

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION**

In re:

Chapter 11 Cases

SETAI 3509, LLC
SETAI 1908, LLC

Case No. 16-20114-LMI
Case No. 16-20115-LMI

Jointly Administered

Debtor(s) /

**AMENDED DISCLOSURE STATEMENT IN SUPPORT OF JOINT PLAN OF
REORGANIZATION FOR SETAI 3509, LLC AND SETAI 1908, LLC**

Dated: September 26, 2016

I. INTRODUCTION

A. Purpose of this Disclosure Statement

Setai 3509, LLC ("Setai 3509") and Setai 1908, LLC ("Setai 1908," and together with Setai 1908, the "Debtors") provide this Disclosure Statement (the "Disclosure Statement")¹ to all of Debtors' creditors in order to permit such creditors to make an informed decision in voting to accept or reject the Chapter 11 Plan Proposed by the Debtors (the "Plan"), filed contemporaneously herewith with the United States Bankruptcy Court for the Southern District of Florida (the "Bankruptcy Court" or the "Court") in connection with the above-captioned cases (the "Chapter 11 Cases"). A copy of the Plan is attached to this Disclosure Statement as Exhibit "A." 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 holders of Claims against the Debtors 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 Debtors' creditors, 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 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 DEBTORS (PARTICULARLY AS TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE DEBTORS 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 DEBTORS, 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 DEBTORS AND THE OTHER INFORMATION CONTAINED HEREIN, HAS NOT BEEN SUBJECT TO AN AUDIT OR INDEPENDENT REVIEW EXCEPT AS EXPRESSLY SET FORTH HEREIN. ACCORDINGLY, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONCERNING DEBTORS OR ITS FINANCIAL

¹ This amended disclosure statement describes changes only to the treatment of Class 4 creditor Setai Venture (defined below). All other provisions from the prior version of the Disclosure Statement (D.E. #48) remain in place.

CONDITION ARE 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 DEBTORS' ACTUAL RESULTS MAY NOT BE AS PROJECTED HEREIN.

ALTHOUGH AN EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS ARE CORRECT. THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. EACH CREDITOR 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 DEBTORS 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 THE DEBTORS 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 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.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The hearing at which the Court will determine whether to finally approve this Disclosure Statement will take place on September 27, 2016, at 2:30 p.m., at the United States Bankruptcy Court for the Southern District of Florida, 301 N. Miami Avenue, Courtroom 8, Miami, FL 33128.

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to The United States Bankruptcy Court for the Southern District of Florida, C. Clyde Atkins United States Courthouse 301 North Miami Avenue, Room 150, Miami, FL 33128. See below for a discussion of voting eligibility requirements. Your ballot must be received by [insert date] or it will not be counted.

II. BACKGROUND

A. Background of Debtors

The Debtors are each holding companies for single units at a high-end condominium building in Miami Beach, Florida. Setai 3509 owns the unit located at 101 20th Street, Suite 3509, Miami Beach, FL 33139 (“Unit 3509”) and Setai 1809 owns the unit located at 101 20th Street, Suite 1809, Miami Beach, FL 33139 (“Unit 1908,” and together with Unit 3509, the “Condominium Units”).

As reflected in the Debtors’ schedules, the Debtors believe the fair market value of Unit 3509 is approximately \$8,000,000.00 and the fair market value of Unit 1908 is approximately \$4,250,000.00.

The Debtors are wholly owned by Soho Holdings, LLC. The Debtors’ are managed by Nafia Sevin Ergun Sefada, the Plan Sponsor.

B. Reasons for Filing Chapter 11

The Condominium Units are encumbered by separate senior mortgages in favor of BAC Florida Bank, N.A. (“BAC Florida”) and a joint junior mortgage in favor of Setai Venture, LLC (“Setai Venture”). The Debtors were unable to make a balloon payment to Setai Venture in November 2015. This was due to a number of factors including (a) the downturn in the luxury condominium market generally; (b) the political and economic situation in Turkey, where the Debtors’ principal Nafia Sevin Ergun Sefada resides and holds her primary business interests; and (c) health troubles experienced by Ms. Sefada. Upon default, Setai Venture began charging default interest of 25% per annum. The Debtors eventually became delinquent in debt service to BAC Florida as well as condominium association obligations.

Setai Venture and BAC Florida filed separate foreclosure actions against both Condominium Units. A sale was scheduled for July 28, 2016 in Setai Venture’s foreclosure action, prompting the Debtors to file voluntary Chapter 11 petitions on July 21, 2016. The Debtors seek to restructure various liabilities through the Plan.

C. Significant Events During the Chapter 11 Case

1. Case Activity

On July 26, 2016, the Debtors filed an Application to Employ Hoffman, Larin & Agnetti, P.A. as General Bankruptcy Counsel (D.E. #11) (the “Hoffman Application”). On August 3, 2016, the Court approved the Hoffman Application on an interim basis. A final hearing to consider the Hoffman Application is set for August 24, 2016.

On August 3, 2016, Setai Venture filed an expedited motion to dismiss the Chapter 11 case or, alternatively, for relief from stay and/or adequate protection (D.E. #22) (the "Setai Venture Dismissal Motion"). The Setai Venture Dismissal Motion is set for hearing on August 24, 2016. The Debtors oppose the relief sought in the Setai Venture Dismissal Motion and will be filing a timely opposition response. The Debtors will also be seeking an order of referral to mediation.

On September 15, 2016, the Debtors and Setai Venture entered into an agreement (the "Setai Venture Agreement") to resolve disputes relating to the Allowed Secured Claims of Setai Venture. A full copy of the Setai Venture Agreement is available on the docket at Docket Entry 73. The following represents a summary of the Setai Venture Settlement, though the actual stipulation, as approved by the Court, shall remain controlling.

2. The Claims Process

The Bankruptcy Code provides a procedure for all persons who believe they have a claim against the Debtors to assert such claims, so that such claimant can receive distributions from the Debtors' 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 Debtors evaluate such claims and can raise objections to them. These claims objections allow the Debtors to minimize claims against them, and thereby maximize the recovery to creditors.

The deadline for filing proofs of Claims or Equity Interests against the Debtors is November 22, 2016. The Debtors may ask the Court to set an earlier date.

As claims are filed, the Debtors will review, analyze and attempt to resolve any filed Claims on an ongoing basis as part of the claims reconciliation process. Nonetheless, additional claims may be asserted against the Debtors or the creditors may amend their proofs of claims prior to the Confirmation of the Debtors' Plan and the actual aggregate amount of Allowed Claims may differ significantly from the amounts used for the purposes of Debtors' estimates. Additionally, the Debtors reserve its right to object to all objectionable proofs of claims. 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. TERMS OF THE 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 DEBTORS AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. Allowed Administrative Claims

Unclassified Claims: Under 11 U.S.C. § 1123(a)(1), administrative expense claims and priority tax claims (other than 11 U.S.C. § 507(a)(8) claims) are not in classes.

Administrative Expense Claims: Each holder of an administrative expense claim allowed under 11 U.S.C. § 503 will be paid in full on the Effective Date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors. Included in the class of Administrative Expense Claims are professional fee and expense claims, which the Debtors estimate will be \$50,000.00.

United States Trustee Fees: All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date of this Plan will be paid on the Effective Date.

B. Classification and Treatment of Claims and Interests

For the purposes of this Plan, the classes of claims against or in the Debtors shall be as follows:

Class 1 shall mean Allowed Secured Tax Claims.

Class 2 shall mean the BAC Florida 3509 Claim.

Class 3 shall mean the BAC Florida 1908 Claim.

Class 4 shall mean the Allowed Secured Claim of Setai Venture.

Class 5 shall mean the Setai Resort 3509 Claim.

Class 6 shall mean the Setai Resort 1908 Claim.

Class 7 shall mean the Setai Hotel 3509 Claim.

Class 8 shall mean the Setai Hotel 1908 Claim.

Class 9 shall mean all general Unsecured Claims of Setai 3509.

Class 10 shall mean all general Unsecured Claims of Setai 1908.

Class 11 shall mean the Allowed Equity Interests of Setai 3509.

Class 12 shall mean the Allowed Equity Interests of Setai 1908.

4.1. Class 1 – Allowed Secured Tax Claims²

² For ease of reference, the numbering of paragraphs in this section corresponds to the numbering in the Plan.

(a) Description. Class 1 consists of Allowed Secured Tax Claims. While the Debtors do not believe there are any Allowed Secured Tax Claims, In the event the Miami-Dade Tax Collector or other taxable authority files an Allowed Claim, such Allowed Claim shall be treated in Class 1.

