UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re:

17315 COLLINS AVENUE, LLC,[1]

Case No. 12-10631-RAM
Chapter 11

Debtor.
_______________________________________/

DEBTOR'S DISCLOSURE STATEMENT

17315 Collins Avenue, LLC ("***17315***" or the "***Debtor***"), as a debtor-in-possession pursuant to Chapter 11 of Title 11 of the United States Code (the "***Bankruptcy Code***"), files its Disclosure Statement ("***Disclosure Statement***") in support of its Plan of Reorganization ("***Plan***" or "***Plan of Reorganization***").

NO PERSON MAY GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS DISCLOSURE STATEMENT REGARDING THE PLAN OR THE SOLICITATION OF ITS ACCEPTANCE.

ALL CREDITORS AND INTEREST HOLDERS ARE HEREBY ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY INCLUDING THE EXHIBITS HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE COURT PRIOR TO OR CONCURRENT WITH THE FILING OF THIS DISCLOSURE STATEMENT. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE MADE THAT (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN ARE MATERIALLY ACCURATE; OR (B) THIS DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

AFTER THE EFFECTIVE DATE OF THE PLAN, A PORTION OF CERTAIN DISTRIBUTIONS UNDER THE PLAN MAY BE SUBJECT TO SUBSTANTIAL DELAYS FOR CREDITORS AND INTEREST HOLDERS WHOSE CLAIMS AND INTERESTS ARE CLASSIFIED IN CLASSES THAT CONTAIN CONTESTED CLAIMS OR INTERESTS. ALSO, THERE ARE NO ASSURANCES AS TO THE PERCENTAGE OF DISTRIBUTIONS TO GENERAL UNSECURED CREDITORS WHOSE CLAIMS ARE CLASSIFIED IN CLASSES THAT CONTAIN CONTESTED CLAIMS. THE AMOUNT OF ANY DISTRIBUTION MAY VARY SUBSTANTIALLY

[1] The Debtor's current mailing address 17315 Collins Avenue, Sunny Isles Beach, FL 33160. The last four digits of the Debtor's EIN is 9143.

DEPENDING UPON THE TOTAL AMOUNT OF ALLOWED GENERAL UNSECURED CLAIMS AND ALLOWED EXECUTORY CONTRACT REJECTION CLAIMS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED, AS REQUIRED, 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.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN. NOTHING CONTAINED HEREIN WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION OF THE DEBTOR ON HOLDERS OF CLAIMS OR INTERESTS. AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER CLAIMS AND CAUSES OF ACTIONS OR THREATENED ACTIONS AGAINST THIRD PARTIES, THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION OR STIPULATION, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY THE DEBTOR AND HAS NOT BEEN SUBJECT TO INDEPENDENT REVIEW OR TO CERTIFIED AUDIT. THE DEBTOR HAS MADE EVERY EFFORT TO ENSURE THAT THE INFORMATION CONTAINED HEREIN IS COMPLETE AND ACCURATE; HOWEVER, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THIS INFORMATION IS WITHOUT ANY INACCURACY.

I. INTRODUCTION AND REPRESENTATIONS

A. Introduction and Summary of Plan

The Debtor has prepared and is disseminating this Disclosure Statement to holders of Claims against it for the purpose of soliciting acceptance of its Plan of Reorganization. The Debtor believes this Disclosure Statement contains the information that is material, important and necessary for its Creditors to arrive at an informed decision in exercising their right to vote for the Plan. A copy of the Plan accompanies this Disclosure Statement as Exhibit A. For a Class of Claims to accept the Plan, acceptances must be filed by at least 2/3 in amount and more than 1/2 in number of the Allowed Claims for such Classes that actually vote on the Plan. A failure to vote on the Plan does not constitute either an acceptance or rejection of the Plan.

As discussed in greater detail below, the Plan contemplates that the Debtor will continue its efforts to operate the hotel and market and sell the remaining Units at the Project.

B. Representations

NO REPRESENTATIONS CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED OTHER THAN AS SET FORTH HEREIN. ANY REPRESENTATIONS OR INDUCEMENTS TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED HEREIN SHOULD NOT BE RELIED UPON BY YOU. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN REVIEWED OR PASSED UPON BY AN ACCOUNTANT. THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY ALTHOUGH ALL SUCH INFORMATION IS ACCURATE TO THE DEBTOR'S BEST KNOWLEDGE, INFORMATION AND BELIEF. THE COURT HAS NOT VERIFIED THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND THE COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT IMPLY THAT THE COURT ENDORSES OR APPROVES THE PLAN, BUT ONLY THAT IF THE INFORMATION IS ACCURATE, IT IS SUFFICIENT TO PROVIDE AN ADEQUATE BASIS FOR CREDITORS AND INTEREST HOLDERS TO MAKE INFORMED DECISIONS WHETHER TO APPROVE OR REJECT THE PLAN.

C. Defined Terms

Most words or phrases used in this Disclosure Statement shall have their usual and customary meanings. The words or phrases when used in the context of the Plan and Disclosure Statement with initial capital letters shall have definitions set forth in the Plan. Unless otherwise defined, the terms used in this Disclosure Statement shall have the same meaning as in the Bankruptcy Code or Bankruptcy Rules.

D. Holders of Claims Entitled to Vote

Pursuant to the Bankruptcy Code, only holders of Allowed Claims or Interests in Classes of Claims or Interests that are Impaired under a plan and that will receive Distributions under the Plan are entitled to vote to accept or reject the Plan. Under applicable bankruptcy law, any proof of claim filed by an alleged creditor is presumed to be an Allowed Claim until such time as the Debtor (or another party in interest) objects to such a Claim. In the event of an objection to a filed Claim, **a claimant is not permitted to vote on the Debtor's proposed Plan until such time as the Claim is temporarily allowed by the Bankruptcy Court for voting purposes. In this regard, the burden is on the claimant to have an objected to Claim temporarily allowed and the Debtor strongly recommends that parties with Claims subject to an objection seek legal counsel to discuss their eligibility to vote.** Classes of Claims or Interests in which the holders of Claims or Interests will not receive or retain any property under the Plan are deemed to have rejected the Plan and are not entitled to vote on the Plan. Classes of Claims or Interests in which the holders of Claims or Interests are Unimpaired under the Plan are deemed to have accepted the Plan and are not entitled to vote on the Plan. Under the Plan, Classes 2, 3, 4, 5, 6, 7, 8, 9 and 10 are Impaired. Holders of Allowed Claims or Interests under one or more of such Classes are entitled to vote on the Plan.

E. Cramdown

If all of the applicable requirements of Section 1129(a) of the Bankruptcy Code, other than subparagraph 8 thereof, are determined by the Bankruptcy Court to have been satisfied with respect to the Plan, then the Debtor may seek confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code. For purposes of seeking confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code, the Debtor reserves the right to modify or vary the terms of the Plan or the treatment of the Claims or Interests of those Classes that rejected the Plan so as to comply with the requirements of Section 1129(b) of the Bankruptcy Code.

II. BACKGROUND INFORMATION

A. The Debtor and Summary of Reasons for Filing Petition

The Debtor is a Florida corporation which owns and operates a 147 unit, 24 story, luxury, beach-front condominium hotel located at 17315 Collins Avenue, Sunny Isles Beach, Florida, known as "Sole" or "Sole on the Ocean" (the "***Property***" or the "***Hotel***"). As of July 31, 2012, closings on 100 of the 147 condominium Units have already occurred. The remaining 47 Units are used as full-time guest rooms and suites in the Debtor's full-service Hotel operations. Third-party owners of the condominium units may participate in a voluntary rental program operated by the Debtor's management company, OTO173 Management, LLC ("***OTO***"), through which the condominium units are offered to the public as hotel rooms. The Property offers various amenities and facilities including a restaurant/lounge, conference and meeting space, beach club, state-of-the-art health club with spa services, business center, pool, and a poolside patio bar.

The Hotel opened in March 2009, and the Debtor has built it into one of the leading hotels in the Sunny Isles Beach market. Despite the difficult market conditions in the South Florida real estate market, buyers have historically shown interest in units at the Project, evidenced by the 100 closed units, and prospective buyers have continually shown interest in purchasing condominium-hotel units. The remaining 47 Units, which total 47,715 square feet, are worth approximately $23,500,000,[2] which does not include the hotel portion of the Project, which has an additional estimated value of approximately $16,000,000. The Debtor is the sole owner of the Property. WaveStone Properties, LLC ("***WaveStone***") owns one hundred percent (100%) of the membership interests in the Debtor and has no other businesses or assets.

The Debtor filed this Chapter 11 Case in order to address and defend against the efforts of its senior secured lender to obtain the Property from the Debtor through litigation and a foreclosure sale, as discussed in more detail below. Via the Debtor's Chapter 11 Case, the Debtor intends to effectively and efficiently reorganize, and to continue to operate the Hotel and market and sell the remaining Units at the Property, which will result in the preservation of its business as a going concern and the maximization of funds available for Distribution to all of the Debtor's creditors and equity holders.

[2] Calculated at the market purchase price of $500 per square foot.

B. The Bankruptcy Case

On January 10, 2012 (the "***Petition Date***"), the Debtor filed a Voluntary Petition for relief pursuant to Chapter 11 of the Bankruptcy Code [ECF No. 1]. The Debtor continues to manage and operate its business as a debtor in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been sought or appointed.

On January 11, 2012, the Debtor filed its Case Management Summary [ECF No. 4].

On February 14, 2012, the Debtor filed its application to employ Meland Russin & Budwick, P.A. ("***MRB***") [ECF No. 44] *nunc pro tunc* to the Petition Date, which was approved by the Court by on April 27, 2012 [ECF No. 68].

On February 28, 2012, the Debtor also filed its application to employ the law firm of RiesbergLaw, *nunc pro tunc* to the Petition Date [ECF No.51], which was approved by order of the Court entered on March 5, 2012 [ECF No. 56].

On May 6, 2012, the Debtor also filed its application to employ the accounting firm of Marcum LLP, *nunc pro tunc* to March 1, 2012 [ECF No.72], which was approved by order of the Court entered on May 7, 2012 [ECF No. 74].

The 341 Meeting of Creditors was held and concluded on February 15, 2012 [ECF No. 17, 63]. The United States Trustee subsequently filed a notice of non-appointment of a committee of unsecured creditors pursuant to 11 U.S.C. § 1102 [ECF No. 62].

C. Claims Bar Date

On January 12, 2012, the Bankruptcy Court set a deadline requiring anyone holding or asserting a claim against the Debtor to file a proof of claim on or before May 15, 2012 (the "***Claims Bar Date***") [ECF No. 17].

D. Senior Loan and the Prepetition Foreclosure Litigation

The construction of the Project was primarily financed via a construction loan (the "***Loan***") originally made by Corus Bank, N.A. ("***Corus***") to the Debtor in the original principal amount of $47,272,000 (the "***Senior Loan***"). The Senior Loan was secured by a blanket security interest in all of the Debtor's property. Notably, the sole mechanism for repayment of the Senior Loan, as expressly set forth in the underlying loan documents, was through the sale of condominium/hotel units at the Project. In other words, the underlying loan documents did not provide for the periodic payment of principal and/or interest.

Pursuant to its terms, the Senior Loan matured on February 28, 2008. On April 10, 2008, Corus Bank provided notice to the Debtor of certain alleged defaults under the Senior Loan.

Notwithstanding the maturity and alleged defaults, Corus Bank continued to approve the sale of units and did not otherwise accelerate the Senior Loan or take any action to foreclose on its lien. Indeed, the Debtor proceeded to complete construction on the Hotel, open its doors and commence operations in March of 2009, and successfully close on the sale of more than two-thirds (2/3) of its 147 units during this time period.

On September 11, 2009, the Office of the Comptroller of the Currency closed Corus, and the Federal Deposit Insurance Corporation ("***FDIC***") was named Receiver. On October 16, 2009 (the "***Closing Date***"), the FDIC assigned the Senior Loan to the Corus Construction Venture, LLC ("***CCV***") pursuant to an Assignment of Mortgage and Other Loan Documents.

On March 5, 2010 -- more than two years after the Senior Loan's maturity date -- CCV filed a Complaint against the Debtor, among others, in the Circuit Court of the Eleventh Judicial District in and for Miami-Dade County (the "***State Court***"), asserting claims for mortgage foreclosure, among others (the "***Foreclosure Action***"). Notably, prior to the Foreclosure Action, the Debtor had reduced the principal balance due on the Senior Loan, thorough the sale of units, from over $47 million to approximately $15.4 million.

On or about November 30, 2011, the State Court entered its Partial Final Judgment of Foreclosure and Damages (the "***Foreclosure Judgment***") in favor of CCV in the amount of $19,770,900.30, and set a foreclosure sale of the Project for January 11, 2012. On or about January 4, 2012, CCV filed a notice of assignment with the State Court asserting that all of its right, title and interest in and to the Foreclosure Judgment had been assigned to 17315 Collins Avenue Marketing, LLC (the "***17315 CAM***" or the "***Noteholder***"), an entity that, upon information and belief, is owned and/or controlled by CCV.

