

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

www.flsb.uscourts.gov

IN RE:

Case No.: 12-14247-BKC-RAM

PONCE TRUST, LLC,

Chapter 11

Debtor.

_____ /

**DEBTOR-IN-POSSESSION'S REVISED
THIRD AMENDED PLAN OF REORGANIZATION**

Dated: December 14, 2012

TABAS, FREEDMAN, SOLOFF,
MILLER & BROWN, P.A.
Counsel to Ponce Trust, LLC
14 N.E. 1st Ave.
Penthouse
Miami, FL 33132
Telephone: (305) 375-8171
Facsimile: (305) 381-7708
E-mail: jtabas@tabasfreedman.com
E-mail: arigali@tabasfreedman.com

By: /s/ Joel L. Tabas
Joel L. Tabas (FBN 516902)
Andrea L. Rigali (FBN 42015)

TABLE OF CONTENTS

Article I: Definitions3

Article II: Classification of Claims7

Article III: Provisions or Payment of Claims of Creditors8

Article IV: Designation of Impaired and Non Impaired Classes11

Article V: Provisions Covering Distribution, General Provisions11

Article VI: Executory Contracts12

Article VII: Means for Implementation of Third Amended Plan13

Article VIII: Procedure for Resolving Contested Claims14

Article IX: Provisions for Retention of Jurisdiction for Supervision of the
Third Amended Plan15

Article X: Provision to Invoke Cramdown Provision if Necessary15

Article XI: Notices15

Exhibits:

 Assumed ContractsExhibit 1

 Proposed BallotExhibit 2

 Means for Implementation of Third Amended Plan - Sources of Funds Exhibit 3

 Proposed Distributions – Uses of Funds - 1111(b) ElectionExhibit 4

INTRODUCTION

The Debtor-in-Possession, Ponce Trust, LLC, proposes this Third Amended Plan of Reorganization (as defined more fully below, the “Amended Plan”) pursuant to 11 U.S.C. § 1121 of the United States Bankruptcy Code.

Reference is made to the Third Amended Disclosure Statement (as defined more fully below, the “Third Amended Disclosure Statement”) accompanying this Third Amended Plan for a discussion of, among other things, the major events of this Chapter 11 Case, treatment of Claims against and interests in the Debtor, preservation of litigation claims, risk factors, liquidation analysis, tax implications, alternatives to the Third Amended Plan, a summary and analysis of this Third Amended Plan, and certain related matters.

All Holders of Claims against and Equity Interests in the Debtor entitled to vote on the Third Amended Plan are encouraged to read the Third Amended Plan and the Third Amended Disclosure Statement in their entirety before voting to accept or reject the Third Amended Plan. Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

Subject to certain restrictions and requirements set forth in 11 U.S.C. § 1127, Bankruptcy Rule 3018, and in this Third Amended Plan, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw this Third Amended Plan prior to the Effective Date (as defined below).

ARTICLE I DEFINITIONS

As used in this Third Amended Plan, the following terms shall have the respective meanings specified below, unless the context otherwise requires:

1.1 Administrative Creditor. Any creditor entitled to payment of an Administrative Expense Claim.

1.2 Administrative Expense Claim. Any cost or expense of administration of the Chapter 11 case allowed under Section 503(b) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the Debtor's estate; any actual and necessary expenses of operating the business of the Debtor, including loans or other advances to the Debtor in Possession, and all allowances of compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under Section 330 of the Bankruptcy Code; and any fees or charges assessed against the Debtor's estate under Chapter 123 of Title 28, United States Code.

1.3 Allowed Claim. Any claim against the Debtor, proof of which was filed on or before the claims bar date, or which has been or hereafter is listed by the debtor as liquidated in amount and not disputed or contingent and, in either case, a claim as to which no objection to the

allowance thereof has been interposed within the applicable period of limitation fixed by the Bankruptcy Code or the Bankruptcy Rules, or as to which any objection has been determined by a Final Order. Unless otherwise specified herein, "Allowed Claim" shall not include interest on the principal amount of such claim from and after the petition date.

1.4 Allowed Secured Claim. Any Allowed Claim of a creditor secured by a lien on property in which the Debtor has an interest in accordance with Section 506(a) of the Bankruptcy Code.

1.5 Bankruptcy Code. The United States Bankruptcy Code, as amended, and as set forth in Section 101, et seq., of Title 11, United States Code.

1.6 Bankruptcy Court. The United States Bankruptcy Court for the Southern District of Florida, having jurisdiction over this Chapter 11 case.