(b) Treatment. Allowed Claims within Class 1 will be completely and fully satisfied by the payment of monthly installments of cash of a total value, as of the Effective Date, equal to the Allowed amount of such Claims over a period ending not later than five years after the Petition Date.

(c) Impairment. The Class 1 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.2. Class 2 – BAC Florida 3509 Claim

(a) Description. Class 2 consists of the BAC Florida 3509 Claim. BAC Florida has filed a proof of claim in the amount of \$5,553,446.11.

(b) Treatment. Setai 3509 will cure its delinquency as of the Effective Date to BAC Florida through five equal monthly installments commencing on the first day of the month following the Effective Date of the Plan (the “BAC 3509 Cure Payment”). Setai 3509 will also resume making regular monthly payments to BAC Florida commencing on the first date of the month following the Effective Date of the Plan or upon such earlier date as agreed by the parties.

Upon completion of the BAC 3509 Cure Payment, the BAC Florida 3509 Claim will be deemed current and the mortgage loan fully reinstated.

(c) Impairment. The Class 2 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.3. Class 3 – BAC Florida 1908 Claim

(a) Description. Class 3 consists of the BAC Florida 1908 Claim. BAC Florida has filed a proof of claim in the amount of \$1,612,394.62.

(b) Treatment. Setai 1908 will cure its delinquency as of the Effective Date to BAC Florida through five equal monthly installments commencing on the first day of the month following the Effective Date of the Plan (the “BAC 1908 Cure Payment”). Setai 1908 will also resume making regular monthly installment payments to BAC Florida commencing on the first date of the month following the Effective Date of the Plan or upon such earlier date as agreed by the parties. Upon completion of the cure payments, the BAC Florida 1908 Claim will be deemed current and the mortgage loan fully reinstated.

In the event Setai Venture selects the Transfer Option (defined below), all obligations to BAC Florida in connection with the BAC Florida 1908 Claim shall be assumed by Setai Venture and Setai 1908 (and any co-obligors or guarantors) shall be forever released. Such assumption shall be effective upon execution of a deed of Unit 1908 from Setai 1908 to Setai Venture, as detailed in Section 4.4 of the Plan.

(c) Impairment. The Class 3 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.4. Class 4 – Allowed Secured Claim of Setai Venture

(a) Description. Class 4 consists of the Allowed Secured Claim of Setai Venture. Setai Venture is owed a total of \$6,202,611.44 and has a lien on both Unit 3509 and Unit 1908.

(b) Treatment. The following represents a summary of the Setai Venture Settlement, though the actual stipulation, as approved by the Court, shall remain controlling.

Pursuant to the terms of the Setai Venture Agreement, the Debtors have agreed to satisfy the Setai Venture Secured Claim through payments of \$6,200,000.00, payable as follows

- :
- 1) \$200,000.00, to be paid into Hoffman, Larin & Agnetti, P.A. Trust Account on or before September 26, 2016 and to be disbursed on the earlier of an Order approving this Stipulation or October 14, 2016;
 - 2) \$500,000.00 on or before October 14, 2016;
 - 3) \$1,000,000.00 on or before December 15, 2016;
 - 4) \$1,000,000.00 on or before April 14, 2017;
 - 5) The remaining balance, less the sales proceeds derived from Unit 1908 (detailed below), on or before December 17, 2015

The Debtors intend to make the foregoing principal payments by contributions made by the Debtors' principal.

The Setai Venture Agreement further requires Setai 1908 to sell Unit 1908 within 5 months and provides that all sales proceeds after payment of BAC Florida' senior mortgage and regular and ordinary closing costs be disbursed to Setai Venture. In the event Setai 1908 does not complete the sale of Unit 1908 within 5 months, Setai Venture shall have exclusive right to market and sell the property. Furthermore, Setai 1908 shall be required to accept any and all offers for \$3.8 million or greater during the exclusive period Setai 1908 may sell Unit 1908.

The Setai Venture Agreement also calls for (a) interest payments on the existing balance of the mortgage at 14.25% per annum commencing with an initial payment of \$19,573.75 on October 5, 2016 and thereafter payments commencing on October 15, 2016 and continuing on the 15th of each month thereafter with a final interest payment due on or before December 17, 2015; (b) the Debtors to cure arrearages to BAC Florida Bank, Setai Hotel and the Setai Resort within 5 months or as soon as may be required in order to carry out the terms of the Stipulation; and (c) the Debtors' agree to pay all ongoing expenses for the Property, including all fees due to the Association, the Hotel, insurance premiums, tax escrow requirements, and to continue to pay regular monthly mortgage payments to BAC Florida Bank.

In the event the Debtors default on payments, Setai Venture shall be entitled to enforce the Final Judgment, reschedule a foreclosure sale and interest shall thereafter accrue at a rate of 25% per annum.

All payments in connection with Class 4 will be contributed by Sefada, who has guaranteed the Setai

Venture Secured Claim and reaffirmed such guarantee in the Setai Venture Agreement. Accordingly, notwithstanding the confirmation of this Plan, Sefada will begin making the above-referenced payments upon Court approval of the Setai Venture Agreement.

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

4.5. Class 5 – Setai Resort 3509 Claim

(a) Description. Class 5 consists of the Setai Resort 3509 Claim. According to Proof of Claim No. 1, the amount of the Setai Resort 3509 Claim is \$10,891.08.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 3509 shall pay the Setai Resort 3509 Claim in three equal monthly installments, without interest.

(c) Impairment. The Class 5 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.6. Class 6 – Setai Resort 1908 Claim

(a) Description. Class 6 consists of the Setai Resort 1908 Claim. According to Proof of Claim No. 1, the amount of the Setai Resort 1908 Claim is \$6,189.03.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 1908 shall pay the Setai Resort 1908 Claim in three equal monthly installments, without interest.

(c) Impairment. The Class 6 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.7. Class 7 – Setai Hotel 3509 Claim

(a) Description. Class 7 consists of the Setai Hotel 3509 Claim. According to Setai 3509's schedules, this claim is estimated at \$116,000.00

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 3509 shall pay the Setai Hotel 3509 Claim in six equal monthly installments, without interest.

(c) Impairment. The Class 7 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.8. Class 8 – Setai Hotel 1908 Claim

(a) Description. Class 8 consists of the Setai Hotel 1908 Claim. According to Setai 1908's schedules, this claim is estimated at \$52,300.00.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 1908 shall pay the Setai Hotel 1908 Claim in six equal monthly installments, without interest.

(c) Impairment. The Class 8 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.9. Class 9 – General Unsecured Claims of Setai 3509

(a) Description. Class 9 consists of the Allowed general Unsecured Claims of Setai 3509. Setai 3509 anticipates that this class will consist of a deficiency claim of Setai Venture, if any.

(b) Treatment. In full satisfaction, settlement and release of Class 9 Claims against Setai 3509, the holders of Allowed General Unsecured Claims shall receive a pro rata distribution of \$10,000 on the Effective Date. In the event no allowed general Unsecured Claims are scheduled or filed, such funds shall be retained by the Reorganized Debtors.

(c) Impairment. The Class 9 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.10. Class 10 – General Unsecured Claims of Setai 1908

(a) Description. Class 10 consists of the Allowed general Unsecured Claims of Setai 1908. Setai 1908 anticipates that this class will consist of a deficiency claim of Setai Venture, if any.

(b) Treatment. In full satisfaction, settlement and release of Class 10 Claims against Setai 1908, the holders of Allowed General Unsecured Claims shall receive a pro rata distribution of \$10,000 on the Effective Date. In the event no allowed general Unsecured Claims are scheduled or filed, such funds shall be retained by the Reorganized Debtors.

(c) Impairment. The Class 10 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.11. Class 11 – Allowed Equity Interests of Setai 3509

(a) Description. Class 11 consists of the Allowed Equity Interests of Setai 3509, which includes membership interests evidencing ownership interest in Setai 3509, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

(b) Treatment. The Debtors are cancelling their membership interests and reissuing same to be owned by the Plan Sponsor or her assigns in exchange for the Plan Sponsor's assistance in funding the Plan.

(c) Impairment. The Class 11 Claims are Impaired and are deemed to have rejected the Plan.

4.12. Class 12 – Allowed Equity Interests of Setai 1908

(a) Description. Class 12 consists of the Allowed Equity Interests of Setai 1908, which includes membership interests evidencing ownership interest in Setai 1908, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

(b) Treatment. The Debtors are cancelling their membership interests and reissuing same to be owned by the Plan Sponsor or her assigns in exchange for the Plan Sponsor's assistance in funding the Plan.

