case to chapter 7 would result in (i) a significant delay in distributions to all creditors who would have received a distribution under the Plan and (ii) less recovery for unsecured creditors because the property under the Plan is being maintained with funds from the financing provided by the Swansons to benefit of the creditors. The maintenance of the property will likely not be available should the case be converted to chapter 7.

DEBTOR-IN-POSSESSION

1220 SOUTH OCEAN BOULEVARD, LLC

By:_____/s/_____
Name: Dan Swanson
Title: Officer of Managing Member

EXHIBIT A

PLAN OF REORGANIZATION

***See* Plan of Reorganization filed by the Debtor 1220 SOUTH OCEAN BOULEVARD, LLC on January 21, 2013.**

EXHIBIT B

LIQUIDATION ANALYSIS

SOURCE OF FUNDS FROM DEBTOR ASSETS			**ESTIMATED VALUES**
1)	Liquidation of Real Property[3]		$30,000,000.00
2)	Potential Claims Against Banks[4]		$0.00
		TOTAL	**$30,000,000.00**
LESS			
1)	Chapter 7 Trustee Fee[5]		$900,000.00
2)	Chapter 7 Administrative Expenses[6]		$100,000.00
3)	Chapter 11 Administrative Expenses		
	A)	Chapter 11 Professionals and Other Admins (Estimated)	$805,000.00
	B)	US Trustee Fees	$30,000.00
4)	Priority Claims		
	A)	None	$0.00
		TOTAL	**$1,835,000.00**
		TOTAL POTENTIALLY AVAILABLE TO CREDITORS	**$28,165,000**
		TOTAL POTENTIALLY AVAILABLE TO UNSECURED CREDITORS	**$0.00**
		ESTIMATED DISTRIBUTIONS TO GENERAL UNSECURED IN CHAPTER 7	**0.00%**

[3] A Chapter 7 Trustee would likely liquidate the property in a fire/accelerated auction with little marketing. This assumes that the property will be sold "as is," without any warranties, and without the benefit of the maintenance that the Swansons have been doing on a monthly basis.

[4] A Chapter 7 Trustee will in all likelihood not pursue the possible claims against the secured creditors TD Bank and New Providence.

[5] Chapter 7 Trustee Fees are calculated in accordance with 11 U.S.C. § 326, which provides: "In a case under chapter 7 or 11, the court may allow reasonable compensation . . . of the trustee for the trustee's services, payable after the trustee renders such services, not to exceed 25 percent on the first $5,000.00 or less, 10 percent on any amount in excess of $5,000.00 but not in excess of $50,000.00, 5 percent on any amount in excess of $50,000.00 but not in excess of $1,000,000, and reasonable compensation not to exceed 3 percent of such moneys in excess of $1,000,000, upon all moneys disbursed or turned over in the case by the trustee to parties in interest, excluding the Debtor, but including holders of secured claims."

[6] Chapter 7 Administrative Costs are difficult to qualify as they vary based on whether the Trustee employs professionals, which could include attorneys, accountants, appraisers and liquidators. Therefore, the $100,000.00 value is arbitrary and for use in this analysis only.