1.7 Bankruptcy Rules. The Federal Rules of Bankruptcy Procedure, as amended, as applicable to cases pending before the Bankruptcy Court.

1.8 Chapter 11 Case. The Chapter 11 case which commenced on February 22, 2012, in which the Debtor is PONCE TRUST, LLC.

1.9 Claim. Any right to payment from PONCE TRUST, LLC, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, un-matured, disputed, undisputed, legal, equitable, secured or unsecured, or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from PONCE TRUST, LLC, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, un-matured, disputed, undisputed, secured, or unsecured.

1.10 1300 PONCE HOLDINGS. 1300 Ponce Holdings, LLC, successor in interest to the promissory note and mortgage of MUNB Loan Holdings, LLC.

1.11 Confirmation Date. The date upon which the Bankruptcy Court, District Court or other appellate court shall enter an Order confirming this Third Amended Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code, or if the operation of such Order is stayed, the date upon which such stay expires or is vacated.

1.12 Condominium Association. 1300 Ponce Condominium Association, Inc. duly formed and authorized to conduct the affairs of the condominium development located at 1300 Ponce de Leon Blvd, Coral Gables, Florida by the Debtor where the Debtor's remaining real property is located

1.13 Confirmation Order. An Order entered by the Bankruptcy Court, District Court, or other appellate Court confirming this Third Amended Plan.

1.14 Contested Claim. Any claim as to which PONCE TRUST, LLC, or any other party in interest has interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection has not been withdrawn or determined by a Final Order.

1.15 Consummation Date. The date on which the Confirmation Order becomes a Final Order.

1.16 Creditor. Any person that is the holder of a claim against PONCE TRUST, LLC, that arose on or before the Petition Date, or a claim against the Debtor's estate of any kind, specified in 11 U.S.C. §§ 502(g), 502(h) or 502(i).

1.17 Debtor. PONCE TRUST, LLC.

1.18 Debtor-in-Possession. PONCE TRUST, LLC.

1.19 District Court. The United States District Court for the Southern District of Florida.

1.20 Effective Date of the Amended Plan, or Effective Date. Thirty days after the date on which the Confirmation Order entered by the United States Bankruptcy Court shall become a Final Order.

1.21 Equity Interest. Any equity interest in PONCE TRUST, LLC, represented by membership interests.

1.22 Final Order. An order or a judgment which has not been reversed, stayed, modified, or amended and as to which the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing is pending.

1.23 Impaired Claim. Any class of creditors whose claims are impaired by payments as proposed in this Third Amended Plan, in accordance with 11 U.S.C. § 1124.

1.24 Infracommerce. Infracommerce International Limited, a British Virgin Islands corporation and a mezzanine lender.

1.25 Membership Interest. Means the outstanding membership interest in the Debtor.

1.26 MUNB. MUNB Loan Holdings, LLC.

1.27 New Value Contribution. Means the new equity contribution from the Debtor's principals in the amount between \$200,000 and \$250,000, which amount will be sufficient to cover the amount due at confirmation to cover the Allowed Administrative Claims, the U.S. Trustee's fees and the amount due at confirmation to creditors in Class 4(b), in order for the principals to repurchase their equity interest in the Debtor.

1.27 Person. An individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, any unincorporated organization, or a government or any political subdivision thereof or entity.

1.28 Petition Date. February 22, 2012, the date on which the Debtor filed a Chapter 11 Voluntary Petition which commenced this Chapter 11 case.

1.29 Third Amended Plan. Debtor-In-Possession's Third Amended Plan of Reorganization, either in its present form or as it may be altered, amended, or modified from time to time.

1.30 Priority Claims. Any claim, other than an administrative expense or a tax claim, to the extent entitled to priority in payment under 11 U.S.C. § 507(a).

1.31 Priority Creditor. Any creditor that is the holder of a priority claim.

1.32 Priority Non-Tax Claim. Any claim to the extent entitled to priority in payment under 11 U.S.C. §§ 507(a)(3), (4), (5), (6), or (7).

1.33 Priority Tax Claim. Any claim to the extent entitled to priority in payment under 11 U.S.C. § 507(a)(8).

1.34 Real Property. The real property located at 1300 Ponce de Leon Blvd., Miami, Florida 33134 more specifically described as:

Lots 5 through 14, inclusive, in Block 28, Revised Plat of Coral Gables Douglas Section, as recorded in Plat Book 25, Page 69 of the Public Records of Miami-Dade County, Florida.