E. Mezzanine Lender: NYLIM

On or about October 29, 2004, the Debtor's parent company, WaveStone, executed and delivered to NYLIM-GCR Fund I-2002, L.P. (collectively, with its successors and assigns, "***NYLIM***") a mezzanine loan agreement (the "***Mezzanine Loan Agreement***") in the original principal amount of $10,400,000, which was later amended and increased to the principal amount of $13,000,000 (the "***Mezzanine Loan***"). The Mezzanine Loan is secured by a subordinate mortgage on the Debtor's interest in the Property as well as WaveStone's membership interests in the Debtor.

F. Construction Lien Holder: Bovis

Bovis was the construction manager for the construction of the Project. On or about October 1, 2008, Bovis recorded a claim of lien in the amount of $767,196.00 against the Property. On December 29, 2008, Bovis recorded an amended claim of lien in the amount of $2,770,185.00. Thereafter, the Debtor made various payments to Bovis on account of its claim of lien totaling $1,375,000.00. As such, as of the Petition Date, Bovis was owed approximately $1,395,185.00 in principal on account of its claim of lien.

G. Purchase and Sale Agreements and Closings

The Debtor has previously sought and obtained the Court's approval for the sale of a certain Unit at the Property as well as procedures for future sales of additional Units (*see* ECF No. 91]. In that regard, the Debtor is currently finalizing negotiations with several interested parties for the sale of certain Units at the Property. As such, the Debtor anticipates that, prior the Effective Date, the Debtor will finalize and close on additional sales of Units at the Property. In addition, the Debtor further anticipates that, on or before the Effective Date, the Debtor will seek the Court's approval for the retention of an exclusive listing agent to assist the Debtor in marketing the additional remaining Units for sale in accordance with the Plan.

H. The Use of Cash Collateral

On January 10, 2012, the Debtor filed its Emergency Motion Pursuant to 11 U.S.C. §§ 361, 362, 363 and 552 and Fed. R. Bankr. P. 4001, 6003 and 9014, for an Order (I) Authorizing Use of Cash Collateral and (II) Granting Adequate Protection [ECF No. 10], which was granted on an interim basis on January 20, 2012 [ECF No. 25]. On March 5, 2012, the Court entered the Second Interim Order Granting Debtor's Emergency Motion Pursuant to 11 U.S.C. §§ 361, 362, 363 and 552 and Fed. R. Bankr. P. 4001, 6003 and 9014, For an Order (I) Authorizing Use of Cash Collateral and (II) Granting Adequate Protection [ECF No. 57] authorizing the Debtor to use the Noteholder's Cash Collateral on a further interim basis through April 30, 2012. On May 6, 2012, the Court entered the Third Interim Order Granting Debtor's Emergency Motion Pursuant to 11 U.S.C. §§ 361, 362, 363 and 552 and Fed. R. Bankr. P. 4001, 6003 and 9014, For an Order (I) Authorizing Use of Cash Collateral and (II) Granting Adequate Protection [ECF No. 71] authorizing the Debtor to use the Noteholder's Cash Collateral on a further interim basis through June 30, 2012. On July 5, 2012, the Court entered the Fourth Interim Order Granting Debtor's Emergency Motion Pursuant to 11 U.S.C. §§ 361, 362, 363 and 552 and Fed. R. Bankr. P. 4001, 6003 and 9014, For an Order (I) Authorizing Use of Cash Collateral and (II) Granting Adequate Protection [ECF No. 98] authorizing the Debtor to use the Noteholder's Cash Collateral on a further interim basis through July 31, 2012. On August 2, 2012, the Court entered the Third Interim Order Granting Debtor's Emergency Motion Pursuant to 11 U.S.C. §§ 361, 362, 363 and 552 and Fed. R. Bankr. P. 4001, 6003 and 9014, For an Order (I) Authorizing Use of Cash Collateral and (II) Granting Adequate Protection [ECF No. 108] authorizing the Debtor to use the Noteholder's Cash Collateral on a further interim basis through August 31, 2012.

I. DIP Reports

As required under the Bankruptcy Code, the Debtor files its Debtor-In-Possession Monthly Operating Reports. All DIP Reports are available for review by parties in interest.

J. Assumption and Rejection of Executory Contracts and Unexpired Leases

The Debtor may ultimately assume Purchase and Sale Agreements, as may be modified by addendum, or reject such Purchase and Sale Agreements. A determination of whether to

LAW OFFICES OF MELAND RUSSIN & BUDWICK, P.A.
3200 SOUTHEAST FINANCIAL CENTER, 200 SOUTH BISCAYNE BOULEVARD, MIAMI, FLORIDA 33131 • TELEPHONE (305) 358-6363

assume or reject such agreements will be analyzed and determined on a case-by-case basis. All Purchase and Sale Agreements which have not been specifically rejected will be deemed assumed pursuant to the terms set forth in this Disclosure Statement and the Plan. Similarly, all RMA's with third-party unit owners which have not been specifically rejected will be deemed assumed in accordance with the Plan. All other executory contracts and unexpired leases which have not been specifically assumed or rejected shall be deemed rejected pursuant to the terms set forth in this Disclosure Statement and the Plan.

K. Debtor's Exclusivity

The Debtor's Plan and Disclosure Statement have been filed within its exclusive period and the deadline for the Debtor to solicit acceptances of the Plan is October 7, 2012.

L. Sales Plan and Hotel Management

As stated above, the Debtor intends to retain a sales broker to assist the Debtor in selling the Units and anticipates filing a motion seeking approval of such retention prior to approval of the Disclosure Statement.

Pursuant to its management agreement with the Debtor, OTO manages the Hotel and the Property on a daily basis, and provides all on-site property management. The Sole is a full service operating hotel and all services, including landscaping and pool service, are being provided on a regular and uninterrupted basis. These efforts assist in presenting the Project as operating and viable, and greatly assist in the overall presentation and marketing and sales efforts.

M. Condominium Association

The Sole Condominium Association, Inc. ("***Association***") was incorporated on December 8, 2003. Turnover of the Condominium Association to the other unit owners has not yet occurred.

N. Adversary Proceedings

No adversary proceedings have yet been filed in this bankruptcy proceeding.

III. CHAPTER 11 PLAN

THE FOLLOWING IS A SUMMARY OF THE PLAN. THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH IS ATTACHED HERETO AS EXHIBIT A. IF THERE IS ANY INCONSISTENCY BETWEEN THE DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS. THIS SUMMARY ONLY HIGHLIGHTS SUBSTANTIVE PROVISIONS OF THE PLAN. CONSIDERATION OF THIS SUMMARY WILL NOT, NOR IS IT INTENDED TO, CREATE A THOROUGH UNDERSTANDING OF THE PLAN. ALL HOLDERS OF CLAIMS AND

INTERESTS ARE URGED TO REVIEW THE PLAN CAREFULLY. THE PLAN, IF CONFIRMED, WILL BE BINDING ON THE DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. INTRODUCTION

The Plan provides for a restructuring of the Debtor's financial obligations which will allow the Debtor to continue operating as a full-service condominium/hotel. The Debtor believes, and will demonstrate to the Court, that, pursuant to the Plan, creditors and interest holders will receive no less value than they would received in a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

B. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The following table summarizes the Classes of Claims against and Interests in the Debtor and specifies which of those Classes are (i) impaired or unimpaired by the Plan, (ii) entitled to vote to accept or reject the Plan in accordance with Section 1126 of the Bankruptcy Code and (iii) deemed to reject the Plan. The classification listed below is for all purposes, including, voting, confirmation and distribution pursuant to the Plan. A Claim or Interest is classified by the Plan in a particular Class only to the extent the Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled or paid prior to the Effective Date. In addition, consistent with Section 1122 of the Bankruptcy Code, a Claim or Interest is classified by the Plan in a particular Class only to the extent the Claim or Interest is within the description of the Class, and is classified in a different Class to the extent the Claim or the Interest is within the description of that different Class.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

Class	Designation	Impaired/Unimpaired	Entitled to Vote
1	Other Priority Claims	Unimpaired	No (deemed to accept)
2	Priority Deposit Claims	Impaired	Yes
3	Noteholder Secured Claim	Impaired	Yes
4	NYLIM Secured Claim	Impaired	Yes
5	Bovis Secured Claim	Impaired	Yes
6	Section 365(j) Claims	Impaired	Yes
7	Other Secured Claims	Impaired	Yes
8	Non-Insider General Unsecured Claims	Impaired	Yes
9	Insider General Unsecured Claims	Impaired	Yes
10	Equity Interests	Impaired	Yes

1. UNCLASSIFIED CLAIMS

Professional Fees.

At this time the Debtor does not know the exact amount of professional fees and costs that will ultimately be incurred through Confirmation of the Plan. As of August, 2012, the Debtor's attorneys, Meland Russin & Budwick, P.A. ("***MRB***") have incurred approximately $375,000.00 in fees and costs and anticipates that it will incur an additional $150,000.00 in fees and costs through Confirmation of the Plan. As of July, 2012, the Debtor's accountants and financial advisors, Marcum LLP ("***Marcum***"), have incurred approximately $105,000.00 in fees and costs and anticipates that it will incur an additional $20,000.00 in fees and costs through Confirmation of the Plan. Further, as of July, 2012, the Debtor's special litigation counsel, RiesbergLaw, has incurred approximately $25,000.00 in fees and costs. In addition, as discussed above, the Debtor intends to additionally retain a sales agent to assist the Debtor in selling the Units, and a broker/closing agent to handle the closings in connection therewith.

The Professionals will each file fee applications prior to Confirmation of the Plan seeking the Court's approval of such fees. To the extent allowed by the Court, all Professional's fees and costs shall be paid in full on the Effective Date of the Plan or as otherwise agreed between the Debtor and each such Professional.

Administrative Claims

Administrative Claims are the actual and necessary costs and expenses of the Chapter 11 Case that are allowed pursuant to section 503(b) of the Bankruptcy Code. Such expenses will include, but are not limited to, amounts owed to vendors providing goods and services to the Debtor during the Chapter 11 Case and tax obligations incurred after the Petition Date. The Debtor currently estimates, assuming that the Effective Date occurs on October 1, 2012, the Allowed and unpaid Administrative Claims on the Effective Date will be approximately $419,055.00 (including the estimated costs of curing any defaults required to be cured to effectuate in the assumption of executory contracts and unexpired leases to be assumed pursuant to the Plan).

Except to the extent that any entity entitled to payment of any Allowed Administrative Claim agrees to a different treatment, each holder of an Administrative Claim pursuant to Section 503 of the Bankruptcy Code which is Allowed shall receive Cash in an amount equal to such Allowed Administrative Claim on the later of the Effective Date and the date such Administrative Claim becomes an Allowed Administrative Claim by Final Order, or as soon thereafter as is reasonably practicable, unless the holder of such Allowed Administrative Claim agrees in writing to different treatment.

Bar Date for Administrative Claims. The Confirmation Order will establish an Administrative Claims Bar Date for filing Administrative Claims (other than Professional Fee Claims and U.S. Trustee's Fees Claims), which date shall be thirty (30) days after the Confirmation Date, unless otherwise ordered by the Court.

Priority Tax Claims.

Priority Tax Claims essentially consist of unsecured claims of federal, state, and local governmental authorities for the types of taxes specified in Section 507(a)(8) of the Bankruptcy Code, such as certain income taxes, sales and use taxes, property taxes, excise taxes, and employment and withholding taxes. These otherwise unsecured claims are given a statutory priority in right of payment under the Bankruptcy Code. The Debtor estimates that, on the Effective Date, the Allowed amounts of such claims will total $0.00.

Except to the extent that a holder of an Allowed Priority Tax Claim under Section 507(a)(8) of the Bankruptcy Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the sole option of the Debtor, (i) Cash in an amount equal to such Allowed Priority Tax Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day that is thirty (30) days after the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or (ii) equal annual Cash payments commencing on the Effective Date (a) of a total value, as of the Effective Date of the Plan, equal to the Allowed amount of such Priority Tax Claim; (b) over a period ending not later than 5 years after the Petition Date; and (c) in a manner not less favorable than the most favored nonpriority Unsecured Claim provided for by the Plan (other than Cash payments made to a Class of Claims or Interests pursuant to Section 1122(b) of the Bankruptcy Code).

Except as otherwise permitted in the Plan, all Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as such obligations become due.

With respect to a Secured Claim which would otherwise meet the description of an Unsecured Claim of a governmental unit pursuant to Section 507(a)(8) of the Bankruptcy Code, but for the secured status of that Claim, the holder of such Secured Claim will receive, on account of that Secured Claim, and to the extent such Secured Claim is an Allowed Secured Claim, Cash payments, in the same manner and over the same period, as prescribed in subparagraphs (i) and (ii) above.

United States Trustee's 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 Chapter 11 Case is closed, dismissed, or converted to another chapter of the Bankruptcy Code. Any U.S. Trustee Fees owed on or before the Effective Date of this Plan will be paid on the Effective Date, or as soon thereafter as is reasonably practicable. After the Confirmation Date, the Debtor shall file a quarterly Post-Confirmation Operating Report which shall include, among other things, all payments made under the Plan and payments made in the ordinary course of business. The Post-Confirmation Operating Report shall be filed quarterly until the Court enters a Final Decree, dismisses the Chapter 11 Case, or converts the Chapter 11 Case to another chapter in bankruptcy.