(c) Impairment. The Class 12 Claims are Impaired and are deemed to have rejected the Plan.

C. Provisions Regarding Voting, Distribution and Claim Allowance

Article V of the Plan describes provisions regarding voting, distribution and Claim allowance. To avoid replication, such information is incorporated as if set forth herein.

IV. CONFIRMATION OF THE PLAN

A. The Confirmation Hearing

The Bankruptcy Court shall schedule the Confirmation Hearing to consider approval of this Disclosure Statement and confirmation of the Plan before the United States Bankruptcy Court for the Southern District of Florida, 301 N. Miami Avenue, Courtroom 8, Miami, FL 33128.

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 Debtors believe that the Plan satisfies all of the requirements for confirmation.

V. FUNDING AND FEASIBILITY OF THE PLAN

A. Funding

The Debtors shall fund the Plan through rental income received. As noted in the budget attached hereto, Unit 3509 generates approximately \$30,000 to \$60,000 in monthly rent depending on the season.

To the extent rental income is insufficient to support all payments required to be made, the Plan Sponsor shall provide additional funding. Rent from Unit 3509 will service most, if not all, of the expenses (including the BAC Mortgage and association obligations). The Setai Venture payments will largely come from contributions from Ms. Sefada, which was how the loan was designed to be paid from the start. Ms. Sefada can provide financial information to demonstrate her ability to make the required payments upon request.

B. 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 Debtors 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 the Debtors were liquidated under Chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from Debtors' Assets if the Chapter 11 Case were 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 Debtors' Assets and would be augmented by any Cash held by Debtors. As detailed in the Liquidation Analysis attached hereto as Exhibit "B", the Debtors' Liquidation Value would not allow holders of Allowed General Unsecured Claims to receive any distribution. In contrast, the Debtors' Plan proposes to make a total \$20,000 distribution to the holders of Allowed General Unsecured Claims plus interest. Additionally, Setai Venture would receive less in a Chapter 7 liquidation case than the amount to be paid pursuant to the Plan. Based on the foregoing, Distributions under the Plan will provide at least the same recovery to holders of Allowed Claims against the Debtors on account of such Allowed Claims as would distributions by a Chapter 7 Trustee.

C. 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 Debtors, 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 and interest holders to pursue available non-bankruptcy remedies. The alternatives to the Plan are very limited and not likely to maximize the value of the assets of the estates. The Debtors

believe that conversion of the Chapter 11 Case to a chapter 7 case would result in (i) significant delays in distributions to creditors who would have received a distribution under the Plan; and (ii) no recovery for unsecured creditors due to the value of the assets, the cost to liquidate same, the estimated Chapter 7 and Chapter 11 administrative expenses and the secured debts. If the Chapter 11 Case is dismissed, the creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims against the Debtors. Although the Debtors could theoretically file a new plan, the Debtors believe that confirmation of the Plan is preferable to all other alternatives.

/s/ Nafia Sevin Ergun Sefada (e-signed with consent)
Setai 3509 and Setai 1908
Managing Member

Submitted by:

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/s/ Michael S. Hoffman
Michael S. Hoffman
Florida Bar No.: 41164

Exhibit A Copy of Proposed Plan of Reorganization

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

In re:

Chapter 11 Cases

SETAI 3509, LLC
SETAI 1908, LLC

Case No. 16-20114-LMI
Case No. 16-20115-LMI

Jointly Administered

Debtor(s) _____/

**AMENDED JOINT PLAN OF REORGANIZATION FOR SETAI 3509, LLC
AND SETAI 1908, LLC**

Dated: September 26, 2016

ARTICLE I
SUMMARY

This amended¹ joint Chapter 11 plan (the "Plan") proposes to treat all allowed claims against and all allowed interests in Setai 3509, LLC ("Setai 3509") and Setai 1908, LLC ("Setai 1908," and together with Setai 1908, the "Debtors"). The Plan provides for 8 classes of secured claims, two classes of general unsecured claims and two classes of equity claims. Reference is made to the Disclosure Statement in Support of the Plan (the "Disclosure Statement") for further discussion of the Plan and the Debtors-in-Possession's financial circumstances.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

ARTICLE II
DEFINITIONS

"Allowed Claim(s)" shall mean any Claim which is not a Disputed Claim of a Disputed Claim which has been allowed by a final order of the Court.

"BAC Florida" shall mean BAC Florida Bank, N.A.

"BAC Florida 1908 Claim" shall mean the Allowed Secured Claim held by BAC Florida against Setai 1908 and encumbering Unit 1908.

"BAC Florida 3509 Claim" shall mean the Allowed Secured Claim held by BAC Florida against Setai 3509 and encumbering Unit 3509.

"Ballot Deadline" shall mean the last day established by order of the Court for filing a Ballot with the Clerk of the Court.

"Cash" shall mean legal tender of the United States of America.

"Claim(s)" shall mean (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed or contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; and/or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured;

"Class" shall mean a group of Claims classified together pursuant to Article IV of the Plan.

"Code" shall mean the Bankruptcy Code, 11 U.S.C. §§ 101 et. seq.

"Confirmation" shall mean the entry by the Court of the Confirmation Order.

¹ This amended plan changes only the treatment of Class 4 creditor Setai Venture (defined below). All other provisions from the prior version of the Plan (D.E. #47) remain in place.

"*Confirmation Date*" shall mean the date on which the Clerk of the Court enters the Confirmation Order on the Docket.

"*Confirmation Order*" shall mean the order entered by the Court confirming the Plan, which shall contain such provisions as the Proponent desires and shall otherwise be in a form and substance satisfactory to the Proponent.

"*Court*" shall mean the United States Bankruptcy Court for the Southern District of Florida, including any Bankruptcy Judge thereof, and any court having competent jurisdiction to hear appeals from the Bankruptcy Judges thereof.

"*Disputed Claim(s)*" shall mean any Claim for which an Allowed Amount has not yet been determined, and with respect to which an objection has been interposed on or prior to the Confirmation Date or such other date as may be fixed by the Court and which objection has not been withdrawn or determined by a Final Order, or which is listed on the Schedules as disputed, contingent or unliquidated.

"*Distribution*" shall mean funds to be paid to holders of Claims pursuant to the Plan.

"*Distribution Date*" shall mean the dates upon which Distributions may be made pursuant to the Plan.

"*Effective Date*" shall mean the fifteenth (15th) day after the entry of the Confirmation Order so long as no appeal is filed. In the event of an appeal, absent the entry of a stay, the Effective Date shall be the fifteenth (15th) day after the entry of the Confirmation Order. In the event the Confirmation Order is stayed pending appeal, the Effective Date shall be the fifteenth (15th) day after the entry of a final order either lifting the stay or affirming the Confirmation Order.

"*Equity Interest*" and/or "*Interest*" shall include interests in any share of preferred stock, common stock, membership unit or other instrument evidencing ownership interest in the Debtors, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

"*Executory Contract*" shall mean a contract or unexpired lease to which the Debtors is a party and that is executory within the meaning of section 365 of the Code.

"*Impaired*" shall mean an Allowed Claim that is Impaired within the meaning of section 1124 of the Code.

"*Petition Date*" shall mean July 21, 2016, the date on which the Debtors commenced this Case by filing a voluntary petition under Chapter 11 of the Code.

"*Plan Sponsors*" shall mean Sefada.

"Pre-petition" shall mean prior to the Petition Date.

"Professional" shall mean any professional employed in this Case pursuant to sections 327, 328 or 1103 of the Code or otherwise pursuant to an order of the Court.

"Proof of Claim" shall mean a Claim filed in this Case and is reflected in the Court's register as having been filed.

"Proponent" shall mean the Debtors, the proponent of the Plan.

"Rules" shall mean the Federal Rules of Bankruptcy Procedure.

"Secured Claim(s)" shall mean a Claim secured by a Lien on property in which the Estate has an interest or that is subject to set-off under section 553 of the Code to the extent of the value of the interest attributable to such Claim in the Estate's interest in such property or to the extent of the amount subject to set-off.

"Secured Tax Claims" shall mean Claims of any Tax Authority for Taxes owed by the Debtors that are secured by a Lien, including 2015 and 2016 real property and ad valorem taxes due to the Miami County Tax Collector.

"Sefada" shall mean Nafia Sevin Ergun Sefada, individually.

"Setai Resort" shall mean Setai Resort and Residences Condominium Association.

"Setai Resort 1908 Claim" shall mean Allowed Secured Claim held by Setai Resort against Setai 1908 and encumbering Unit 1908.