Less and Except the following:

All of 1300 Ponce, a Condominium, according to the Declaration of Condominium thereof, recorded in Official Records book 26953, Page 3385, of the Public Records of Miami-Dade County, FL and any subsequent amendments thereto, together with an undivided interest or share in the common elements appurtenant thereto.

PARCEL 2

All of 1300 Ponce, a Condominium, according to the Declaration of the Condominium thereof, recorded in Official Records Book 26953, Page 3385, of the Public Records of Miami-Dade County, FL and any subsequent amendments thereto, together with an undivided interest or share in the common elements appurtenant thereto.

Less and Except the following sold units

Condominium Units 300, 404, 506, 601, 604, 605, 607, 610, 611, 701, 702, 703, 704, 705, 709, 711, 712, 801, 802, 803, 805, 808, 811, 903, 904, 905, 906, 907, 908, 1003, 1004, 1005, 1006, 1007, 1008, 1103, 1105, 1106, 1107, 1108, 1204, 1205, Unit Retail I and Unit Retail II, in 1300 Ponce, a Condominium, according to the Declaration of Condominium thereof, recorded in Official Records book 26953, Page 3385 of the Public Records of Miami-Dade County, Florida, and any amendments thereto, together with its undivided share in the common elements.

Vacant Units:

302, 303, 304,305, 406,504, 511, 513, 514, 606, 614, 700, 706, 707, 713, 716, 800,804, 806, 807,809, 812, 813, 815, 816, 900, 901, 909, 910, 1000, 1001, 1010, 1100, 1200, 1201, 1203, 1206, 1207, 1210 R003, R004.

1.35 Rejected Contract. Any unexpired lease or executory contract not assumed in the Third Amended Plan.

1.36 Tax Creditor. Any creditor that holds a tax claim.

1.37 Ultimately Allowed Claim. Any contested claim that becomes an allowed claim.

1.38 Unimpaired Claim. Any class of creditors whose claims are not impaired under this Third Amended Plan in accordance with 11 U.S.C. § 1124.

1.39 Unsecured Claim. All claims other than administrative expense claims, secured claims, priority claims, and tax claims.

1.40 Unsecured Creditor. Any creditor that is the holder of an unsecured claim.

ARTICLE II CLASSIFICATION OF CLAIMS

Claims and interests are divided into the following eight classes:

- | | |
|--------------------|--|
| <u>Class 1.</u> | 1300 Ponce Holdings (secured) |
| <u>Class 2(a).</u> | Miami Dade Tax Collector (secured) |
| <u>Class 2(b).</u> | Condominium Association Claim (secured) |
| <u>Class 3.</u> | Mezzanine Loans (unsecured) |
| <u>Class 4(a).</u> | General Unsecured Claims (unsecured) |
| <u>Class 4(b).</u> | Convenience Class (unsecured) |
| <u>Class 5.</u> | Equity Security Interests of the Debtor. |

**ARTICLE III
PROVISIONS FOR PAYMENT OF CLAIMS OF CREDITORS**

The treatment of and consideration to be received by holders of Allowed Claims or Allowed Interests pursuant to this Article III and the Third Amended Plan shall be in full satisfaction, settlement, release, extinguishment, and discharge of their respective Claims against or Interests in the Debtor and the Estate, except as otherwise provided in the Third Amended Plan or the Confirmation Order. The holders of Liens satisfied, discharged, and released under the Third Amended Plan shall execute any and all documentation reasonably requested by the Debtor or the Reorganized Debtor evidencing the satisfaction, discharge and release of such Liens.

3.1 Administrative Expenses: Unless otherwise provided for herein, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of such Allowed Administrative Claim, either (A) an amount equal to the unpaid amount of such Allowed Administrative Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Administrative Claim by a Final Order, or (iii) a date agreed to by the Claimholder and the Debtor; or (B) such other treatment (i) as may be agreed upon in writing by the Claimholder and the Debtor, or (ii) as the Bankruptcy Court has ordered or may order.; The Receiver is currently paying the monthly Condominium Association fees on a monthly basis from the rental proceeds received. Other administrative expenses include professional fees incurred by the Debtor and the Receiver's fees and are presently estimated to be approximately \$150,000.00 (net of applied retainers which were paid by third parties).