2. CLASSIFIED CLAIMS

Class 1 – Other Priority Claims

Class 1 consists of the Allowed Other Priority Claims which are entitled to priority in accordance with Section 507(a) of the Bankruptcy Code (other than Administrative Claims, Priority Tax Claims and Priority Deposit Claims). The Debtor estimates that the Allowed Other Priority Claims as of the Effective Date will total approximately $0.00. Under the Plan, the legal, equitable and contractual rights of the holders of Allowed Other Priority Claims are unaltered. Except to the extent that a holder of an Allowed Other Priority Claim has been paid by the Debtor prior to the Effective Date or otherwise agrees to different treatment, each holder of an Allowed Other Priority Claim shall receive, in full and final satisfaction of such Allowed Other Priority Claim, payment of the Allowed Other Priority Claim in full in Cash on or as soon as reasonably practicable after (i) the Effective Date; (ii) the date such Other Priority Claim becomes Allowed by Final Order; or (iii) such other date as may be ordered by the Court. Class 1 Claims are unimpaired. As such, in accordance with Section 1126(f) of the Bankruptcy Code, Class 1 Claims are deemed to accept the Plan and are not entitled to vote on the Plan.

Class 2 – Priority Deposit Claims

Class 2 consists of the Allowed Priority Deposit Claims which are entitled to priority in accordance with Section 507(a)(7) of the Bankruptcy Code. Section 507(a)(7) of the Bankruptcy Code establishes a priority for "allowed unsecured claims of **individuals**, to the extent of $2,600.00 for each such individual, arising from the deposit, before the commencement of the case, of money in connection with the purchase, . . . of property, for the personal, family or household use of such individuals, that were not delivered or provided." This would apply to the deposit for the purchase and sale of a Unit.

i. Claimants Who Close and Purchase Unit(s): In the event that the holder of an Allowed Priority Deposit Claim closes on their respective Unit(s), such holder shall not receive a Distribution under the Plan and shall receive a credit at the closing for the total of their deposits at such closing.

ii. Claimants Whose Purchase and Sale Agreement(s) Have Been Properly Terminated: In the event it is adjudicated by the Court that a proposed purchaser is entitled to a return of its deposit, or if the proposed purchaser has properly terminated its respective Purchase and Sale Agreement, such proposed purchaser shall be entitled to the return of the portion of its deposit currently held in escrow. The balance of the deposit claim shall be treated as an Allowed Non-Insider General Unsecured Claim (Class 8), as described below.

iii. Claimants Whose Purchase and Sale Agreement(s) are Rejected by the Debtor: In the event that the holder of an Allowed Priority Deposit Claim is subject to an order approving the rejection of their respective Purchase and Sale Agreement, then such holder shall (i) be refunded all deposits on hand at the time of such rejection; (ii) have an Allowed Section 365(j) Claim for the balance of such deposits, which balance shall be paid as a Class 6

Section 365(j) Claim; and (iii) have the right to file a proof of claim with the Court for "rejection damages" pursuant to Section 365 of the Bankruptcy Code, which Claim shall be filed within such time as may be specified in the order of the Court approving the rejection of such Purchase and Sale Agreement. Any Claim which may be filed with the Court for rejection damages in accordance with this provision shall be treated, to the extent Allowed, as a Class 8 Allowed Non-Insider General Unsecured Claim.

iv. Claimants Who Breached or Defaulted Under Their Purchase and Sale Agreement: In the event a proposed purchaser breached or defaulted under their Purchase and Sale Agreement, the Debtor is entitled to retain the proposed purchaser's entire deposit and the proposed purchaser shall have no claim against the Debtor.

The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise any Allowed Class 2 Claims. Class 2 Claims are impaired and, thus, entitled to vote on the Plan.

Class 3 – Noteholder Secured Claim

1. Class 3 consists of the Allowed Secured Claim of Noteholder (sometimes herein "***Noteholder***"), which is agreed to be in the amount of $19,904,758.21 pursuant to the Foreclosure Judgment, plus interest on any unpaid amount thereof at the rate of 4.75% (the "***Judgment Rate***") from the date of the Foreclosure Judgment through the Effective Date, plus $325,000.00 in professional fees and expenses ("***Expenses***") incurred in this case (the "***Allowed Noteholder Secured Claim***"). As to the Expenses, the amount of $175,000.00 shall be amortized and shall accrue interest at the stated rate and be paid as provided herein; the amount of $150,000.00 shall be paid on or before the Maturity Date**,** and shall not accrue any interest provided that the Debtor does not fail to pay this sum at the Maturity Date; otherwise, interest shall be due thereon from the Effective Date.

2. As of the Effective Date, there are no claims, defenses, or rights to offset against the Allowed Noteholder Secured Claim, Noteholder, or Noteholder's predecessors or assignors, including Corus Bank, N.A. or Corus Construction Venture, LLC, and their officers, directors, agents and employees, whether arising in tort, contract, or by statute, at law or in equity, and whether known or unknown.

3. Commencing on the Effective Date, interest shall accrue on the Allowed Noteholder Secured Claim at the Judgment Rate until paid; provided, however, in the event of a "Default" under the terms of the Debt Modification Agreement (as defined below) and the covenants executed by the Debtor in connection herewith, which Default has not been cured by the expiration of the applicable Cure Period (as defined below), the interest rate on the Allowed Noteholder Secured Claim shall be five percent (5%) above the Judgment Rate.

4. On or before October 1, 2012, regardless of when the Effective Date occurs, Noteholder shall be paid a sum of not less than $100,000.00 from the Debtor's cash on hand, in addition to any Net Sales Proceeds due to Noteholder at that time. The Allowed Noteholder Secured Claim and any other amounts recoverable as authorized by the Plan or loan documents

shall be paid in full on or before the third anniversary of the Effective Date (the "***Maturity Date***"); provided that, except for aforementioned non-default interest due on the Allowed Noteholder Secured Claim, the Debtor expressly reserves the right to object to any such other amounts and is not herein agreeing to any such other amounts. The holder of the Allowed Noteholder Secured Claim shall receive, until such time as the Allowed Noteholder Secured Claim has been paid in full, (i) quarterly payments from Excess Cash (in the manner and as set forth in paragraph 5 below); and (ii) payments from the closings on the Units as and when they occur in the amount of the Net Sales Proceeds for each such sale. Provided no Default has occurred, all payments made on account of the Allowed Noteholder Secured Claim shall be applied first to accrued interest on the Allowed Noteholder Secured Claim, and then to the principal balance of such Claim; if a Default occurs, amounts paid to or collected by Noteholder shall be applied first to any reasonable fees and expenses incurred by Noteholder as a result of the Default, interest at the default rate, accrued and unpaid interest, and then the unpaid principal of the Allowed Noteholder Secured Claim.

5. The Debtor intends to pay the holder of the Allowed Noteholder Secured Claim in accordance with and as set forth in the projections attached as Exhibit A to the Plan, which also provide for the payment of all operating expenses of the Debtor; however, regardless of any projections or performance by the Debtor, the Debtor shall have an absolute obligation to pay to holder of the Allowed Noteholder Secured Claim a minimum of (i) $2.35m for the quarter ending December 31, 2012 (the "***Minimum 1st Quarter Noteholder Payment***") and (ii) $1.5m for each calendar quarter thereafter from Excess Cash, Net Sale Proceeds or otherwise in each quarter (the "***Minimum Quarterly Noteholder Payment***") which minimum payments shall each be completed on or before two (2) weeks following the end of each calendar quarter (the "***Due Date***").

Any payments of Excess Cash, Net Sales Proceeds or other payments or recoveries made by the Debtor to the holder of the Allowed Noteholder Secured Claim on or before the Effective Date shall be considered part of the Minimum 1st Quarterly Noteholder Payment and shall count toward the total amount due to the holder of the Allowed Noteholder Secured Claim on the Due Date for the Minimum 1st Quarterly Noteholder Payment. In addition, to the extent that the Debtor makes total payments to the holder of the Allowed Noteholder Secured Claim in any quarter which, in the aggregate, are more than the minimum amount set forth above for such quarter, such excess amount shall carryover and be a credit against the next Minimum Quarterly Noteholder Payment and any subsequent Minimum Quarterly Noteholder Payments until such excess has been fully exhausted.

Except for ordinary course transactions based upon the prior dealings with the affected third party, Debtor shall not incur debt or defer payment of amounts otherwise due and owing to vendors, service providers, and creditors with the sole exception of (i) deferring sums due to the Management Company or Thomas Feeley and/or Jean Feeley as compensation, in order to make the payment to the holder of the Allowed Noteholder Secured Claim required herein; (ii) deferring payments to unit owners under their applicable RMAs for thirty (30) days, and (iii) deferring payments to unit owners under their applicable RMAs for sixty (60) days if (a) Debtor has used at least fifty percent (50%) of its then-current Working Capital toward

making past due RMA payments and (b) Debtor's cash flow will be materially affected due to its uncollected accounts receivables being more than 125% of the average of accounts receivable for the prior three months, as evidenced by reasonable written documentation provided to Noteholder.

In the event that the Debtor fails to make the Minimum 1st Quarter Noteholder Payment or any Minimum Quarterly Noteholder Payment in the applicable quarter by the Due Date, the Debtor shall have until the Due Date of the next quarter to cure such non-payment (the "***Cure Period***"), provided that a cure shall only be effective if the Minimum Quarterly Noteholder Payment for such next quarter is made by the Due Date for such payment. A cure shall not be permitted in any two consecutive quarters; however, a cure shall be allowed twice in any given 365 day period. (For example, if the Debtor is unable to satisfy the Minimum 1st Quarter Noteholder Payment on December 31, 2012, the Debtor shall have until April 14, 2013 (the Due Date for the Minimum Quarterly Noteholder Payment due on March 31, 2013) to pay the holder of the Allowed Noteholder Secured Claim the Minimum 1st Quarter Noteholder Payment and the Minimum Quarterly Noteholder Payment for the quarter ending March 31, 2013. The Debtor shall not have the opportunity to pay any unpaid portion of the Minimum 1st Quarter Noteholder Payment by July 14, 2013 to avoid a Default.) If the Debtor fails to timely cure the failure to meet the Minimum Quarterly Noteholder Payment AND also fails to timely make the next Minimum Quarterly Noteholder Payment on the Due Date for such payment, a Default shall exist as to the holder of the Allowed Noteholder Secured Claim.

6. The Allowed Noteholder Secured Claim may be prepaid at any time without prepayment penalty.

7. Provided no Default exists beyond any applicable cure period under this provision of the Plan, upon fifteen (15) days prior written notice by facsimile, email or overnight courier to Joel Solomon, Esq. and Mark J. Wolfson, Esq., the Debtor may propose in writing the tender of all of the then-remaining Units to the holder of the Allowed Noteholder Secured Claim (the "***Tender Notice***"). In the event that the Debtor elects to so tender the remaining Units, the Tender Notice shall list the proposed remaining Units to be transferred as well as its proposed reduction in the amount of the Allowed Noteholder Secured Claim that would result from a transfer of the Units. The credit shall be based on the then fair market value of the Units (*e.g.*, present value of the sellout of the Units) transferred, after deducting unpaid real estate taxes, unpaid condominium assessments, and customary and reasonable costs of sale (e.g., commissions, title insurance, counsel fees, recording costs) to the extent not already factored into the value of the units (the "***Credit***"). The holder of the Allowed Noteholder Secured Claim shall have ten (10) days from the receipt of such Tender Notice to object in writing to the sender of the Tender Notice to the proposed amount of the Credit to be applied to the Allowed Noteholder Secured Claim (an "***Objection***"). Absent receipt of such Objection, the Debtor can proceed to execute and deliver to the holder of the Allowed Noteholder Secured Claim a special warranty deed for the Units to be transferred and the amount of the Allowed Noteholder Secured Claim shall be reduced by the amount of the proposed Credit. The tendered Units shall not be subject to a broker's lien or claim for broker's commissions due.

In the event that holder of the Allowed Noteholder Secured Claim gives notice of an Objection and the Debtor and the holder of the Allowed Noteholder Secured Claim are unable to reach agreement as to the Credit to be applied to the Allowed Noteholder Secured Claim on account of the Units to be transferred within fifteen (15) days of receipt of the Objection by the Debtor, the parties agree to submit the issue regarding the amount of the Credit to mediation by a mediator agreed to by the parties, which must occur and be concluded within thirty (30) days of the impasse (the "***Mediation Deadline***"). In the event that the mediation is not successful or the mediation is unable to be concluded as required, the Debtor will have the option within fifteen (15) days of the Mediation Deadline to either (i) withdraw its offer to tender, or (ii) file a motion with the Court requesting that the Credit be adjudicated by the Court (the "***Tender Motion***"). In connection with any tender or conveyance as authorized herein, and as a condition thereof, and, if required to be paid, the Debtor shall pay any documentary stamp taxes due and payable, or an equivalent amount shall be deducted from the Credit. Upon entry of a final order determining the Credit, the Debtor shall execute and deliver the special warranty deed to the holder of the Allowed Noteholder Secured Claim, whereupon the Credit adjudicated by the Court shall be effective. Notwithstanding the foregoing, the Debtor shall retain the right, during the period in which the amount of the Credit is being discussed and/or mediated, and until such point as the Tender Motion has been adjudicated by the Court, to sell any one or more of the Units that are the subject of the tender, which shall reduce the amount of the Allowed Noteholder Secured Claim accordingly. In addition, the Debtor shall not be relieved during such period from making the Minimum Quarterly Noteholder Payment as outlined above, and each such Minimum Quarterly Noteholder Payment made during such period shall reduce the amount of the Allowed Noteholder Secured Claim. If Units are tendered and deeded to the holder of the Allowed Noteholder Secured Claim as provided herein, the amount of the Minimum Quarterly Noteholder Payment shall be adjusted as provided in paragraph H below. If any liens are filed against the Units tendered after the Effective Date, or the Debtor is otherwise unable to deliver good and marketable title to the Units tendered, the holder of the Allowed Noteholder Secured Claim shall have no obligation to accept any tender of such Units.