"Setai Resort 3509 Claim" shall mean Allowed Secured Claim held by Setai Resort against Setai 3509 and encumbering Unit 3509.

"Setai Hotel" shall mean Setai Hotel Acquisition, LLC.

"Setai Hotel 1908 Claim" shall mean Allowed Secured Claim held by Setai Hotel against Setai 1908 and encumbering Unit 1908.

"Setai Hotel 3509 Claim" shall mean Allowed Secured Claim held by Setai Hotel against Setai 3509 and encumbering Unit 3509.

"Setai Venture" shall mean Setai Venture, LLC

"Unclaimed Funds" shall have the meaning set forth in Section 5.2 of the Plan.

"Unimpaired" shall mean an Allowed Claim that is not Impaired within the meaning of section 1124 of the Code.

"Unit 3509" shall mean the condominium unit located at 101 20th Street, Suite 3509, Miami

Beach, FL 33139 and owned by Setai 3509.

“Unit 1908” shall mean the condominium unit located at 101 20th Street, Suite 1908, Miami Beach, FL 33139 and owned by Setai 1908.

ARTICLE III

TREATMENT OF ADMINISTRATIVE CLAIMS, U.S. TRUSTEE FEES AND PRIORITY TAX CLAIMS

3.1 Unclassified Claims: Under 11 U.S.C. § 1123(a)(1), administrative expense claims and priority tax claims (other than 11 U.S.C. § 507(a)(8) claims) are not in classes.

3.2 Administrative Expense Claims: Each holder of an administrative expense claim allowed under 11 U.S.C. § 503 will be paid in full on the Effective Date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtors. Included in the class of Administrative Expense Claims are professional fee and expense claims, which the Debtors estimate will be \$50,000.00.

3.3 United States Trustee Fees: All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the Effective Date of this Plan will be paid on the Effective Date.

ARTICLE IV

TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS UNDER THE PLAN

For the purposes of this Plan, the classes of claims against or in the Debtors shall be as follows:

Class 1 shall mean Allowed Secured Tax Claims.

Class 2 shall mean the BAC Florida 3509 Claim.

Class 3 shall mean the BAC Florida 1908 Claim.

Class 4 shall mean the Allowed Secured Claim of Setai Venture.

Class 5 shall mean the Setai Resort 3509 Claim.

Class 6 shall mean the Setai Resort 1908 Claim.

Class 7 shall mean the Setai Hotel 3509 Claim.

Class 8 shall mean the Setai Hotel 1908 Claim.

Class 9 shall mean all general Unsecured Claims of Setai 3509.

Class 10 shall mean all general Unsecured Claims of Setai 1908.

Class 11 shall mean the Allowed Equity Interests of Setai 3509.

Class 12 shall mean the Allowed Equity Interests of Setai 1908.

4.1. Class 1 – Allowed Secured Tax Claims

(a) Description. Class 1 consists of Allowed Secured Tax Claims. While the Debtors do not believe there are any Allowed Secured Tax Claims, In the event the Miami-Dade Tax Collector or other taxable authority files an Allowed Claim, such Allowed Claim shall be treated in Class 1.

(b) Treatment. Allowed Claims within Class 1 will be completely and fully satisfied by the payment of monthly installments of cash of a total value, as of the Effective Date, equal to the Allowed amount of such Claims over a period ending not later than five years after the Petition Date.

(c) Impairment. The Class 1 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.2. Class 2 – BAC Florida 3509 Claim

(a) Description. Class 2 consists of the BAC Florida 3509 Claim. BAC Florida has filed a proof of claim in the amount of \$5,553,446.11.

(b) Treatment. Setai 3509 will cure its delinquency as of the Effective Date to BAC Florida through 5 equal monthly installments commencing on the first day of the month following the Effective Date of the Plan (the “BAC 3509 Cure Payment”). Setai 3509 will also resume making regular monthly payments to BAC Florida commencing on the first date of the month following the Effective Date of the Plan or upon such earlier date as agreed by the parties.

Upon completion of the BAC 3509 Cure Payment, the BAC Florida 3509 Claim will be deemed current and the mortgage loan fully reinstated.

(c) Impairment. The Class 2 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.3. Class 3 – BAC Florida 1908 Claim

(a) Description. Class 3 consists of the BAC Florida 1908 Claim. BAC Florida has filed a proof of claim in the amount of \$1,612,394.62.

(b) Treatment. Setai 1908 will cure its delinquency as of the Effective Date to BAC Florida through 5 equal monthly installments commencing on the first day of the month following the Effective Date of the Plan (the “BAC 1908 Cure Payment”). Setai 1908 will also resume making regular monthly installment payments to BAC Florida commencing on the first date of the month following the Effective Date of the Plan or upon such earlier date as agreed by the parties. Upon completion of the cure payments, the BAC Florida 1908 Claim will be deemed current and the

mortgage loan fully reinstated.

In the event Setai Venture selects the Transfer Option (defined below), all obligations to BAC Florida in connection with the BAC Florida 1908 Claim shall be assumed by Setai Venture and Setai 1908 (and any co-obligors or guarantors) shall be forever released. Such assumption shall be effective upon execution of a deed of Unit 1908 from Setai 1908 to Setai Venture, as detailed in Section 4.4 of the Plan.

(c) Impairment. The Class 3 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.4. Class 4 – Allowed Secured Claim of Setai Venture

(d) Description. Class 4 consists of the Allowed Secured Claim of Setai Venture. Setai Venture is owed a total of \$6,400,000.00 and has a lien on both Unit 3509 and Unit 1908.

(e) Treatment. On September 15, 2016, the Debtors and Setai Venture entered into an agreement (the “Setai Venture Agreement”) to resolve disputes relating to the Allowed Secured Claims of Setai Venture. A full copy of the Setai Venture Agreement is available on the docket at Docket Entry 73. The following represents a summary of the Setai Venture Settlement, though the actual stipulation, as approved by the Court, shall remain controlling.

Pursuant to the terms of the Setai Venture Agreement, the Debtors have agreed to satisfy Setai Venture’s mortgage through payments of \$6,200,000.00, payable as follows

- :
- a) \$200,000.00, to be paid into Hoffman, Larin & Agnetti, P.A. Trust Account on or before September 26, 2016 and to be disbursed on the earlier of an Order approving this Stipulation or October 14, 2016;
 - b) \$500,000.00 on or before October 14, 2016;
 - c) \$1,000,000.00 on or before December 15, 2016;
 - d) \$1,000,000.00 on or before April 14, 2017;
 - e) The remaining balance, less the sales proceeds derived from Unit 1908 (detailed below), on or before December 17, 2015

The Debtors intend to make the foregoing principal payments by contributions made by the Debtors’ principal.

The Setai Venture Agreement further requires Setai 1908 to sell Unit 1908 within 5 months and provides that all sales proceeds after payment of BAC Florida’ senior mortgage and regular and ordinary closing costs be disbursed to Setai Venture. In the event Setai 1908 does not complete the sale of Unit 1908 within 5 months, Setai Venture shall have exclusive right to market and sell the property. Furthermore, Setai 1908 shall be required to accept any and all offers for \$3.8 million or greater during the exclusive period Setai 1908 may sell Unit 1908.

The Setai Venture Agreement also calls for (a) interest payments on the existing balance of the mortgage at 14.25% per annum commencing with an initial payment of \$19,573.75 on October 5, 2016 and thereafter payments commencing on October 15, 2016 and continuing on the 15th of each month thereafter with a final interest payment due on or before December 17, 2015; (b) the Debtors

to cure arrearages to BAC Florida Bank, Setai Hotel Acquisition, LLC (the "Hotel") and the Setai Resort & Residence Condominium Association, Inc. (the "Association") within 5 months or as soon as may be required in order to carry out the terms of the Stipulation; and (c) the Debtors' agree to pay all ongoing expenses for the Property, including all fees due to the Association, the Hotel, insurance premiums, tax escrow requirements, and to continue to pay regular monthly mortgage payments to BAC Florida Bank.

In the event the Debtors default on payments, Setai Venture shall be entitled to enforce the Final Judgment, reschedule a foreclosure sale and interest shall thereafter accrue at a rate of 25% per annum.

All payments in connection with Class 4 will be contributed by Sefada, who has guaranteed the Setai Venture Secured Claim and reaffirmed such guarantee in the Setai Venture Agreement. Accordingly, notwithstanding the confirmation of this Plan, Sefada will begin making the above-referenced payments upon Court approval of the Setai Venture Agreement.