3.2 Priority Tax Claims: Each holder of an Allowed Priority Tax Claim shall receive, at the sole discretion of the Debtor, and in full satisfaction, settlement, release, and discharge of and in exchange for such Allowed Priority Tax Claim, (A) an amount equal to the unpaid amount of such Allowed Priority Tax Claim in Cash commencing on the later of (i) the Effective Date, (ii) the date that such Claim becomes an Allowed Priority Tax Claim by a Final Order, or (iii) a date agreed to by the Claimholder and the Debtor; (B) as provided in section 1129(a)(9)(C) of the Bankruptcy Code, cash payments made in equal monthly installments beginning on the Effective Date, with the final installment payable not later than the sixtieth (60th) month following the Petition Date, together with interest (payable in arrears) on the unpaid portion thereof at 18% from the Effective Date through the date of payment thereof; or (C) such other treatment as to which the Debtor and such Claimholder shall have agreed in writing or the Bankruptcy Court has ordered or may order; provided, however, that the Debtor reserves the right to pay any Allowed Priority Tax Claim, or any remaining balance of any Allowed Priority Tax Claim, in full at any time on or after the Effective Date without premium or penalty; and, provided further, that no holder of an Allowed Priority Tax Claim shall be entitled to any payments on account of any pre-Effective Date interest accrued on or penalty arising before or after the Petition Date with respect to or in connection with such Allowed Priority Tax Claim.

The Debtor is not aware of, and does not anticipate, any Priority Tax Claims. All post-petition accrued taxes shall be paid on or before the date at which such taxes become due either

from (i) the rental proceeds or (ii) the sales proceeds at the time of closing on the sale of a unit as set forth on **Exhibit 4**.

3.3 Class 1

This class consists of 1300 Ponce Holdings' secured claim equal to the extent of its interest in the Real Property. The Real Property was appraised at \$23.6 million (the "Valuation"), which the Court adopted by Court Order [ECF No 122]. The Valuation includes the value attributable to the five units at the Property which have been sold - C & T Charters commercial unit, Unit 1208, Unit 513, Unit 405 and Unit 406. The sales of two additional units (and perhaps other units, as well), Units 614 and 1207, will likely close before confirmation. When those two sales close, the Valuation of the remaining units will be **\$18,984,581.90** (the "Remaining Valuation"). 1300 Ponce Holdings' Allowed Secured Claim shall then be the Remaining Valuation, reduced and adjusted by the superior liens of the Class 2(a) Miami Dade Tax Collector secured claim and the Class 2(b) Condo Association secured claim.

1300 Ponce Holdings elected to be treated as fully secured for the total amount of its allowed claim pursuant to 11 U.S.C. § 1111(b); in other words, it will have one secured claim in the amount of \$38,197,062.82 rather than one secured claim (in the amount of the value of its interest in the Debtor's interest in the Real Property) and one unsecured claim (in the amount of the deficiency). This number is inclusive of an estimated \$851,037.32 in real estate taxes paid by 1300 Ponce Holdings on behalf of the Debtor. The Debtor is confirming this amount, which is likely to be reduced upon confirmation of the amounts paid by 1300 Ponce Holdings. By the time of the Confirmation Hearing, the total amount owed by the Debtor will be reduced by at least \$4,615,418.10. Based upon its election, 1300 Ponce Holdings will be paid a stream of payments equal to or greater than its total claim and with a present value equal to the value of the claimant's interest in the Debtor's interest in the Real Property as set forth in attached **Exhibit 4**. The source of funds that will be used to pay the claim shall be derived from unit sales revenues and rental income in accordance with the 6-year plan projections attached as **Exhibit 3**. All other terms of the existing secured debt will remain the same unless specifically altered by the Third Amended Plan. This claimant will maintain its security interest in the Real Property to the same extent, validity and priority it enjoyed prior to the Petition Date.

Defaults shall be governed by Section 7.5 below.

The Class 1 claim is subject to a guarantee by Dayco Properties Ltd. and a limited guarantee by Franco D'Agostino (collectively, the "Guarantors"). To the extent that 1300 Ponce Holdings collects any sums from any of the Guarantors, the amounts collected shall be offset against 1300 Ponce Holdings Allowed Secured Claim.

Class 1 is impaired.

3.4 Class 2(a) – Class 2(a) consists of the Miami-Dade Tax Collector's secured claim for the 2011 *ad valorem* taxes in the amount of \$153,028.37. The claimant holds a first priority perfected statutory lien on the Debtor's interest in the Real Property and will retain such liens after the Effective Date of the Third Amended Plan.