This provision shall not impair the Debtor's ability to sell Units in accordance with the requirements herein, during the pendency of the Court's adjudication of the Credit. The Debtor shall use its best efforts to market and sell the Units.

8. In the event the Credit is less than the then-remaining balance of the Allowed Noteholder Secured Claim plus any other sums recoverable by Noteholder as permitted in the Plan, the remaining amount due following application of the Credit plus interest at the Judgment Rate (the "***Remaining Allowed Noteholder Secured Claim***") shall be amortized equally over the remaining period from the date of the Credit until the Maturity Date and paid to the holder of the Allowed Noteholder Secured Claim in equal quarterly payments over the remaining period from the date of the Credit until the Maturity Date, which payments shall each be made on or before the Due Date.

9. If remaining Units are deeded to the holder of the Allowed Noteholder Secured Claim in accordance with this provision, such conveyance shall be made on the express condition that the holder of the Allowed Noteholder Secured Claim shall (i) agree to keep all

such Units in the Debtor's rental management program as stated below, provided there is no default by the manager under those agreements, and timely execute RMAs in accordance therewith provided the RMA's are substantially the same as the one currently being used by the Debtor, and the Units are able to participate in the "rental program" such that those Units are not given disparate treatment to other Units; (ii) timely pay any and all fees due to the Condominium Association that become due after the transfer, in accordance with such RMAs; (iii) agree that it will not challenge the Debtor's retention of OTO as the management company (also the "***Management Company***") for the Project, provided OTO does not engage in material breaches of the management agreement or its' duties as manager; and (iv) agree that it will not challenge the fees to be paid to OTO in accordance with its management agreement, provided those fees are not more than those approved in the Plan. OTO shall execute an agreement acknowledging that any management agreement is subordinate to the lien of the holder of the Allowed Noteholder Secured Claim If a Default occurs after any applicable cure period, the Debtor shall not be obligated to pay and shall not pay the management fee to any management company that is an affiliate of any "insider" of the Debtor. With respect to item (i) above, the holder of the Allowed Noteholder Secured Claim agrees to keep all of the Units tendered in the Debtor's rental management program for a minimum of one (1) year. In addition, the holder of the Allowed Noteholder Secured Claim agrees that (i) it must provide the Debtor with a minimum of 90-days written notice of its intent to withdraw any Units tendered; and (ii) Noteholder shall remove Units from the RMA program not more than one-third in the twelfth month, one-third in the thirteenth month, and one-third in the fourteenth month, all after receiving title to the Units.

10. As part of the process for the Debtor to meet its projections and pay the Allowed Noteholder Secured Claim, and all other Claims as described herein, the holder of the Allowed Noteholder Secured Claim, upon receipt of the Net Sales Proceeds (as defined herein) , shall release its lien on any such Unit in connection with the closing of the sale of that Unit, so long as the Net Sales Proceeds payable to the holder of the Allowed Noteholder Secured Claim is equal to the greater of (i) the Minimum Release Payment for each Unit set forth in the "Debt Modification Agreement" defined below ("***Minimum Release Payment***") AND (ii) ninety percent (90%) of the actual gross sales price, provided that for the purpose of determining whether Debtor has met the requirement of (i) and (ii), the real estate tax credits due to the buyer for unpaid taxes shall be counted as proceeds to Noteholder for purposes of computing the Minimum Release Payment and the Net Sale Proceeds. Provided the Debtor meets the conditions set forth in the previous sentence, then, the holder of the Allowed Noteholder Secured Claim shall timely release its lien on any Units sold, and will not unreasonably delay or withhold its consent to release any such liens. Moreover, any failure to so consent to the release of liens in connection with a Unit sale cannot be used to effectuate, cause or otherwise contribute to an event of Default.

11. The holder of the Allowed Noteholder Secured Claim shall retain its lien on all collateral securing the Allowed Noteholder Secured Claim under the Loan Documents (the "***Noteholder Collateral***"), including but not limited to the property described in the Foreclosure Judgment (except to the extent released as in connection with a sale pursuant to 11 U.S.C. Section 363 or pursuant to this provision of the Plan), the property covered by Orders of this Court granting use of cash collateral, the personal property described in that certain agreement

with Cosa Supply, Inc. (the "***Cosa FF&E***"), and all deposit accounts into which any funds of the Debtor are deposited, including accounts controlled or titled in the name of the management company, until the Allowed Noteholder Secured Claim and other sums recoverable by Noteholder as permitted under the Plan are paid in full, at which time the holder of the Allowed Noteholder Secured Claim shall release its lien on all Assets of the Debtor, including the Noteholder Collateral. Debtor shall execute in favor of Noteholder on the Effective Date an amendment to the Security Agreement specifically granting Noteholder a first lien in the Cosa FF&E.

12. Subject to the Court's approval of the Plan with the provisions herein in favor of the holder of the Allowed Noteholder Secured Claim, the holder of the Allowed Noteholder Secured Claim does not object to Cosa Supply, Inc. and/or Thomas Feeley and David Ceva asserting that the Cosa FF&E constitute a "substantial contribution" by them under Title 11.

13. If a Default occurs, and after any applicable cure periods, in addition to any other rights available herein or under law, the holder of the Allowed Noteholder Secured Claim may file and serve in the State Case (that case shall not be dismissed for lack of prosecution and Debtor agrees to entry of an order in the State Case to that affect) a summary judgment motion for entry of an amended judgment and sale of foreclosure, along with an affidavit setting out the Default, the remaining Noteholder Collateral, the current amounts due, and will schedule a hearing in accordance with the Florida Rules of Civil Procedure governing summary judgments. The holder of the Allowed Noteholder Secured Claim shall be entitled to attorneys' fees and expenses incurred by the holder of the Allowed Noteholder Secured Claim after a Default and any applicable cure periods. The Debtor reserves all of its rights to oppose such relief and assert all of its claims, defenses and denials solely on issues that arise after the Effective Date. Upon a Default, and after the expiration of any applicable cure periods, the holder of the Allowed Noteholder Secured Claim may resume its action to recover against the "Indemnitors" (defined below).

14. On the Effective Date, the holder of the Allowed Noteholder Secured Claim, and the Debtor, shall execute an agreement, including certain covenants, default remedies and other miscellaneous provisions that are acceptable to Noteholder, and which agreement shall contain a statement that the terms and conditions of the Loan Documents[3] which are not inconsistent with

---

[3]Loan Documents include the following: (i) the Construction Loan Agreement (the "***Original Loan Agreement***") in the original Principal amount of $47,272,000 (the "***Senior Loan***"). The Original Loan Agreement was subsequently amended pursuant to the First Amendment to Construction Loan Agreement dated September 8, 2005 (the ***"First Loan Amendment***"), the Second Amendment to Construction Loan dated April 16, 2007 (the "***Second Loan Amendment***"), and the Third Amendment to Construction Loan Agreement dated October 1, 2007 (the "***Third Loan Amendment***") (the Original Loan Agreement, the First Loan Amendment, the Second Loan Amendment, and the Third Loan Amendment are collectively referred to as the "***Senior Loan Agreement***"); (ii) the Promissory Note in the original maximum principal amount of $47,272,000 (the "***Original Note***," and, as amended, the "***Senior Note***"). The Original Note was amended pursuant to the Amended and Restated Promissory Note dated

the provisions herein shall remain in force and effect (the "***Debt Modification Agreement***"); in that regard, but not intended to be limiting, the holder of the Allowed Noteholder Secured Claim acknowledges that, for example, the only defaults that shall be applicable after the Effective Date are those defined herein or as set forth in the Debt Modification Agreement.

15. On the Effective Date, Thomas Feeley and David Ceva (the "***Indemnitors***") shall execute a joinder to the terms of this provision and the Debt Modification Agreement, which shall provide that (i) Noteholder is not releasing its claim against Indemnitors under any agreements personally executed by them (the "***Indemnitor Agreements***") in favor of Noteholder's predecessors or assignors, including but not limited to any claim that the Indemnitors are liable due to the filing of the Chapter 11 Case by the Debtor, and that the confirmation of this Plan does not affect that claim, and (ii) Indemnitors waive any and all claims, defenses or right to offset, whether arising in tort, contract, by statute, at law or in equity, and whether known or unknown, based upon events or facts occurring prior to the Effective Date, with the exception that Indemnitors reserve the right to argue that their recourse liability was not triggered by the commencement of the Chapter 11 Case by the Debtor. Indemnitors also retain their right to argue that no "Loss" has occurred, as defined in the Indemnitor Agreements, and are not prohibited from raising any defense that is based upon facts or events occurring after the Effective Date. Indemnitors agree that the Indemnitor Agreements are not affected by confirmation of the Plan, except that so long as no Default occurs after the Effective Date, which Default remains uncured following passive of the applicable Cure Period, the holder of the Allowed Noteholder Secured Claim shall forbear from enforcing any rights or remedies under the Indemnitor Agreements.

16. Except as expressly provided in this provision, no release, exculpatory, or injunction provision elsewhere in the Plan shall bind or apply to Noteholder.

September 8, 2005 in the original maximum principal amount of $47,272,000 (the "***First Amended Note***"). The First Amended Note was amended pursuant to the Amended and Restated Promissory Note dated April 16, 2007 in the original maximum principal amount of $45,772,000 (the "***Second Amended Note***"). The Second Amended Note was amended pursuant to the Amended and Restated Promissory Note dated October 1, 2007 in the original maximum principal amount of $47,272,000; (iii) the Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement, as amended (the "***Senior Mortgage***"); (iv) the Security Agreement, as amended (the "***Senior Security Agreement***"), and various financing statements recorded in Miami-Dade County and filed with the Florida Secured Transactions Registry; (v) the Collateral Assignment of Developer's Rights and Agreement with Respect to Condominium Documents as of October 27, 2004; (vi) the Security Agreement and Assignment as of October 27, 2004; (vii) the Protective Advance and Reservation of Rights Agreement as of March 30, 2009; and (viii) Agreement Relating to Escrow Deposits dated for reference purposes as of October 27, 2004.

17. The Bankruptcy Court shall have concurrent, but not exclusive, jurisdiction to construe or enforce any provision of the Plan as it relates to Noteholder.

18. This provision shall bind and benefit the Debtor and Noteholder and their successors and assigns, including any trustees.

19. In addition to any other conditions precedent to the effectiveness of the Plan, Noteholder's agreement to the terms of the Plan is expressly conditioned upon (i) Noteholder filing with the Court a written notice of approval by the managing member of Noteholder that it has received approval from both of its members before the commencement of the hearing on confirmation; provided, however, if such approval is not received, then Debtor shall be permitted to file an amended or a new plan of reorganization, and in the meantime the parties shall agree to use of cash collateral or the Court shall adjudicate the same, and (ii) NYLIM agreeing in writing or the Court finding that the subordination agreement between Noteholder and NYLIM is not affected by the confirmation of the Plan. Subject to the foregoing conditions, the holder of the Allowed Noteholder Secured Claim agrees to support the plan and vote its secured claim, as well as any additional claims under its control, in favor of confirmation of the Plan.

20. Class 3 is impaired by the Plan.

Class 4 – NYLIM Secured Claim

Class 4 consists of the Allowed NYLIM Secured Claim, which is to be determined by a Final Order of the Court. NYLIM filed Claim No. 27 asserting, as amended, $13,000,000.00 due plus 20% interest in the amount of $15,303,839.39 as of the Petition Date, which the Debtor disputes.

Except to the extent that the holder of the Allowed NYLIM Secured Claim agrees to a different treatment, the holder of the Allowed NYLIM Secured Claim shall receive, until such time as the Allowed NYLIM Secured Claim has been paid in full, (i) quarterly payments from Excess Cash; and (ii) payments from the closings on the Units as and when they occur in the amount of the Net Sales Proceeds for each such Unit less any senior liens on such Unit. Such payments will commence following the payment in full of the Class 3 Allowed Noteholder Secured Claim.

The Allowed NYLIM Secured Claim shall be paid in full within four (4) years from the Effective Date, in accordance with and as set forth in the projections attached as Exhibit A to the Plan, which also provide for the payment of all operating expenses and real estate taxes owed. The Allowed NYLIM Secured Claim may be prepaid at any time without prepayment penalty, including, but not limited to, via the quitclaim of all or a portion of the remaining Units. In the event that the Reorganized Debtor elects at any point to quitclaim Units to the holder of the Allowed NYLIM Secured Claim, the Reorganized Debtor shall provide written notice thereof to the holder of the Allowed NYLIM Secured Claim, which written notice shall specify the Units to be transferred, as well as the proposed reduction in the amount of the Allowed NYLIM Secured

Claim therefrom. The holder of the Allowed NYLIM Secured Claim shall have seven (7) days from the receipt of such notice to object to the proposed amount of the credit to be applied to the Allowed NYLIM Secured Claim. Absent receipt of such objection within the seven (7) day period, the Reorganized Debtor can proceed to quitclaim the proposed Units to the holder of the Allowed NYLIM Secured Claim and reduce the amount of the Allowed NYLIM Secured Claim by the amount of the proposed credit. In the event that the Reorganized Debtor and the holder of the Allowed NYLIM Secured Claim are unable to reach agreement as to the credit to be applied to the Allowed NYLIM Secured Claim on account of the Units to be transferred, the parties shall file a motion with the Court requesting that the amount of the credit be adjudicated by the Court.