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

4.5. Class 5 – Setai Resort 3509 Claim

(a) Description. Class 5 consists of the Setai Resort 3509 Claim. According to Proof of Claim No. 1, the amount of the Setai Resort 3509 Claim is \$10,891.08.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 3509 shall pay the Setai Resort 3509 Claim in three equal monthly installments, without interest.

(c) Impairment. The Class 5 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.6. Class 6 – Setai Resort 1908 Claim

(a) Description. Class 6 consists of the Setai Resort 1908 Claim. According to Proof of Claim No. 1, the amount of the Setai Resort 1908 Claim is \$6,189.03.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 1908 shall pay the Setai Resort 1908 Claim in three equal monthly installments, without interest.

In the event Setai Venture selects the Transfer Option, all obligations to Setai Resort in connection with the Setai Resort 1908 Claim shall be assumed by Setai Venture and Setai 1908 (and any co-obligors or guarantors) shall be forever released. Such assumption shall be effective upon execution of a deed of Unit 1908 from Setai 1908 to Setai Venture, as detailed in Section 4.4 of the Plan.

(c) Impairment. The Class 6 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.7. Class 7 – Setai Hotel 3509 Claim

(a) Description. Class 7 consists of the Setai Hotel 3509 Claim. According to Setai 3509's schedules, this claim is estimated at \$116,000.00

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 3509 shall pay the Setai Hotel 3509 Claim in six equal monthly installments, without interest.

(c) Impairment. The Class 7 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.8. Class 8 – Setai Hotel 1908 Claim

(a) Description. Class 8 consists of the Setai Hotel 1908 Claim. According to Setai 1908's schedules, this claim is estimated at \$52,300.00.

(b) Treatment. Commencing the first day of the month following the Effective Date of the Plan, Setai 1908 shall pay the Setai Hotel 1908 Claim in six equal monthly installments, without interest.

In the event Setai Venture selects the Transfer Option, all obligations to Setai Hotel in connection with the Setai Hotel 1908 Claim shall be assumed by Setai Venture and Setai 1908 (and any co-obligors or guarantors) shall be forever released. Such assumption shall be effective upon execution of a deed of Unit 1908 from Setai 1908 to Setai Venture, as detailed in Section 4.4 of the Plan.

(c) Impairment. The Class 8 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.9. Class 9 – General Unsecured Claims of Setai 3509

(a) Description. Class 9 consists of the Allowed general Unsecured Claims of Setai 3509. Setai 3509 anticipates that this class will consist of a deficiency claim of Setai Venture, if any.

(b) Treatment. In full satisfaction, settlement and release of Class 9 Claims against Setai 3509, the holders of Allowed General Unsecured Claims shall receive a pro rata distribution of \$10,000 on the Effective Date. In the event no allowed general Unsecured Claims are scheduled or filed, such funds shall be retained by the Reorganized Debtors.

(c) Impairment. The Class 9 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.10. Class 10 – General Unsecured Claims of Setai 1908

(a) Description. Class 10 consists of the Allowed general Unsecured Claims of Setai 1908. Setai 1908 anticipates that this class will consist of a deficiency claim of Setai Venture, if any.

(b) Treatment. In full satisfaction, settlement and release of Class 10 Claims against Setai 1908, the holders of Allowed General Unsecured Claims shall receive a pro rata distribution of \$10,000 on the Effective Date. In the event no allowed general Unsecured Claims are scheduled or filed, such funds shall be retained by the Reorganized Debtors.

(c) Impairment. The Class 10 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4.11. Class 11 – Allowed Equity Interests of Setai 3509

(a) Description. Class 11 consists of the Allowed Equity Interests of Setai 3509, which includes membership interests evidencing ownership interest in Setai 3509, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

(b) Treatment. The Debtors are cancelling their membership interests and reissuing same to be owned by the Plan Sponsor or her assigns in exchange for the Plan Sponsor's assistance in funding the Plan.

(c) Impairment. The Class 11 Claims are Impaired and are deemed to have rejected the Plan.

4.12. Class 12 – Allowed Equity Interests of Setai 1908

(a) Description. Class 12 consists of the Allowed Equity Interests of Setai 1908, which includes membership interests evidencing ownership interest in Setai 1908, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

(b) Treatment. The Debtors are cancelling their membership interests and reissuing same to be owned by the Plan Sponsor or her assigns in exchange for the Plan Sponsor's assistance in funding the Plan.

(c) Impairment. The Class 12 Claims are Impaired and are deemed to have rejected the Plan.

ARTICLE V

PROVISIONS REGARDING VOTING, DISTRIBUTION, CLAIM ALLOWANCE

5.1 Voting of Claims and Equity Interests

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. Claims in Classes 1-10 are Impaired under this Plan. Holders of classes of Interests in Classes 11-12 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.

Any Ballot not filed by the Ballot Deadline and in accordance with the filing instructions on the Ballot pertaining to this Plan shall not be counted for voting purposes.

5.2 Method of Distribution under the Plan

Subject to Rule 9010, and except as otherwise provided in Section 5.3 of the Plan, all Distributions under the Plan shall be made by the Reorganized Debtors to the holder of each Allowed Claim or Allowed Equity Interest at the address of such holder as listed on the Schedules and/or Proof of Claim as of the Effective Date unless the Debtors or Reorganized Debtors has been notified in writing of a change of address, including by the filing of a proof of Claim by such holder that provides an address different from the address reflected on the Schedules.

Any payment of Cash made by the Reorganized Debtors pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer.

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.

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

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 $\frac{1}{2}$ or greater shall be rounded to the next higher whole number and fractions of less than $\frac{1}{2}$ shall be rounded to the next lower whole number.

Any Distributions 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.

Unless otherwise provided herein, all initial Distributions and deliveries to be made on the Effective Date shall be made on the initial Distribution Date. Subsequent Distributions shall be made in accordance with the terms set forth in the Plan.

At the close of business on the Effective Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Debtors 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 after the Effective Date. The Debtors 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 on the Effective Date.

5.3 Distributions Withheld for Disputed General Unsecured Claims

(a) Establishment and Maintenance of Reserve

On the initial Distribution Date and each subsequent Distribution Date, the Reorganized Debtors shall reserve from the Distributions to be made on such dates 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 Debtors or the Court in accordance with Section 5.7 of 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 Reorganized Debtors for the benefit of the potential recipients of such Cash and shall not constitute property of the Reorganized Debtors.

(c) Distributions Upon Allowance of Disputed General Unsecured Claims

The holder of a Disputed Claim that becomes an Allowed Claim subsequent to any Distribution Date shall receive Distributions of Cash and any other consideration from the Disputed Claims Reserve from the Reorganized Debtors 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) No Surplus Distributions to Holders of Allowed General Unsecured 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 vest in the Reorganized Debtors.

(e) Expenses of Disputed Claims Reserve

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

5.4 Procedures for Allowance or Disallowance of Disputed Claims

(a) Objections to and Resolution of Administrative Claims and General Unsecured Claims

Except as to applications for allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Code, the Debtors or the Reorganized Debtors shall have the exclusive right to make and file objections to Administrative Claims and General Unsecured Claims subsequent to the Effective Date. All objections shall be litigated to Final Order; *provided*,

however, that following the Effective Date, the Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve or withdraw any of their objections without approval of the Court. Unless otherwise ordered by the Court, the Debtors or the Reorganized Debtors shall file all objections to Claims and serve such objections upon the holder of the Claim as to which the objection is made as soon as is practicable, but in no event later than thirty (30) days after the Effective Date or such later date as may be approved by the Court. The Debtors or the Reorganized Debtors reserve the right to object to Administrative Claims as such claims arise in the ordinary course of business. The Reorganized Debtors shall bear all costs and expenses relating to the investigation and prosecution of Disputed Claims from and after the Effective Date.

(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).

(c) Disallowed Claims

All Claims held by persons or entities against whom the Debtors or Reorganized Debtors have commenced an Action under sections 542, 543, 544, 545, 547, 548, 549, and/or 550 of the Code, shall be deemed "disallowed" Claims pursuant to section 502(d) of the Code and holders of such Claims shall not be entitled to vote to accept or reject the Plan. Claims that are deemed disallowed shall continue to be disallowed for all purposes until the avoidance action against such party has been settled or resolved by Final Order and any sums due to the Estate from such party have been paid.