Seventy-five percent (75%) of the 2011 taxes have been paid by 1300 Ponce Holdings in conjunction with the pending administrative challenge to the Miami-Dade County Property Appraiser's assessment of the Debtor's property for the 2011 tax year. Additionally, an administrative challenge is pending with respect to the 2010 tax year, on which taxes were paid by the Debtor and 1300 Ponce Holdings in the normal course prior to the filing of the petition for relief in this case. The Debtor's tax liability for the 2010 and 2011 tax years, and therefore the final claim amount, is subject to revision upon final determination of the appeals. Further, the determination of the appeals will not be considered final until such time as the Property Appraiser determines that any administrative reductions will not be further challenged by his office or, if such reductions are challenged, the litigation has been concluded, including any appeals there from. Until such time as final determinations are made with respect to 2010, 2011 or subsequent tax year assessment challenges, any payments made to the Tax Collector as a result of units sales or payments under the Third Amended Plan will be based upon the tax amounts owed with respect to the original assessments, and any refunds resulting from reductions will be held by the Tax Collector until final disposition is determined. Should refunds be determined to be owed, they will be sent to the Debtor by agreement of 1300 Ponce Holdings.

This claim will be paid over a five year term and shall be paid a rate of interest of 18 percent per annum. In the event that during the five year payment period a unit is sold, the full amount of current and delinquent taxes owed at closing, subject to the provisions above, shall be made at closing, and the Tax Collector's remaining 2011 claim on the remaining unsold units will be adjusted accordingly. If at the time of sale, there are administrative assessment challenges pending for any tax year with respect to the property being sold, the purchaser will be given notice of purchaser's liability for any resulting tax liability upon final determination of the appeal, and same will be reflected in the sale contract and closing documents.

The Debtor's projections make provision for 2012 and future year's real estate taxes. Notwithstanding any Third Amended Plan provision to the contrary, the Miami-Dade Tax Collector shall not be required to petition for payment of a post-petition ad valorem tax as an Administrative Expense Claim. The payments to this class shall be made in accordance with the projections attached hereto.

Class 2(a) is impaired.

3.5 Class 2(b) - Secured Claim of Condominium Association. The Condominium Association has statutory lien rights for unpaid assessments pursuant to Chapter 718 of the Florida Statutes and has the right to be paid the statutory "safe harbor" in any forced liquidation of the property. As of the date of the Petition the Association was owed the approximate sum of \$284,680.00 in unpaid condominium assessments. This amount is estimated and is likely to be reduced upon confirmation of the amount due and owing. This Third Amended Plan proposes to pay the Association the full amount of its claim over 5 years under this Third Amended Plan with 4 percent interest per annum. The Debtor will pay this estimated amount, but believes that

the actual arrearages may be lower and any excess funds paid to the Condo Association will be credited by the Condo Association to future assessments. The payments to this class shall be made in accordance with the projections attached hereto as **Exhibit 4**

Class 2(b) is impaired.

3.6 Class 3 – Mezzanine Loans: Class 3 consists of the claims of Infracommerce and Dayco HC LLC for the mezzanine loans to the Debtor. The Mezzanine Loans total \$7,173,658.64 and shall be paid after Class 1, Class 2(a) and Class 2(b) claims are paid in full, and such payments should begin in November 2017 according to the projections attached hereto as **Exhibit 4**.

Class 3 is impaired.

3.7 Class 4(a) – General Unsecured Claims: Class 4(a) claims shall be paid in after Class 1, Class 2(a) and Class 2(b) claims are paid in full, and such payments should begin in November 2017 according to the projections attached hereto as **Exhibit 4**.

Class 4(a) is impaired.

3.7 Class 4(b) – General Unsecured Convenience Class: Class 4(b) consists of those general unsecured vendors whose claims are equal to or less than \$10,000 or who elect to be treated as a class 4(b) claimant. Creditors in this class and creditors that make the election to join this class will be paid no more than \$10,000. In total there are approximately 20 creditors of the Debtor that fall within this category for a total of approximately \$46,818.91 in unsecured claims. Creditors of this class will be paid without interest. Class 4(b) claims will be paid in full (without interest) on the Effective Date.

Class 4(b) is impaired.

3.9 Class 5 – Equity Security Interest: Class 5 consists of the holders of equity security interests in the Debtor shall retain their equity interests, in exchange for the proposed New Value Contribution.

Class 5 is unimpaired.