In order to meet the projections and pay the Allowed NYLIM Secured Claim, and all other Claims as described herein, the holder of the Allowed NYLIM Secured Claim shall, provided that the amount to be paid to the holder of the Allowed NYLIM Secured Claim in any given quarter (from either Excess Cash or Net Sales Proceeds) shall meet or exceed the amount set forth in Exhibit A to the Plan for such quarter, release its lien on any such Unit in connection with the sale of any Unit as and when requested by the Debtor. The holder of the Allowed NYLIM Secured Claim shall retain a lien on all other collateral securing the Allowed NYLIM Secured Claim (other than Units sold in accordance with the Plan) until such Allowed Claim is paid in full at which time the holder of the Allowed NYLIM Secured Claim shall release its lien on all Assets of the Debtor's Estate as well as all Assets of the Reorganized Debtor. To the extent that the Excess Cash and the Net Sales Proceeds are insufficient to pay the Allowed NYLIM Secured Claim, any deficiency shall be treated as an Allowed Non-Insider General Unsecured Claim, pursuant to the terms set forth in the Plan. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed NYLIM Secured Claim. Class 4 is impaired by the Plan and, thus, entitled to vote on the Plan.

Class 5 – Bovis Secured Claim

Class 5 consists of the Allowed Secured Claim of Bovis, which is to be determined by a Final Order of the Court. Bovis filed Claim No. 28 asserting $1,395,185.00 due plus interest and fees in the amount of $598,948.00 as of the Petition Date, which the Debtor disputes.

Except to the extent that the holder of the Allowed Bovis Secured Claim agrees to a different treatment, the holder of the Allowed Bovis Secured Claim shall receive, until such time as the Allowed Bovis Secured Claim has been paid in full, (i) quarterly payments from Excess Cash; and (ii) payments from the closings on the Units as and when they occur in the amount of the Net Sales Proceeds for each such Unit less any senior liens on such Unit. Such payments will commence following the payment in full of the Class 3 Allowed Noteholder Secured Claim and the Class 4 Allowed NYLIM Secured Claim.

The Allowed Bovis Secured Claim shall be paid in full within four (4) years from the Effective Date, in accordance with and as set forth in the projections attached as Exhibit A to the Plan, which also provide for the payment of all operating expenses and real estate taxes owed. The Allowed Bovis Secured Claim may be prepaid at any time without prepayment penalty, including, but not limited to, via the quitclaim of all or a portion of the remaining Units. In the

event that the Reorganized Debtor elects at any point to quitclaim Units to the holder of the Allowed Bovis Secured Claim, the Reorganized Debtor shall provide written notice thereof to the holder of the Allowed Bovis Secured Claim, which written notice shall specify the Units to be transferred, as well as the proposed reduction in the amount of the Allowed Bovis Secured Claim therefrom. The holder of the Allowed Bovis Secured Claim shall have seven (7) days from the receipt of such notice to object to the proposed amount of the credit to be applied to the Allowed Bovis Secured Claim. Absent receipt of such objection within the seven (7) day period, the Reorganized Debtor can proceed to quitclaim the proposed Units to the holder of the Allowed Bovis Secured Claim and reduce the amount of the Allowed Bovis Secured Claim by the amount of the proposed credit. In the event that the Reorganized Debtor and the holder of the Allowed Bovis Secured Claim are unable to reach agreement as to the credit to be applied to the Allowed Bovis Secured Claim on account of the Units to be transferred, the parties shall file a motion with the Court requesting that the amount of the credit be adjudicated by the Court.

In order to meet the projections and pay the Allowed Bovis Secured Claim, and all other Claims as described herein, the holder of the Allowed Bovis Secured Claim shall, provided that the amount to be paid to the holder of the Allowed Bovis Secured Claim in any given quarter (from either Excess Cash or Net Sales Proceeds) shall meet or exceed the amount set forth in Exhibit A to the Plan for such quarter, release its lien on any such Unit in connection with the sale of any Unit as and when requested by the Debtor. The holder of the Allowed Bovis Secured Claim shall retain a lien on all other collateral securing the Allowed Bovis Secured Claim (other than Units sold in accordance with the Plan) until such Allowed Claim is paid in full at which time the holder of the Allowed Bovis Secured Claim shall release its lien on all Assets of the Debtor's Estate as well as all Assets of the Reorganized Debtor. To the extent that the Excess Cash and the Net Sales Proceeds are insufficient to pay the Allowed Bovis Secured Claim, any deficiency shall be treated as an Allowed Non-Insider General Unsecured Claim, pursuant to the terms set forth in the Plan. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed Bovis Secured Claim. Class 5 is impaired by the Plan and, thus, entitled to vote on the Plan.

Class 6 – Section 365(j) Claims

Class 6 consists of all Allowed Section 365(j) Claims. Section 365(j) of the Bankruptcy Code limits any lien rights of a purchaser whose contract has been rejected pursuant to Section 365 of the Bankruptcy Code to that portion of the purchase price that the purchaser has previously paid. Thus, upon Court approval of such rejection, the holders of Allowed Section 365(j) Claims are deemed to hold a lien on the Debtor's interest in the relevant Unit to the extent of such holder's paid (but used) deposit against the relevant Unit. The Debtor does not know when any particular Unit relating to each individual deposit will be sold, only that all Units owned by the Debtor that are subject to the Allowed Section 365(j) Claims will ultimately be sold. When each Unit owned by the Debtor that is subject to an Allowed Section 365(j) Claim is sold, the lien that was attached to the particular Unit will attach to the Debtor's interest in the Net Sales Proceeds resulting from the sale of the Unit. The Debtor does not currently know whether it will reject any Purchase and Sale Agreements with respect to the Units. If the Debtor does not

ultimately reject any Purchase and Sale Agreements with respect to the Units, there will be no holders of Allowed Section 365(j) Claims.

Holders of Allowed Section 365(j) Claims shall retain their lien securing their Allowed Section 365(j) Claim until such Allowed Section 365(j) Claim is paid in full. Such holders shall be paid in full from the Net Sales Proceeds from the sale of their particular Unit after all Allowed Claims in Classes 3, 4 and 5 have been paid in full. To the extent that the Net Sales Proceeds are insufficient to pay any Allowed Section 365(j) Claims, any deficiency shall be treated as an Allowed Non-Insider General Unsecured Claim, pursuant to the terms set forth in the Plan. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed Section 365(j) Claims. Class 6 Claims are impaired by the Plan and, thus, entitled to vote on the Plan.

Class 7 – Other Secured Claims

Class 7 consists of Allowed Other Secured Claims. The Class 7 Other Secured Claims are Claims, to the extent reflected in the Schedules or a Proof of Claim as a Secured Claim, the payment or performance of which is secured by a lien on the Debtor's Assets to the extent of the value of the Debtor's interest in such Assets, as determined in accordance with Section 506(a) of the Bankruptcy Code. The Class 7 Other Secured Claims shall be Allowed or disallowed through the claims objection process described in Article VII of the Plan. The Debtor currently estimates that the Allowed Other Secured Claims will total approximately $1,994,133.00.

In full and final satisfaction of the Allowed Other Secured Claims, the holders of the Allowed Other Secured Claims shall receive, at the sole option of the Debtor and on the later of the Effective Date or the date such Other Secured Claim becomes an Allowed Claim, one of the following: (i) monthly installments of interest only, based on the thirty (30) day LIBOR as of the Effective Date, with all unpaid principal and interest due at the end of the 60th month following the Effective Date; (ii) the return of the collateral securing such Other Secured Claim; (iii) the reinstatement of the debt constituting such Other Secured Claim in accordance with Section 1124(2) of the Bankruptcy Code; (iv) such treatment as is agreed upon in writing between the Debtor and the holder of such Other Secured Claim; or (v) such treatment as is determined by the Court. The Allowed Other Secured Claims may be prepaid at any time without prepayment penalty.

To the extent necessary, and in order to meet the projections and pay the Allowed Other Secured Claims, and all other Claims as described herein, the holders of each such Allowed Other Secured Claim shall release its lien on any Units sold in accordance with the Plan and the projections set forth on Exhibit A to the Plan as and when requested by the Debtor. The holders of the Allowed Other Secured Claims shall retain a lien on all other collateral securing such Allowed Other Secured Claims (other than Units sold in accordance with the Plan) until such Allowed Claims are paid in full at which time the holders of the Allowed Other Secured Claims shall release their liens on all Assets of the Debtor's Estate as well as all Assets of the Reorganized Debtor. To the extent that the Excess Cash and the Net Sales Proceeds are insufficient to pay in full the Allowed Other Secured Claims, any deficiencies shall be treated as

Allowed Non-Insider General Unsecured Claims, pursuant to the terms set forth in the Plan. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed Other Secured Claims. Class 7 Claims are impaired by the Plan and, thus, entitled to vote on the Plan.

Class 8 – Non-Insider General Unsecured Claims

Class 8 consists of Allowed General Unsecured Claims. All holders of Allowed General Unsecured Claims shall be paid from Excess Cash, including Litigation Proceeds, and the Net Sales Proceeds generated by the sale or liquidation of the Units, in accordance with and as set forth on Exhibit A to the Plan, in full, within five (5) years from the Effective Date, only after the Allowed Claims in Classes 2 through 7 have been paid in full. In the event there are insufficient funds to pay all of the Debtor's Allowed Non-Insider General Unsecured Claims in full, then a first and final *pro rata* distribution shall be made. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed Non-Insider General Unsecured Claims. The Debtor currently estimates that the Allowed Non-Insider General Unsecured Claims will total approximately $1,781,908.00. Class 8 Claims are impaired by the Plan and, thus, entitled to vote on the Plan.

Class 9 – Allowed Insider Unsecured Claims

Class 9 consists of Allowed Insider Unsecured Claims. The Allowed Insider Unsecured Claims shall be paid from Excess Cash, including Litigation Proceeds, and the Net Sales Proceeds generated by the sale or liquidation of the Units, in accordance with and as set forth on Exhibit A to the Plan, in full, within five (5) years from the Effective Date, only after the Allowed Claims in Classes 2 through 8 have been paid in full. The Debtor reserves the right to object to, settle, compromise or adjust by mediation, arbitration or otherwise the Allowed Insider General Unsecured Claims. The Debtor currently estimates that the Allowed Insider General Unsecured Claims will total approximately $1,665,644.00. Class 9 Claims are impaired by the Plan and, thus, entitled to vote on the Plan.

Class 10 – Equity Interests

Class 10 consists of Allowed Interests. All Class 10 Allowed Interests shall revest in the Reorganized Debtor on the Effective Date. The holders of Allowed Interests shall retain their equity interests for the sole purpose of governing the Reorganized Debtor and each holder of an Allowed Class 10 Interest shall not receive any consideration on account of such Interest. If the Bankruptcy Court determines that the retention of equity interests in the Debtor by the holders of Allowed Class 10 Interests violates the absolutely priority rule, then the Interests shall be not be retained, shall not revest in the Reorganized Debtor, and shall be cancelled. In such case, the holders of Class 10 Interests will continue to govern the Reorganized Debtor pursuant to an Order of this Court confirming the Plan.

IV. MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

A. Source and Application of Funds Upon Confirmation

The Plan is a plan of reorganization. The Debtor's principal sources of revenue are comprised of Excess Cash, including Litigation Proceeds, and the Net Sales Proceeds generated by the sale of the Units.

The Excess Cash and the Net Sales Proceeds shall be used to fund the payments required in the Debtor's Plan until payment has been made in full to the Allowed Claims in Classes 1 through 9, after which all other proceeds shall remain with the Reorganized Debtor and be distributed to equity.

The Plan provides that all Closings on the sales of Units shall be free and clear of liens, claims, encumbrances and interests with liens, claims, encumbrances and interests attaching to the proceeds of such sales. The Allowed Claims shall be paid pursuant to, and in accordance with, the terms set forth above.

B. Prosecution of Third Party Litigation Claims

The Debtor's Plan will also be implemented through the prosecution of claims against third parties, if any. On the Effective Date, the Reorganized Debtor shall be authorized, except as provided for in the Plan or the Confirmation Order, to commence and prosecute any and all Third Party Litigation Claims that arose before, on or after the Petition Date. Proceeds, if any, realized from any Third Party Litigation Claims shall be added to Excess Cash.

1. Claims Against Purchasers that have Defaulted, or may Default, on Purchase Contracts

Pursuant to the terms and conditions of the real estate contracts that purchasers executed in conjunction with the sale of Units in the Project, in the event that a purchaser breaches the contract by defaulting on such purchaser's obligation, the Debtor may be pursuing these claims against such purchasers. The actions may seek recovery of, among other things, damages in connection with certain purchaser breaches of their respective purchase and sale agreements. These potential purchasers are: Sole Unit 602, LLC, Rehanna Gallagher, Val Ceva, Monica Sarmiento, Sole Unit 1801, LLC, Elvira Pineros de Lopez and Ana Lucia Patino. The Debtor reserves its right to prosecute against them all causes of action arising out of such parties' involvement with the Project including but not limited to breach of contract.