5.5 Disbursing Agent

The Reorganized Debtors, or such Person(s) as the Reorganized Debtors may designate with approval of the Court, will act as Disbursing Agent under the Plan with respect to all Distributions to holders of Claims and Equity Interests, and will make all Distributions required to be distributed under the applicable provisions of the Plan. Any Disbursing Agent may employ or contract with other entities to assist in or make the Distributions required by the Plan. Each Disbursing Agent will serve without bond, and each Disbursing Agent, other than the Reorganized Debtors, will receive, without further Court approval, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized Debtors on terms acceptable to the Reorganized Debtors. The Reorganized Debtors shall hold all reserves and accounts pursuant to the Plan, the Disputed Claims Reserve.

5.6 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 Debtors and the Reorganized Debtors 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 Debtors or Reorganized Debtors 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 Debtors or the Reorganized Debtors 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.

5.7 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, the Debtors, the Reorganized Debtors, 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 502G) of the Code. THE ESTIMATION OF CLAIMS AND ESTABLISHMENT OF RESERVES UNDER THE PLAN MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH DISPUTED CLAIMS.

5.8 Amendments to Claims

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 Debtors, the Reorganized Debtors or the Estate, unless the Claim holder has obtained prior Court authorization for the filing of such amendment.

5.9 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.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Rejection of Executory Contracts and Unexpired Leases. Executory Contracts and Unexpired Leases

The Code grants the Debtors 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 Debtors and any Person shall be deemed rejected by the Reorganized Debtors as of the Effective Date, 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 Effective Date, (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 Effective Date, (iii) are for an insurance contract; (iv) which is listed on an assumption list which shall be filed with the Court and served on the affected parties by no later than twenty (20) days prior to the deadline to submit Ballots; *provided, however*, that the Debtors or Reorganized Debtors shall have the right, on or prior to the Confirmation Date, to amend the assumption list to delete any Executory Contract or unexpired lease there from or add any Executory Contract or unexpired lease thereto, in which event such Executory Contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Debtors or Reorganized Debtors shall provide notice of any amendments to the Assumption list to the non-Debtors parties to the Executory Contracts and unexpired leases affected thereby. The listing of a document on the Assumption list shall not constitute an admission by the Debtors or Reorganized Debtors that such document is an Executory Contract or an unexpired lease or that the Debtors or Reorganized Debtors has any liability thereunder.

ARTICLE VII MEANS FOR IMPLEMENTING THE PLAN

7.1 General

Upon confirmation of the Plan, and in accordance with the Confirmation Order, the Debtors or Reorganized Debtors, as the case may be, 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.

7.2 The Reorganized Debtors

Except as otherwise provided in the Plan, on the Effective Date of the Plan, all Assets of the Debtors shall be vested in the Reorganized Debtors. The Reorganized Debtors shall assume all of the Debtors' rights, obligations and liabilities under the Plan.

7.3 Funding

The Plan shall be funded through Cash generated by the Debtors or Reorganized Debtors' rental of Unit 3509 and Unit 1908. If the Cash generated by the Debtors or Reorganized Debtors is insufficient to provide for any Distribution the Plan Sponsor shall provide additional funds to make such Distribution (the "Plan Sponsor Contributions").

7.4 Corporate Action

On the Effective Date, all matters provided for under the Plan that would otherwise require approval of the member of the Debtors or the Reorganized Debtors shall be deemed to have occurred and shall be in full force and effect from and after the Effective Date pursuant to the laws of the State of Florida, and other applicable limited liability company law of the jurisdiction in which the Reorganized Debtors is incorporated, without any requirement or further action by the members of the Debtors or the Reorganized Debtors. On the Effective Date or as soon thereafter as is practicable, the Reorganized Debtors shall, if required, file any necessary documents with the secretary of the state of the state in which the Reorganized Debtors are organized.

7.5 Continued Corporate Existence

The Reorganized Debtors shall continue to exist after the Effective Date with all powers of limited liability companies under the laws of the State of Florida and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under Florida law; and, following the Effective Date, the Reorganized Debtors 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. After the Effective Date, the Reorganized Debtors may operate its business, and may use, acquire, and dispose of its property, free of any restrictions of the Code and Rules. Upon the Effective Date, the Reorganized Debtors shall be owned 100% by the Plan Sponsor or such other person or entity as designated by the Plan Sponsor.

7.6 Section 1146(a) Exemption

Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any security under the Plan, or the making, delivery, or recording of an instrument of transfer in connection with (a) the sale of the Property and (b) financing incurred in connection with the Purchaser's acquisition of the Property, shall not be taxed under any law imposing a stamp or similar tax, including but not limited to any documentary stamp taxes or intangible taxes, whether on any deed, leasehold, assignment, promissory note, security agreement or mortgage.

7.7 Revesting of Assets

Except as otherwise provided in the Plan, pursuant to section 1141 of the Code, the Property of the Estate of the Debtors, including, without limitation, the Actions shall revert in the Reorganized Debtors on the Effective Date, free and clear of all Liens, Claims and Equity Interests of holders of Claims and Equity Interests, except as otherwise provided in the Plan or the Confirmation Order.

7.8 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 Debtors and Debtors in Possession, including, without limitation, actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553 of the Code, shall become Assets of the Reorganized Debtors, and the Reorganized Debtors shall have the authority to

commence and prosecute such Actions for the benefit of the Estate. Specifically, the Reorganized Debtors shall continue to prosecute any Action pending on the Effective Date.

Further, section 547 of the Code enables debtors in possession 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 under liquidation. Creditors have defenses to the avoidance of such preferential transfers based upon, among other things, the transfers having occurred as part of the Debtors' ordinary course of business, or that subsequent to the transfer the creditor provided the Debtors with new value. There were no transfers made to ordinary creditors within ninety (90) days prior to the Petition Date in excess of \$5,850 to one payee. There were no transfers made to Insiders within more than one (1) year prior to the Petition Date.

After the Effective Date, the Reorganized Debtors shall have the authority to compromise and settle, otherwise resolve, discontinue, abandon or dismiss all such Actions with the approval of the Court. In order to obtain Court approval of a settlement, the Reorganized Debtors shall file and serve on all known Creditors, a motion to approve the settlement, pursuant to Rule 9019, to give the Creditors the opportunity to review any such proposed settlement. Prior to the Confirmation Hearing, the Debtors shall file a schedule of potential avoidance actions, if any.

7.9 Dismissal of Certain Claims

Within 5 business days after the effective date BAC Florida and Setai Venture shall dismiss, with prejudice all litigation pending against the Debtors.

7.10 Discharge

Commencing on the Effective Date, except as otherwise provided in the Plan, all holders of Claims and Interests shall be precluded forever from asserting against the Debtors' Estates, the Reorganized Debtors or their respective assets, any other or further liabilities, lien obligations, claims or equity interest, arising or existing prior to the Effective Date, that was or could have been the subject of any Claim or Interest, whether or not allowed. As of the Effective Date, the Reorganized Debtors shall be discharged, released from and shall hold the assets received or retained by and pursuant to this Plan, free and clear of all liabilities, liens, claims or obligations or other claims of any nature of the debtors or their Estates except as otherwise provided herein.

7.11 Injunction against Plan Sponsor

Since the Plan Sponsor Contributions are integral to the success of the Plan and since the Plan Sponsor is currently a guarantor of certain Allowed Claims, this Plan calls for a non-permanent injunction of certain guarantee claims against the Plan Sponsor, to wit:

SO LONG AS THE DEBTORS OR REORGANIZED DEBTORS REMAIN IN COMPLIANCE WITH THE TERMS OF THE PLAN, THE HOLDERS OF ALL ALLOWED CLAIMS (INCLUDING, WITHOUT LIMITATION, BAC FLORIDA AND SETAI VENTURE) SHALL BE ENJOINED FROM PURSUING CLAIMS AGAINST THE PLAN SPONSOR ARISING FROM PERSONAL GUARANTIES OF THE RESPECTIVE ALLOWED CLAIM.

ARTICLE VIII **CONFIRMATION**

8.1 Conditions Precedent to Confirmation

The Plan shall not be confirmed by the Court unless and until the following conditions shall have been satisfied or waived pursuant to Section 8.2 of the Plan:

(i) The Confirmation Order shall be in form and substance reasonably acceptable to the Debtors and include, among other things, a finding of fact that the Debtors, the Reorganized Debtors, and its respective present and former members, officers, directors, employees, advisors, attorneys, and agents acted in good faith within the meaning of and with respect to all of the Actions described in section 1125(e) of the Code and are, therefore, not liable for the violation of any applicable law, rule or regulation governing such Actions; and

(ii) All exhibits to the Plan, including those to be contained in any plan supplement, shall be in form and substance reasonably acceptable to the Debtors and approved by the Court.

8.2 Conditions Precedent to Effectiveness

The Plan shall not become effective unless and until the following conditions have been satisfied or waived pursuant to this Section of the Plan:

(i) The Confirmation Order shall have been entered and shall be a Final Order (with no modification or amendment thereof), and there shall be no stay or injunction that would prevent the occurrence of the Effective Date;

(ii) The statutory fees owing to the United States Trustee shall have been paid in full;

(iii) All other Actions, authorizations, filings consents and regulatory approvals required (if any) shall have been obtained, effected or executed in a manner acceptable to the Debtors and remain in full force and effect or, if waivable, waived by the Person or Persons entitled to the benefit thereof.

8.3 Effect of Failure of Conditions

If each condition to the Effective Date specified in the Plan has not been satisfied or duly waived within ninety (90) days after the Confirmation Date, then upon the filing of a motion by the Debtors made before the time that all conditions have been satisfied or duly waived, the Confirmation Order will be vacated by the Court; *provided, however*, that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived before the Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated, the Plan shall be deemed null and void in all respects, including without limitation the release of Claims pursuant to section 1141 of the Code and the assumptions or rejections of Executory Contracts and unexpired leases as provided by the Plan, and nothing contained herein shall (1) constitute a waiver or release of any Action by, or Claims against, the Debtors or (2) prejudice in any manner the rights of the Debtors.

8.4 Waiver of Conditions

The Debtors may waive one or more of the conditions precedent to confirmation of the Plan, or the condition precedent to effectiveness of the Plan set forth in Section 8.02 of the Plan. The Debtors may waive in writing one or more of the other conditions precedent to confirmation and effectiveness of the Plan, without further notice to parties in interest or the Court without a prior hearing.

8.5 Best Interest 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 Debtors 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 the Debtors were liquidated under Chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from Debtors' Assets if the Chapter 11 Case were 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 Debtors' Assets and would be augmented by any Cash held by Debtors. As detailed in the Liquidation Analysis attached to the Disclosure Statement as Exhibit "B", the Debtors' Liquidation Value would not allow holders of Allowed General Unsecured Claims to receive any distribution. In contrast, the Debtors' Plan proposes to make a \$20,000 distribution to the holders of Allowed General Unsecured Claims. Additionally, Setai Venture would receive less in a Chapter 7 liquidation case than the amount to be paid pursuant to the Plan. Based on the foregoing, Distributions under the Plan will provide at least the same recovery to holders of Allowed Claims against the Debtors on account of such Allowed Claims as would distributions by a Chapter 7 Trustee.

ARTICLE IX **RETENTION OF JURISDICTION**

9.1 Matters Over Which Court Shall Retain 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 Debtors 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, the 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 Debtors 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 authorize the sale of Unit 1908, if necessary;

(o) 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; and

(p) 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 the Reorganized Debtors under applicable environmental laws

ARTICLE X

OTHER PROVISIONS

10.1 Effectuating Documents and Further Transactions

The Debtors or Reorganized Debtors, as the case may be, are authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to implement, effectuate and further evidence the terms and conditions of the Plan and any notes or securities issued pursuant to the Plan.

10.2 Post-Effective Date Fees and Expenses

From and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without the necessity for any approval by the Court, pay the reasonable fees and expenses of Professionals thereafter incurred by the Reorganized Debtors, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

10.3 Payment of Statutory Fees

The Debtors or Reorganized Debtors shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After confirmation, the Reorganized Debtors shall file with the Court and serve on the United States Trustee a quarterly financial report regarding all income and disbursements, including all plan payments, for each quarter (or portion thereof) the Case remains open.

10.4 Amendment or Modification of Plan

Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtors at any time prior to the Confirmation Date in conformity with section 1127(a) of the Code, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122, 1123 and 1129 of the Code, and the Debtors shall have complied with section 1125 of the Code. The Plan may be altered, amended or modified by the Debtors at any time after the Confirmation Date in conformity with section 1127(b) of the Code, provided that the Plan, as altered, amended or modified, satisfies the requirements of sections 1122 and 1123 of the Code and the Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under section 1129 of the Code and the circumstances warrant such alterations, amendments or modifications. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder.

10.5 Severability

In the event that the Court determines, prior to the Confirmation Date, that any provision in the Plan is invalid, void or unenforceable, such provision shall be invalid, void or unenforceable with respect to the holder or holders of such Claims or Equity Interests as to which the provision is determined to be invalid, void or unenforceable. The invalidity, voidness or unenforceability of any such provision shall in no way limit or affect the enforceability and operative effect of any other provision of the Plan. The Court, at the request of the Debtors, shall have the power to alter and

interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

10.6 Revocation

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims or Actions by or against the Debtors or any other Person, an admission against interests of the Debtors, nor shall it prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

10.7 Binding Effect Notices

The Plan shall be binding upon and inure to the benefit of the Debtors, the holders of Claims and Equity Interests, and their respective successors and assigns, including, without limitation, the Reorganized Debtors.

10.8 Notices

All notices, requests and demands to or upon the Debtors or the Reorganized Debtors to be effective shall be in writing and, unless otherwise expressly provided in the Plan, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Reorganized Debtors:

Setai 3509 & 1908, LLC
101 20th Street, Suite 3509
Miami Beach, FL 33139

With a copy to:

Hoffman, Larin & Agnetti, P.A.
Attn: Michael S. Hoffman, Esq.
909 North Miami Beach Boulevard, Suite #201
North Miami Beach, FL 33162
mshoffman@hlalaw.com

10.9 Governing Law

Except to the extent the Code, Rules or other federal law is applicable, or to the extent the Plan or any agreement entered into pursuant to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to the principles of conflicts of law of such jurisdiction.

10.10 Withholding and Reporting Requirements

In connection with the consummation of the Plan, the Debtors or the Reorganized Debtors, as the case may be, shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

10.11 Section 1125(e) of the Code

As of the Confirmation Date, the Debtors shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Code. As of the Confirmation Date, the Debtors and its respective members, officers, directors, agents, financial advisors, attorneys, employees, equity holders, partners, affiliates and representatives shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Code in the offer and issuance of the new securities hereunder, and therefore are not, and on account of such offer, issuance and solicitation shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections hereof or other offer and issuance of new securities under the Plan.

10.12 No Admissions

Notwithstanding anything in the Plan to the contrary, nothing contained in the Plan shall be deemed as an admission by any Person with respect to any matter set forth in the Plan or herein.

10.13 Waiver of Bankruptcy Rule 3020(e) and 7062

The Debtors may request that the Confirmation Order include (a) a finding that Rules 3020(e) and 7062 shall not apply to the Confirmation Order; and (b) authorization for the Debtors to consummate the Plan immediately after entry of the Confirmation Order.

10.14 Time

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Court, the provisions of Rule 9006 shall apply.

10.15 Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Code.

10.16 Final Decree

Once there has been Substantial Consummation of the Plan, the Reorganized Debtors shall file a motion with the Court to obtain a final decree to close the Case.

10.17 Inconsistency

In the event of any inconsistency between the Plan, any Exhibit to the Plan or any other instrument or document created or executed pursuant to the Plan, the Plan shall govern. In the event of any inconsistency

10.18 No Interest or Attorneys' Fees

Except as otherwise provided under the Plan, or as ordered by the Court, no interest, penalty or other charge, including any late charge, arising from and after the Petition Date, and no award or reimbursement of any attorneys' fees or other related cost or disbursement, shall be allowed on, or in connection with, any Claim, unless otherwise provided under the Plan or awarded by the Court.

10.19 Successors and Assigns

This Plan and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10.20 Headings

The headings of articles, paragraphs and sub-paragraphs in this Plan are inserted for convenience only and shall not affect the interpretation of any provision of this Plan.

10.21 No Penalty for Prepayment

Neither the Debtors nor the Reorganized Debtors shall be liable for payment of any sum or interest in the form of a penalty relating to the prepayment of any claim treated under this Plan.

10.22 Savings Clause

Any minor defect or inconsistency in the Plan may be corrected or amended by the Confirmation Order.

10.23 Remedy of Defects

After the Effective Date, the Reorganized Debtors may, with approval of the Court, and so long as it does not materially and adversely affect the interests of Creditors, remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and effect of the Plan and in form and substance satisfactory to the Reorganized Debtors.