2. Preference Claims, Avoidance Actions and Insider Claims

Within the ninety (90) days prior to the Petition Date, the Debtor made payments to creditors and other parties. A list of payments made to the Debtor's creditors within such ninety (90) days prior to the Petition Date is included in the Debtor's Statement of Financial Affairs (*see* ECF No. 38). Many of the recipients of payments may have defenses to the Estate's causes

of action and/or the pursuit of such claims may not be economically feasible due to the amount of the payments at issue. The Debtor is continuing its investigation of any and all Third Party Litigation Claims, including but not limited to preference claims, avoidance actions, and insider claims under bankruptcy law, which the Debtor may have against third parties, and specifically reserves all such claims.

C. Cancellation of Instruments and Other Documentation

Except to the extent otherwise provided under the Plan, or the Confirmation Order, upon the Effective Date, all prepetition agreements of the Debtor, credit agreements, prepetition loan documents and postpetition loan documents to which the Debtor is a party, and all lien claims and other evidence of liens against the Debtor, shall be deemed to be cancelled and of no further force and effect, without any further action on the part of the Debtor. The holders of or parties to such cancelled instruments, agreements, and other documentation will have no remaining rights arising from or relating to such document or the cancellation thereof, except the rights provided pursuant to the Plan and the Confirmation Order and any rights that, by the terms of the applicable agreement, survive the termination of such agreement.

C. Contribution of Fixed Assets from Cosa Supply, LLC

Pursuant to a Master Equipment Lease dated as of March 5, 2009, the Debtor leases certain of the fixed assets located on the Property from Cosa Supply, LLC, an entity that is jointly owned by Tom Feeley and David Ceva. On the Effective Date, Cosa Supply, LLC will quitclaim title to all such assets to the Reorganized Debtor in furtherance of the Plan. The Debtor estimates that the value of such assets as of the Effective Date is approximately $1,754,629.00. To the extent necessary, the Debtor reserves the right to assert that the contribution of such assets constitutes new value in accordance with section 1129(b) of the Bankruptcy Code.

D. Retention of Listing Agent for the Sale of Units

On or before the Effective Date, the Debtor shall retain an exclusive listing agent to assist the Debtor with the marketing and sale of the Units.

E. Revesting of Assets

Except as otherwise provided in the Plan or Confirmation Order, title to all of the Debtor's Assets will revest in the Reorganized Debtor, free and clear of all claims and interests on the Effective Date. After the Effective Date the Reorganized Debtor may operate its respective property and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, except as otherwise provided in the Plan or Confirmation Order. As of the Effective Date, the Debtor's Estate will be free and clear of all claims and interests except as otherwise provided in the Plan or the Confirmation Order.

F. Settlement of Certain Claims.

Pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distribution, releases and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Plan.

G. Release of Liens, Claims and Interests.

Except as otherwise provided in the Plan, or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article IV of the Plan, all liens, claims and interests, mortgages, deeds of trust, or other security interests against the Assets of the Debtor's Estate shall be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Court, act or action under applicable law, regulation, order or rule, or the vote, consent authorization or approval of any entity. Any entity holding such lines or interests, shall, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtor such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtor.

H. New or Amended Management Agreement.

On the Effective Date, the Debtor and OTO shall enter into a new or an amended Management Agreement, pursuant to which OTO will continue to handle the operation of the hotel on behalf of the Debtor and in exchange will receive a management fee monthly equal to the sum of the following: (i) 10% of the Debtor's gross revenue from room reservations for the hotel; plus (ii) 4% of the Debtor's gross revenue from all other operations of the Project; provided that the Debtor shall not pay and OTO shall not accept, more than $15,000.00 per month in payments on account of the management fee unless and until the Debtor has actually paid each Minimum Quarterly Noteholder Payment due to Noteholder as described herein. The limitation contained in the previous sentence shall apply irrespective of the Debtor having a cure period in which to tender past due payments. Any unpaid management fees in excess of $15,000.00 per month that are not paid when due each month in accordance with the foregoing limitation, will not be waived by OTO and shall accrue and may be paid when the Minimum Quarterly Noteholder Payment is made.

I. Post-Confirmation Operations

Following Confirmation, the Reorganized Debtor shall execute such documents and take such other actions as are necessary to make effective the transactions provided for in the Plan.

J. Post-Confirmation Accounts

The Debtor may establish one or more interest-bearing accounts as it determines may be necessary or appropriate to effectuate the provisions of the Plan consistent with the section 345 of the Bankruptcy Code and any orders of the Court.

K. Closing of the Chapter 11 Case

Notwithstanding anything to the contrary in the Bankruptcy Rules or Local Rules providing for earlier closure of the Chapter 11 Case, when all Contested Claims against the Debtor have become Allowed Claims or Disallowed Claims, and all remaining Assets of the Debtor have been liquidated and converted into Excess Cash (other than those Assets abandoned by the Debtor), and such Excess Cash has been distributed in accordance with the Plan, or at such earlier time as the Reorganized Debtor deems appropriate, the Reorganized Debtor shall seek authority from the Bankruptcy Court to close the Chapter 11 Case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

H. 11 U.S.C. §1129(a)(5) Disclosure

Tom Feeley and David Ceva shall retain their interests in OTO upon the Effective Date, and shall receive, by virtue of their ownership interests in OTO, a property management fee payable to OTO under the terms of its management agreement with the Debtor, as such management agreement shall be amended in accordance with the Plan, which is, on a monthly basis (i) 10% of the Debtor's gross revenue from room reservations for the hotel; plus (ii) 4% of the Debtor's gross revenue from all other operations of the Project. In addition, upon the Effective Date, Tom Feeley shall remain as the hotel's General Manager, for which he will be paid an annual salary of $120,000.00, paid bi-weekly, plus health insurance. In addition, Jean Feeley shall remain as the Hotel's financial officer, for which she will be paid an annual salary of $80,000.00, paid bi-weekly, plus health insurance.

V. PROVISIONS FOR AND DISTRIBUTIONS IN RESPECT OF CONTESTED CLAIMS AND INTERESTS

A. Objections to Claims.

All objections to Claims shall be filed by the Debtor and served on the applicable claimant by the date established by the Court. After the Confirmation Date, only the Reorganized Debtor shall have the authority to file, settle, compromise, withdraw, or litigate to judgment objections to Claims, including, without limitation, any counterclaim, offset, recoupment or similar claim asserted against the Debtor's Estate arising under or relating to or in connection with any of the claims or causes of action assigned to the Reorganized Debtor. This provision shall not preclude the Debtor from objecting to any Claim prior to the Confirmation Date for voting purposes. If a Claim is objected to prior to the Confirmation Date, such claimant shall not have the right to vote to accept or reject the Plan until the objection is resolved, unless

such claimant requests an order from the Court pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim for voting purposes only.

B. No Distributions Pending Allowances.

Notwithstanding any other provisions of the Plan, no payment or Distribution shall be made with respect to any Claim to the extent it is a Contested Claim unless and until such Contested Claim becomes an Allowed Claim.

C. Withholding and Distribution in Respect of Contested Claims.

1. Contested Claims Reserve. The Reorganized Debtor will withhold from the property that would otherwise be distributed to holders of Allowed Claims within a given Class an amount sufficient to be distributed on account of Claims that are not Allowed Claims within that Class as of the Effective Date, and shall place such withheld property in the Contested Claims Reserve, which thereafter will be retained and administered by the Reorganized Debtor .

2. Distribution in Respect of Contested Claims. Payments and Distributions to holders of Contested Claims to the extent that such Claims ultimately become Allowed Claims, will be made from the Contested Claims Reserve and thereafter from the Reorganized Debtor in accordance with the provisions of this Plan governing the Class of Claims to which the respective Claim holder belongs.

3. Distributions After Disallowance. If any of the property withheld in the Contested Claims Reserve remains after all objections to Contested Claims of a particular Class have been resolved, then such property will be retained and administered by the Reorganized Debtor to be distributed in accordance with the provisions of the Plan governing the Class of Claims to which the Disallowed Claims belong.

VI. DISTRIBUTIONS UNDER THE PLAN

A. Disbursing Agent.

The Reorganized Debtor shall be the disbursing agent and make all Cash Distributions pursuant to the Plan.

B. Investment of Cash.

Cash Distributions to be held by the Reorganized Debtor for Distribution shall be invested by the in United States Treasury Bills, interest bearing certificates of deposit, interest bearing savings accounts and other investments permitted by Section 345 of the Bankruptcy Code or order of the Court, and the Reorganized Debtor shall use its best efforts to maximize the rates of interest in light of liquidity requirements necessary to make Cash Distributions. All

interest earned on such Cash Distributions shall be held by the Reorganized Debtor and thereafter transferred to the Reorganized Debtor.

C. Manner of Payment Under the Plan.

Any Cash Distributions made by the Reorganized Debtor pursuant to the Plan may be made, at the option of Reorganized Debtor, either by check drawn on a domestic bank or by wire transfer from a domestic bank.

D. Withholding Taxes.

The Reorganized Debtor shall be entitled to deduct any federal, state or local withholding taxes from any payments under the Plan. As a condition to making a Distribution under the Plan, the Reorganized Debtor shall be entitled to require that the holder of any Allowed Claim or Allowed Interest provide such holder's taxpayer identification number and such other certification as may be deemed necessary to comply with applicable tax reporting and withholding laws.

E. Setoffs and Recoupments.

By so instructing the Reorganized Debtor, the Debtor's Estate or Reorganized Debtor may, but shall not be required to, setoff against or recoup from any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any claim of any nature whatsoever that the Debtor's Estate or Reorganized Debtor may have against the holder of a Claim, but neither the failure to do so nor the Allowance of any Claim hereunder shall constitute a waiver or release by the Debtor's Estate or Reorganized Debtor of any such Claim or causes of action the Debtor's Estate or Reorganized Debtor may have against such holder.

F. Undeliverable Distributions.

If the Reorganized Debtor is unable to make Cash Distributions to the holder of an Allowed Claim or Allowed Interest under the Plan for lack of a current address of the holder, if, after the passage of 180 days from the Effective Date, and after any additional effort to locate the holder that the Court may direct, the payment or Distribution and any further payment or Distribution to the holder shall be transferred to the Reorganized Debtor and the Claim or Interest shall be deemed satisfied to the same extent as if payment or Distribution had been made to the holder of the Claim or Interest.

G. Estimation.

Prior to or subsequent to the Effective Date, in order to effectuate Cash Distributions pursuant to the Plan and to avoid undue delay in the administration of the Chapter 11 Case, the Debtor, or Reorganized Debtor, as the case may be, shall have the right to seek an order of the Court, pursuant to Section 502(c) of the Bankruptcy Code, after notice and a hearing (which notice may be limited to the holder of any effected Contested Claim or Interest and which

hearing may be held on an expedited basis, if necessary), estimating or limiting the amount of the Cash Distribution that must be withheld from Distributions on account of Contested Claims or Interests.

H. Other General Provisions Concerning Reorganized Debtor.

1. Exculpation of Reorganized Debtor. From and after the Effective Date, the Reorganized Debtor designated in the Confirmation Order shall be exculpated by all persons receiving Distributions under the Plan from any and all Claims, causes of actions and other assertions of liability (including breach of fiduciary duty) arising out of the Reorganized Debtor's discharge of the powers and duties conferred upon it by the Plan, the Confirmation Order or any order of the Court entered pursuant to or in furtherance of the Plan, or applicable law, except solely for actions or omissions arising out of the gross negligence or willful misconduct of such Reorganized Debtor. No holder of a Claim or an Interest shall pursue any Claim or case of action against the Reorganized Debtor for making payments or Distributions in accordance with the Plan or for implementing the provisions of the Plan. Nothing in this paragraph shall be deemed to release or waive the right of a holder of an Allowed Claim or Interest to receive its Distribution under the Plan.

2. Power of Reorganized Debtor. The Reorganized Debtor shall be empowered to take all steps and execute all instruments and documents necessary to effectuate or implement the Plan, make the Cash Distributions, comply with the Plan and the obligations hereunder and exercise such other powers as may be vested in the Reorganized Debtor by the Confirmation Order or any other order of the Court, pursuant to the Plan, or as deemed by the Reorganized Debtor to be necessary and proper to implement the provisions of the Plan.

3. Expense Incurred on or After the Effective Date. Except as otherwise ordered by the Court or provided herein, the amount of any objectively reasonable fees and expenses incurred by the Reorganized Debtor on or after the Effective Date (including taxes) and any compensation and expense reimbursement claims (including reasonable fees and expenses of counsel) made by the Reorganized Debtor, may be paid by the Reorganized Debtor (on account of distributions of Interests) or the Debtor's Estate on account of Cash Distributions to holders of Allowed Claims without further order of the Court.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption of RMAs and Purchase and Sale Agreements

UNLESS THE DEBTOR FILES WITH THE COURT ON OR BEFORE THE DATE OF THE CONFIRMATION HEARING A MOTION TO REJECT, ALL RMA'S WITH THE DEBTOR'S THIRD-PARTY UNIT OWNERS SHALL BE ASSUMED IN ACCORDANCE WITH THE PLAN. LIKEWISE, EXCEPT FOR THOSE EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT WILL BE THE SUBJECT OF MOTION(S) TO ASSUME OR REJECT TO BE FILED ON OR BEFORE THE DATE OF THE CONFIRMATION HEARING,

ALL PURCHASE AND SALE AGREEMENTS WILL BE DEEMED ASSUMED IN ACCORDANCE WITH THE PLAN.