/s/ Nafia Sevin Ergun Sefada (e-filed with consent)
Setai 3509 and Setai 1908
Managing Member

Submitted by:

HOFFMAN, LARIN & AGNETTI, P.A.
Counsel for Debtors/Plan Proponents
909 North Miami Beach Blvd., Suite 201
North Miami Beach, FL 33162
Tel: (305) 653-5555; Fax: (305) 940-0090
Mshoffman@hlalaw.com

/s/ Michael S. Hoffman
Michael S. Hoffman
Florida Bar No.: 41164

Exhibit B Identity and Value of Material Assets of Debtor

Fill in this information to identify the case:

Debtor name Setai 3509, LLC
United States Bankruptcy Court for the: SOUTHERN DISTRICT OF FLORIDA
Case number (if known) 16-20114

Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on Schedule G: Executory Contracts and Unexpired Leases (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1 Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

No. Go to Part 2.

Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. Checking, savings, money market, or financial brokerage accounts (Identify all)
Name of institution (bank or brokerage firm) Type of account

Last 4 digits of account number

3.1. Citibank, N.A. (account balance is approxamite)

Checking Account

\$500.00

4. Other cash equivalents (Identify all)

5. Total of Part 1.

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$500.00

Part 2 Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

No. Go to Part 3.

Yes Fill in the information below.

Part 3 Accounts receivable

10. Does the debtor have any accounts receivable?

No. Go to Part 4.

Yes Fill in the information below.

Part 4 Investments

13. Does the debtor own any investments?

No. Go to Part 5.

Yes Fill in the information below.

Debtor Setai 3509, LLC
 Name

Case number (if known) 16-20114

Part 5 Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.
 Yes Fill in the information below.

Part 6 Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- No. Go to Part 7.
 Yes Fill in the information below.

Part 7 Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- No. Go to Part 8.
 Yes Fill in the information below.

Part 8 Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- No. Go to Part 9.
 Yes Fill in the information below.

	General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47.	Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles			
48.	Watercraft, trailers, motors, and related accessories <i>Examples:</i> Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels			
49.	Aircraft and accessories			
50.	Other machinery, fixtures, and equipment (excluding farm machinery and equipment) Fixtures located at 101 20th St., Unit 3509. Value included in property value.	Unknown		\$0.00

51. Total of Part 8.

Add lines 47 through 50. Copy the total to line 87.

\$0.00

52. Is a depreciation schedule available for any of the property listed in Part 8?

- No
 Yes

53. Has any of the property listed in Part 8 been appraised by a professional within the last year?

- No
 Yes

Part 9 Real property

54. Does the debtor own or lease any real property?

Debtor Setai 3509, LLC Case number (if known) 16-20114
 Name

- No. Go to Part 10.
- Yes Fill in the information below.

55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. 101 20 Street, Unit 3509, Miami Beach, FL 33139	Fee simple	Unknown	Expert	\$8,000,000.00

56. Total of Part 9.

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

\$8,000,000.00

57. Is a depreciation schedule available for any of the property listed in Part 9?

- No
- Yes

58. Has any of the property listed in Part 9 been appraised by a professional within the last year?

- No
- Yes

Part 10 Intangibles and intellectual property

59. Does the debtor have any interests in intangibles or intellectual property?

- No. Go to Part 11.
- Yes Fill in the information below.

Part 11 All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
- Yes Fill in the information below.

Debtor Setai 3509, LLC
 Name

Case number (if known) 16-20114

Part 12 Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	\$500.00	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	\$0.00	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	\$0.00	
83. Investments. <i>Copy line 17, Part 4.</i>	\$0.00	
84. Inventory. <i>Copy line 23, Part 5.</i>	\$0.00	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	\$0.00	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	\$0.00	
88. Real property. <i>Copy line 56, Part 9.</i>		\$8,000,000.00
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	\$0.00	
90. All other assets. <i>Copy line 78, Part 11.</i>	\$0.00	
91. Total. Add lines 80 through 90 for each column	\$500.00	\$8,000,000.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$8,000,500.00

Fill in this information to identify the case:

Debtor name Setai 3509, LLC

United States Bankruptcy Court for the: SOUTHERN DISTRICT OF FLORIDA

Case number (if known) 16-20114

Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- Yes. Fill in all of the information below.

Part 1 List Creditors Who Have Secured Claims

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

Column A	Column B
Amount of claim	Value of collateral that supports this claim
Do not deduct the value of collateral.	
<u>\$5,400,000.00</u>	<u>\$8,000,000.00</u>

2.1 BAC Florida Bank

Creditor's Name
169 Miracle Mile R-10
Coral Gables, FL 33134

Creditor's mailing address

Creditor's email address, if known

Date debt was incurred
3/21/14

Last 4 digits of account number

Describe debtor's property that is subject to a lien
101 20 Street, Unit 3509, Miami Beach, FL 33139

Describe the lien
First Mortgage

Is the creditor an insider or related party?
 No
 Yes

Is anyone else liable on this claim?
 No
 Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)

Do multiple creditors have an interest in the same property?
 No
 Yes. Specify each creditor, including this creditor and its relative priority.

- BAC Florida Bank**
- Setai Hotel Acquisition, LLC**
- Setai Resort and Residences Condominiu**
- Setai Venture, LLC**
- Miami Dade Tax Collector**

As of the petition filing date, the claim is:
Check all that apply

Contingent
 Unliquidated
 Disputed

2.2 Miami Dade Tax Collector

Creditor's Name
140 W Flagler St
Miami, FL 33130

Creditor's mailing address

Creditor's email address, if known

Describe debtor's property that is subject to a lien
101 20 Street, Unit 3509, Miami Beach, FL 33139

\$0.00 \$8,000,000.00

Describe the lien
Tax lien

Is the creditor an insider or related party?
 No
 Yes

Is anyone else liable on this claim?

Debtor **Setai 3509, LLC**

Case number (if know) **16-20114**

Creditor's Name
**c/o Bloom Office, LLC
575 Madison Ave., 10th
Floor
New York, NY 10022**

**101 20 Street, Unit 3509, Miami Beach, FL
33139**

Creditor's mailing address

Describe the lien

Junior Mortgage

Is the creditor an insider or related party?

No

Yes

Is anyone else liable on this claim?

No

Yes. Fill out *Schedule H: Codebtors* (Official Form 208H)

Creditor's email address, if known

Date debt was incurred

Last 4 digits of account number

Do multiple creditors have an interest in the same property?

No

Yes. Specify each creditor, including this creditor and its relative priority

Specified on line 2.1

As of the petition filing date, the claim is:

Check all that apply

Contingent

Unliquidated

Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.

**\$11,729,611.
44**

Part 2: List Others to Be Notified for a Debt Already Listed in Part 1

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did you enter the related creditor?

Last 4 digits of account number for this entity

**Setai Resort and Residences Condominiu
300 21st St #119
Miami Beach, FL 33139**

Line **2.4**

Exhibit C Projections of Cash Flow and Earnings for Post-Confirmation Period*Proposed Monthly Budget (Setai 3509, LLC)***Expenses:**

BAC Florida	\$27,460.69
Taxes:	\$16,364.31
Association maintenance:	\$8,150.04
General liability insurance:	\$475.00
Utilities:	\$500.00
Maintenance/repairs:	\$750.00
Total Operating Expenses:	\$53,700.04
Class 1 Payments:	\$0.00
Class 2 Payments:	\$71,179.08
Class 5 Payments:	\$3,630.36
Class 7 Payments:	\$1,933.33
Total Plan Expenses:	\$76,742.77
Combined Expenses:	\$130,442.81

Income

Rent:	\$60,000.00 ³
Equity Contribution:	\$70,442.81

³ This is a \$15,000 increase over the previous disclosure statement. The Debtors have received rental offers which have increased their estimated projected rent.

*Proposed Monthly Budget (Setai 1908, LLC)***Expenses:**

BAC Florida	\$8,868.00
Taxes:	\$5,940.78
Association maintenance:	\$4,134.83
General liability insurance:	\$475.00
Utilities:	\$250.00
Maintenance/repairs:	\$500.00
Total Operating Expenses:	\$20,168.61

Class 1 Payments:	\$0.00
Class 3 Payments:	\$18,473.61
Class 6 Payments:	\$2,063.01
Class 8 Payments:	\$8,716.66
Total Plan Expenses:	\$29,253.88
Combined Expenses:	\$49,422.49

Income

Rent:	\$20,000.00 ⁴
Equity Contribution:	\$29,422.49 ⁵

⁴ This is an average of seasonal rent (\$25,000.00) and out of season rent (\$15,000.00)

⁵ This equity contribution will only be necessary until completion of the cure payments to Classes 3, 6 and 8. Upon completion of such cure payments, the equity contribution will be reduced as necessary. Additionally, upon effectuation of the Transfer Option or the Sale Option, all the listed payments related to Setai 1908 will terminate.