B. Rejection of Executory Contracts and Unexpired Leases; Exceptions

EXCEPT FOR THE RMA'S, THE PURCHASE AND SALE AGREEMENTS AND THOSE EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT WILL BE THE SUBJECT OF MOTION(S) TO ASSUME OR REJECT TO BE FILED ON OR BEFORE THE DATE OF THE CONFIRMATION HEARING, ALL OTHER EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTOR WILL BE DEEMED REJECTED PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE ON THE EFFECTIVE DATE.

C. Approval of Rejection; Rejection Damages Claims Bar Date

The Confirmation Order shall constitute an Order of the Bankruptcy Court approving the rejections of all the Debtor's executory contracts and unexpired leases that have not been assumed by the Debtor pursuant to the Plan or a separate order of the Court. Any Claim for damages arising from any such rejection must be filed within 30 days from the date of service of the Confirmation Order or such rejection damages claim shall be forever barred, shall not be enforceable against the Debtor, its Estate or any of its properties and shall receive no Distribution under the Plan or otherwise on account of such rejection damages claim. **TO REITERATE, THE FAILURE TO TIMELY FILE EXECUTORY CONTRACT REJECTION CLAIMS SHALL BAR SUCH CLAIMS AND THE HOLDERS THEREOF SHALL NOT BE ENTITLED TO ANY DISTRIBUTIONS UNDER THE PLAN.**

C. Treatment Under the Plan of Executory Contract Rejection Claims

Unless otherwise ordered by the Court, an Allowed Claim for rejection damages pursuant to Section 365(g) of the Bankruptcy Code shall be treated as an Allowed Non-Insider General Unsecured Claim (*i.e.,* Class 8) under the Plan.

D. Section 1146 Exemption

To the fullest extent permitted pursuant to Section 1146(a) of the Bankruptcy Code, the execution, delivery or recording of an instrument of transfer made after the Plan is confirmed, or the transfer or sale of any real, personal or other Property by the Debtor or Reorganized Debtor made after the Plan is confirmed, shall be considered a transfer made after Confirmation of the Plan and shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, mortgage recording tax, intangible tax or similar tax.

The execution, delivery or recording of an instrument of transfer made prior to the confirmation of the Plan, or the transfer or sale of any real, personal or other Property by the Debtor or Trustee made prior to confirmation of the Plan, shall be subject to all applicable transfer taxes.

VIII. TAX CONSEQUENCES

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS OF THE PLAN

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, CLAIMHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY CLAIMHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON CLAIMHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION (WITHIN THE MEANING OF CIRCULAR 230) BY THE DEBTOR OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) CLAIMHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A summary description of certain material US federal income tax consequences of the Plan is provided herewith. This description is for informational purposes only and, due to a lack of definitive judicial or administrative authority or interpretation, substantial uncertainties exist with respect to various tax consequences of the Plan as discussed herein. Only the principal consequences of the Plan for holders of Claims who are entitled to vote to accept or reject the Plan are described below. No opinion has been sought or obtained with respect to any tax consequences of the Plan. No rulings or determinations of the IRS or any other tax authorities have been or will be sought or obtained with respect to any tax consequences of the Plan, and the discussion below is not binding upon the IRS or such other authorities. No representations are being made regarding the particular tax consequences of the confirmation or implementation of the Plan as to any holder of a Claim. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein.

The discussion of US federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder, judicial authorities, published positions of the IRS, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect).

The following discussion does not address foreign, state or local tax consequences of the Plan, nor does it purport to address the US federal income tax consequences of the Plan to special classes of taxpayers (*e.g.*, banks and certain other financial institutions, insurance companies, tax-exempt organizations, holders of Claims who are (or who hold their Claims through) pass-through entities, persons whose functional currency is not the United States dollar,

LAW OFFICES OF MELAND RUSSIN & BUDWICK, P.A.
3200 SOUTHEAST FINANCIAL CENTER, 200 SOUTH BISCAYNE BOULEVARD, MIAMI, FLORIDA 33131 • TELEPHONE (305) 358-6363

foreign persons, dealers in securities or foreign currency, and persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale (or conversion transaction). The following discussion assumes that holders of Claims hold their Claims as capital assets for United States federal income tax purposes. Furthermore, the following discussion does not address US federal taxes other than income taxes.

For purposes of the following discussion, a "US person" is any of the following:

- an individual who is a citizen or resident of the US;
- a corporation created or organized under the laws of the US or any state or political subdivision thereof;
- an estate, the income of which is subject to federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a US court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust, or (b) has a valid election in effect under applicable US Treasury regulations to be treated as a US person.

As used herein, the term "U.S. Holder" means a Claimholder that is a United States person, the term "non-U.S. person" means a person other than a United States person and the term "Non-U.S. Holder" means a Claimholder that is a non-U.S. person.

Each holder of a Claim is strongly urged to consult its own tax advisor regarding the United States federal, state, local and any foreign tax consequences of the transactions described herein or in the Plan.

Certain United States Federal Income Tax Consequences to Holders of Claims

Generally, these consequences (including the character, timing and amount of income, gain or loss recognized) will depend upon, among other things: (1) the manner in which a holder acquired a Claim; (2) the length of time the Claim has been held; (3) the holder's method of tax accounting; (4) whether the Claimholder has taken a bad debt deduction with respect to the Claim (or any portion of the Claim) in the current or prior years; and (5) (a) whether the Claim was acquired at a discount, (b) whether the Claimholder has previously included accrued but unpaid interest with respect to the Claim, (c) whether the Claim is an installment obligation for US federal income tax purposes and (d) whether the Claim constitutes a "security" for US federal income tax purposes. Therefore, holders of Claims should consult their own tax advisors for information that may be relevant to their particular situations and circumstances and the particular tax consequences to them of the transactions contemplated by the Plan.

Allocation of Plan Distributions Between Principal and Interest

The Plan provides that, to the extent that any Allowed Claim entitled to a Distribution under the Plan is composed of indebtedness and accrued but unpaid interest on such indebtedness, such Distribution will, to the extent permitted by applicable law, be allocated for

US federal income tax purposes to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of the Claim representing accrued but unpaid interest. The Reorganized Debtor intends to take the position that any Distributions made under the Plan with respect to an Allowed Claim will be allocated first to the principal amount of the Claim, with the excess over the principal amount being allocated to accrued but unpaid interest. However, current US federal income tax law is unclear on this point and no assurance can be given that the IRS will not challenge the Reorganized Debtor's position.

Information Reporting and Backup Withholding

Certain payments, including the Distributions or payments in respect of Claims pursuant to the Plan, are generally subject to information reporting by the payor (here, the Reorganized Debtor) to the IRS. Moreover, such reportable payments are subject to backup withholding under certain circumstances. Under the IRC's backup withholding rules, a Claimholder may be subject to backup withholding with respect to Distributions or payments made pursuant to the Plan unless the holder (1) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates this fact or (2) provides a correct US taxpayer identification number and makes certain certifications under penalties of perjury. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a Claimholder's US federal income tax liability, and such Claimholder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS (generally, a US federal income tax return).

Importance of Obtaining Professional Tax Assistance

THE FOREGOING DISCUSSION IS INTENDED ONLY AS A SUMMARY OF CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN, AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE ABOVE DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A CLAIMHOLDER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE US FEDERAL, STATE, LOCAL, AND APPLICABLE FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

IX. LIQUIDATION ALTERNATIVE

As with any Plan, an alternative would be conversion of the Chapter 11 Case to a chapter 7 case and subsequent liquidation of the Debtor by a duly appointed or elected chapter 7 trustee. In the event of a liquidation under chapter 7, the following is likely to occur:

(1) An additional tier of Administrative Claims entitled to priority over general unsecured claims pursuant to Section 507(1) of the Bankruptcy

Code would be incurred. Such Administrative Claims would include chapter 7 trustee's commissions and fees to the chapter 7 trustee's accountants, attorneys and other professionals likely to be retained by him/her for the purpose of liquidating the assets of the Debtor;

(2) Substantially less than market value will be realized for the Debtor's assets;

(3) Further claims would be asserted against the Debtor with respect to such matters as income and other taxes associated with the sale of the Assets;

(4) The Plan essentially provides that the Debtor will develop, operate, market and sell its real property, and continue the Debtor's business as a going concern without the additional expense incurred through the appointment of a trustee.

The Debtor estimates its Creditors would receive less of a distribution in the event of a liquidation of the Debtor's Assets by means other than that provided for in the Plan. Therefore, it is in the creditors' best interest to vote for the Plan since a liquidation would clearly result in creditors being paid less, if anything, upon liquidation other than set forth in the Plan. A Liquidation Analysis accompanies this Disclosure Statement as Exhibit B.

VIII. ACCEPTANCE AND CONFIRMATION OF THE PLAN

As detailed below, the Debtor believes that the Plan satisfies all of the requirements for confirmation.

A. General Confirmation Requirements.

Section 1129(a) of the Bankruptcy Code requires that a plan be proposed in good faith, that there be disclosed certain information regarding payments made or promised to be made to insiders, and that the plan comply with the applicable provisions of chapter 1. The Debtor believes that is has complied with these provisions. Section 1121(a) of the Bankruptcy Code also requires that at least one impaired class accept the plan and that confirmation of the plan will likely not be followed by the need for further financial reorganization. Classes 2, 3, 4, 5, 6, 7, 8, 9 and 10 are impaired under the Plan. The Debtor believes that such Classes will vote to accept the Plan and if not, that "cramdown" will be successful.

B. Best Interest Test.

Each holder of a Claim or Interest in an Impaired Class must either: (I) accept the Plan or (ii) receive or retain under the Plan cash or property of a value, as of the Effective Date of the Plan, that is not less than the value that the holder would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. The Bankruptcy Court will determine whether the Cash paid under the Plan to each Class equals or exceeds the value that would be

allocated to the holders in a liquidation under chapter 7 of the Bankruptcy Code (the "***Best Interest Test***"). The Best Interest Test requires the Bankruptcy Court to find that the Plan provides each member of each Impaired Class a recovery having a value at least equal to that which each such Class member would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. As illustrated by the Liquidation Analysis, the Debtor believes that the Plan meets the Best Interests Test.

C. Classification of Claims and Interests

The Bankruptcy Code requires that a plan of reorganization place each creditor's claim and each equity security holder's interest in a class with other claims and interests that are "substantially similar." The Debtor believes the Plan meets the classification requirements of the Bankruptcy Code.

D. Confirmation Hearing

The Bankruptcy Code requires that the Bankruptcy Court, after notice, hold a hearing on the confirmation of the Plan. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Any objection to confirmation must be made timely in writing, filed with the Bankruptcy Court and served upon the following parties:

Joshua W. Dobin, Esquire
Jessica L. Wasserstrom, Esquire
Meland Russin & Budwick, P.A.
Attorneys for the Debtor
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, FL 33131-2385

E. Voting

Section 1129(a) of the Bankruptcy Code requires that each Class of Claims or Interests that is Impaired under the Plan vote to accept the Plan (subject to the "cramdown" exception described herein). A Class of Claims under the Plan accepts the Plan if the Plan is accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the Allowed Claims in the Class that actually vote on the Plan. A Class of Interests accepts the Plan if the Plan is accepted by holders of Interests that hold at least two–thirds in amount of the Allowed Interests in the Class that actually vote on the Plan. Holders of Claims or Interests that fail to vote are not counted as either accepting or rejecting the Plan.

F. Financial Feasibility

The Bankruptcy Code requires that, in order to confirm a plan, the Court must find that confirmation of the plan is not likely to be followed by liquidation or the need for further

financial reorganization of the Debtor (the "***Feasibility Test***"). For a Plan to meet the Feasibility Test, the Court must find that the Debtor's Estate and the Reorganized Debtor will possess the capital and other resources necessary to meet their respective obligations under the Plan.

The Debtor believes that following confirmation of the Plan, the Debtor and the Reorganized Debtor will be able to perform their obligations under the Plan without the need for further liquidation or financial reorganization. .

IX. EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

A. Discharge

Commencing on the Effective Date, except as otherwise expressly provided, all holders of Claims shall be precluded forever from asserting against the Debtor's Estate, the Debtor, the Reorganized Debtor or its Assets, any other or further liabilities, liens, obligation, claims or equity interests, arising or existing prior to the Effective Date, that were or could have been the subject of any Claim, whether or not Allowed. As of the Effective Date, the Debtor shall be discharged, released from and shall hold the Assets received or retained by and pursuant to the Plan, free and clear of all liabilities, liens, claims and obligations or other claims of any nature against the Debtor or its Estate, except those duties and obligations created by the Plan.

B. Injunction

General. In accordance with section 524 of the Bankruptcy Code, the discharge provided by the Plan and Section 1141 of the Bankruptcy Code, among other things, acts as a permanent injunction against the commencement or continuation of any action, employment of process or act to collect, offset or recover the Claims or Interests against the Debtor or the Reorganized Debtor.

Injunction Against Interference with the Plan. Upon entry of the Confirmation Order with respect to the Plan, all holders of Claims and Interests, and all other Parties in Interest, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to action any such entity may take in connection with the pursuit of appellate rights. Without limiting the generality of the foregoing, such injunction shall specifically include a stay of any action by the Noteholder, CCV or any person or entity affiliated in any way therewith, against the Debtor, OTO, or any of their officers, directors, employees or interest holders, including but not limited to Thomas Feeley and David Ceva.

C. Savings Clause

If any article, section, terms and/or subdivision of the Plan is ruled by the Bankruptcy Court to be improper or ineffective, or, if the Debtor decides to unilaterally remove any article, section, subsection, term, and/or provision of the Plan at the Confirmation Hearing, the Plan shall proceed to confirmation and be confirmed without the article(s), section(s), subsection(s),

term(s), and/or provision(s) found to be improper or ineffective and/or unilaterally removed by the Debtor at the Confirmation Hearing.

D. Stay

Unless otherwise provided herein, all injunctions or stays provided for in the Chapter 11 Case pursuant to section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the entry of the final decree closing the Chapter 11 Case.

E. Exculpation

Except as otherwise specifically provided in the Plan, the Debtor, its officers, directors, employees, representatives, attorneys, financial advisors, shareholders, stockholders, or agents, or affiliates, or any of such parties' successors and assigns, shall not have or incur, and are hereby released from, any claim, obligation, cause of action or liability to one another or to any holder of a Claim or Interest, or any other Party in Interest, or any of their respective officers, directors, shareholders, stockholders, employees, representatives, attorneys, financial advisors, or agents, or affiliates, or any of such parties' successors and assigns, for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the pursuit of confirmation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct, bad faith, breach of fiduciary duty or gross negligence. Further, with respect to Professionals, such exculpation shall not include or release liability based on a breach of the standard of care imposed under any applicable rule of professional conduct or governing bar association. In all such instances and respects, such parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities in connection with the Chapter 11 Case and under the Plan.

X. FINAL REPORT

At such time as all of the Distributions provided for under the Plan have been made, the Reorganized Debtor shall file a final accounting with the Bankruptcy Court, together with the Final Report, and shall seek entry of a final decree closing the Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code and Bankruptcy Rule 3022.

XI. RETENTION OF JURISDICTION

A. Exclusive Jurisdiction of Bankruptcy Court.

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, from and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising out of, arising in or related to, the Chapter 11 Case to the fullest extent permitted by applicable law, including, without limitation, jurisdiction to:

1. interpret and enforce the provisions of the Plan and Confirmation Order;

2. allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest (whether filed before or after the Effective Date and whether or not contingent, disputed or unliquidated), including the compromise, settlement and resolution of any request for payment of any Administrative Claim or Priority Claim, the resolution of any objections to the allowance or priority of Claims or Interests and the resolution of any dispute as to the treatment necessary to reinstate a Claim or Interest pursuant to the Plan, and to hear and determine any other issue presented hereby or arising hereunder, including during the pendency of any appeal relating to any objection to such Claim or Interest (to the extent permitted under applicable law);

3. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, for periods ending before, on or after the Effective Date;

4. hear and determine motions, applications, adversary proceedings, contested matters and other litigated matters pending on, or filed or commenced on or after, the Effective Date, including any Tender Motion and any proceedings with respect to the rights and claims of the Reorganized Debtor to recover property under chapter 5 of the Bankruptcy Code, to commence or prosecute any cause of action (including any avoidance action), to seek a determination of any tax liability of the Debtor or Estate pursuant to Section 505 of the Bankruptcy Code, or otherwise to collect or recover on account of any claim or cause of action that the Reorganized Debtor may have;

5. hear and determine all disputes concerning the conduct of the Reorganized Debtor;

6. determine and resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which the Debtor is a party or with respect to which the Debtor or Reorganized Debtor may be liable, and to hear, determine and, if necessary, liquidate any Claims, including cure Claims, arising therefrom;

7. ensure that all payments and performance due under the Plan and the Plan Documents are accomplished as provided herein, and resolve any issues relating to Distributions to holders of Allowed Claims and Allowed Interests pursuant to the provisions of the Plan and the Plan Documents;

8. construe, take any action and issue such orders consistent with Section 1142 of the Bankruptcy Code, as may be necessary for the enforcement, implementation, execution and consummation of the Plan and all Plan documents, contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan, including, without limitation, the Disclosure Statement, the Confirmation Order, for the maintenance of the integrity of the Plan and the Plan Documents;

9. determine and resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation, implementation or enforcement of the Plan (and all Exhibits to the Plan), the Plan documents or the Confirmation Order, including the release and injunction provisions set forth in and contemplated by the Plan, the Plan Documents or the Confirmation Order, or any Person's rights arising under or obligations incurred in connection therewith;

10. entertain, approve and confirm modifications of the Plan before, on or after the Effective Date pursuant to Section 1127 of the Bankruptcy Code, or modify the Disclosure Statement, the Confirmation Order or any Plan document, contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, or remedy any defect or omission, or reconcile any inconsistency in any Court order, the Plan, the Disclosure Statement, the Confirmation Order or any Plan document, contract, instrument, release, indenture or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan, to the extent authorized by the Bankruptcy Code, and the Plan;

11. issue injunctions, enter, implement and enforce orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order;

12. enter, implement and enforce such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

13. determine any other matters that may arise in connection with or relating to the Plan and Plan Documents, the Disclosure Statement, or the Confirmation Order, or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan and Plan Documents, the Disclosure Statement, or the Confirmation Order, except as otherwise provided in the Plan;

14. hear and determine matters concerning state, local or federal taxes in accordance with sections 346, 505 or 1146 of the Bankruptcy Code;

15. hear and determine any other matters related hereto and not inconsistent with Chapter 11 of the Bankruptcy Code;

16. continue to enforce the automatic stay, and any other applicable stays or injunctions, through the date of entry of the final decree closing the Chapter 11 Case;

17. hear and determine (A) disputes arising in connection with the interpretation, implementation or enforcement of the Plan, the Confirmation Order and/or the Plan Documents, or (B) issues presented or arising under the Plan, the Confirmation

LAW OFFICES OF MELAND RUSSIN & BUDWICK, P.A.
3200 SOUTHEAST FINANCIAL CENTER, 200 SOUTH BISCAYNE BOULEVARD, MIAMI, FLORIDA 33131 • TELEPHONE (305) 358-6363

Order and the Plan Documents, including disputes among holders of Claims and arising under agreements, documents or instruments executed in connection with the Plan, the Confirmation Order and/or the Plan Documents, and specifically including any disputes relating to the credit to be applied in connection with any quitclaim of Units in accordance with Article IV of the Plan;

18. shorten or extend, for cause, the time fixed for performance of any act or event under the Plan, the Confirmation Order and/or the Plan Documents, on notice or ex parte, as the Bankruptcy Court shall determine to be appropriate;

19. enter any order, including injunctions, necessary to enforce the title, rights and powers of the Reorganized Debtor, and to impose such limitations, restrictions, terms and conditions on such title, rights and powers as the Bankruptcy Court may deem necessary;

20. adjudicate any settlements pursuant to Bankruptcy Rule 9019, if required under the Plan and the Confirmation Order, and all other matters contained herein; and

21. enter a final decree closing the Chapter 11 Case or converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in or related to the Debtor, the Estate, the Reorganized Debtor or the Chapter 11 Case, this Article XIV shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter. Nothing in this Article XIII shall constitute a waiver by the United States of its rights to assert that the Bankruptcy Court lacks jurisdiction over any matter set forth in this Article XIII.

XIV. MISCELLANEOUS PROVISIONS

A. Post Confirmation Compensation of Professionals Retained by the Debtor.

Professionals retained by the Debtor shall be entitled to post confirmation, monthly interim compensation for fees and expenses incurred in carrying out their duties consistent with this Plan; provided, however such Professionals shall provide to the United States Trustee, and the holders of the Allowed Noteholder Secured Claim, the Allowed NYLIM Secured Claim and the Allowed Bovis Secured Claim (until such time as any of such Allowed Claims have been paid in full), notice of such requested fees and expenses on a monthly basis. Following such notice, if no objections to the fees and expenses set forth in the monthly statement are received in writing within 14 days, 100% of such professional’s fees and expenses shall be paid. Notice of and objections to such fees and expenses shall be made via e-mail and/or facsimile. If objections to the fees and expenses are made and cannot be resolved, such objections will be heard and resolved by the Bankruptcy Court. Any such fees and expenses shall be payable by the Reorganized Debtor. Such Professionals shall, no less frequently than once every four (4)

months, submit applications to the Bankruptcy Court for final approval of reimbursement of fees and expenses paid to their professionals.

The Debtor's general and litigation counsel shall be Meland Russin & Budwick, P.A. or RiesbergLaw. The terms of compensation for Meland Russin & Budwick, P.A. or RiesbergLaw shall be the same in all respects as those approved by the Court in the Chapter 11 Case.

B. Binding Effect of Plan

The provisions of the Plan, Confirmation Order and the Plan Documents shall be binding upon and inure to the benefit of the Debtor, the Estate, the Reorganized Debtor, any holder of any Claim or Interest treated herein or any Person named or referred to the Plan, and each of their respective heirs, executors, administrators, representatives, predecessors, successors, assigns, agents, officers and directors, and, as to the binding effect, to the fullest extent permitted under the Bankruptcy Code and other applicable law, each other Person affected by the Plan or the Confirmation Order.

C. Withdrawal of the Plan

The Debtor reserves the right, at any time prior to the substantial consummation (as that term is defined in Section 1101(2) of the Bankruptcy Code) of the Plan, to revoke or withdraw the Plan. If the Plan is revoked or withdrawn or if the Confirmation Date does not occur, the Plan shall be null and void and have no force and effect. In such event, nothing contained herein of in the Plan shall be deemed to constitute a waiver or release of any claims or interests by or against the Debtor or any other Person, constitute an admission of any fact or legal conclusion by the Debtor or any other Person, or to prejudice in any manner the rights of the Debtor or any other Person in any further proceedings involving the Debtor.

D. Modification of the Plan

The Debtor reserves the right, in accordance with Section 1127 of the Bankruptcy Code, to amend or modify the Plan in any manner necessary prior to entry of the Confirmation Order. After entry of the Confirmation Order, the Debtor may, in accordance with Bankruptcy Code: (1) amend or modify the Plan and documents related thereto in accordance with, and to the extent permitted by, section 1127(b) of Bankruptcy Code and Bankruptcy Rule 3019, or (2) remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

E. Business Days

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

F. Severability of Plan Provisions If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court 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. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. 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.

G. Governing Law EXCEPT TO THE EXTENT THAT THE BANKRUPTCY CODE OR BANKRUPTCY RULES OR OTHER FEDERAL LAWS ARE APPLICABLE, AND SUBJECT TO THE PROVISIONS OF ANY CONTRACT, INSTRUMENT, RELEASE, INDENTURE OR OTHER AGREEMENT OR DOCUMENT ENTERED INTO IN CONNECTION WITH THE PLAN, INCLUDING, WITHOUT LIMITATION, THE PLAN DOCUMENTS, THE CONSTRUCTION, IMPLEMENTATION AND ENFORCEMENT OF THE PLAN AND ALL 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 CONFLICTS OF LAW PRINCIPLES THAT WOULD APPLY THE LAW OF A JURISDICTION OTHER THAN THE STATE OF FLORIDA OR THE UNITED STATES OF AMERICA.

H. Notices

All notices, requests and demands and other communications to the Debtor, including any objections to the Disclosure Statement, shall be in writing and shall be delivered in person or by courier, U.S. Mail (postage prepaid) or by facsimile transmission to:

17315 Collins Avenue, LLC
Attn: Thomas L. Feeley
17315 Collins Avenue
Sunny Isles Beach, FL 33160

With copies to:
Joshua W. Dobin, Esq.
Jessica L. Wasserstrom, Esq.
Meland Russin & Budwick, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

XV. RECOMMENDATION

The Debtor recommends that Creditors carefully consider and review this Disclosure Statement and the Plan. The Debtor believes that the Plan provides Creditors with the greatest possible value that could be realized on their Claims. There are several alternatives to confirmation of the Plan including liquidation of the Debtor under Chapter 7 of the Bankruptcy Code, in which event the Debtor believes that Creditors would receive less than they will under the Plan.

For the reasons set forth above, the Debtor believes that the Distributions to each Impaired Class under the Plan will be greater than distributions that might be received under a Chapter 7 liquidation. As such, the Debtor recommends that each Creditor vote to accept the Plan.

Dated: August 7, 2012.

17315 Collins Avenue, LLC
By: WaveStone Properties, LLC, Manager

By: ______________________
Thomas L. Feeley, Manager

E-filed by:
s/ Joshua W. Dobin, Esq.
Joshua W. Dobin, Esquire
Florida Bar Number: 93696
jdobin@melandrussin.com
Jessica L. Wasserstrom, Esquire
Florida Bar No. 985820
jwasserstrom@melandrussin.com
MELAND RUSSIN & BUDWICK, P.A.
3200 Southeast Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131
Telephone: (305) 358-6363
Telecopy: (305) 358-1221

Attorneys for Debtor in Possession