ARTICLE IV
DESIGNATION OF IMPAIRED AND NOT IMPAIRED CLASSES

4.1 Classes 1, 2, 3, 4(a) and 4(b) are impaired and are entitled to vote.

4.2 Class 5 is unimpaired and will not vote on the Third Amended Plan.

ARTICLE V
PROVISIONS COVERING DISTRIBUTION, GENERAL PROVISIONS

5.1 The rights afforded in this Third Amended Plan and the payments and distributions to be made hereunder shall be in exchange for and in complete exchange, satisfaction, discharge, and release of all existing claims of any kind, nature or description whatsoever against Debtor or any of its assets or properties; and, except as otherwise provided herein, upon the Effective Date, all existing claims against the Debtor shall be, and be deemed to be, exchanged, satisfied, discharged, and released in full; and all holders of claims shall be precluded from asserting against the Debtor or its assets or properties or successors in interest, any other or further claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

5.2 The distributions that are made to the various classes of creditors hereunder shall not be subject to levy, garnishment, attached, or like legal process by any creditor of a senior class by reason of claimed contractual subordination rights, so that each creditor will have, receive, and retain the sole and exclusive benefit of the distributions set forth in this Third Amended Plan.

5.3 Except as otherwise provided by this Third Amended Plan, upon the consummation date, title to all assets and properties dealt with by this Third Amended Plan shall vest in the Debtor or its successor in interest, free and clear of all claims and the Confirmation Order shall be a discharge of Debtor's liabilities, except as provided for herein. Upon entry of the Confirmation Order, the Receiver shall be discharged.

5.4 Debtor is authorized to make all cash payments directly or through one or more disbursing agents who shall serve without further fee.

5.5 Debtor shall retain the right to pursue and/or defend any legal action it considers necessary against creditors or other interested parties to resolve possible preference or avoidance actions and/or such other actions that the Debtor may have had standing to bring in order to maximize and safeguard the required payments to creditors, including without limitation all claims and causes of action identified or referenced in the Debtor's schedules and Statement of Financial Affairs.

5.6 Except as provided herein and subject to confirmation of the Debtor's Third Amended Plan of Reorganization, the Debtor reserves the right to pursue any action against third parties, including but not limited to causes of action against creditors of the estate in state court, U.S. District Court, or appellate court against third parties, including causes related to the claims against this estate and any vendor actions that may later arise.

5.7 The Debtor reserves for itself the right to pursue to completion any objections to claims and/or other litigation pending at the time of confirmation.

5.8 The Debtor is not able to determine the viability of the potential causes of action set forth above at the current time, nor has the Debtor determined a cost benefit analysis of said

actions. If the Debtor, in its sole discretion, elects to pursue any cause of action and is successful in pursuing same, any collections above the cost of the litigation, will be disbursed pro rata to Class 4 claimants.

5.9 During the term of the Third Amended Plan, the Debtor shall be prohibited from issued nonvoting equity securities. If necessary, the Debtor shall add a provision to its charter to include such prohibition.

ARTICLE VI EXECUTORY CONTRACTS

6.1 Attached to this Third Amended Plan as **Exhibit 1** is a list of the unexpired leases and executory contracts to be assumed as obligations of the reorganized Debtor under this Third Amended Plan (the “Assumed Contracts”) or rejected as noted (the “Rejected Contracts”). On the Effective Date, each of the Assumed Contracts shall be assumed as obligations of the reorganized Debtor. The Order of the Court confirming the Third Amended Plan shall constitute an Order approving the assumption of each Assumed Contract and the rejection of each Rejected Contract.

Any party to an Assumed Contract that objects to the assumption of its lease or contract, must file and serve an objection to the Third Amended Plan within the deadline for objecting to the confirmation of the Third Amended Plan as set by the Court.

The order confirming the Third Amended Plan shall constitute an order approving the rejection of the lease or contract. Any party to a Rejected Contract that objects to the rejection of its contract or lease, must file and serve an objection to the Third Amended Plan within the deadline for objecting to the confirmation of the Third Amended Plan as set by the Court. The bar date for filing a proof of claim arising from the rejection of a Rejected Contract shall be set by order of the Court. Any claim based on the rejection of a Rejected Contract will be barred if the proof of claim is not timely filed, unless the Court later orders otherwise.

ARTICLE VII MEANS FOR IMPLEMENTATION OF THIRD AMENDED PLAN

7.1 This Third Amended Plan proposes to pay creditors of the Debtor from four sources: (1) cash flow received from rent revenue, (2) the sale to C&T Charters, Inc., (3) condominium sales and (4) the approximately \$200,000.00 to \$250,000 New Value Contribution from the Debtor’s current equity holders.

7.2 The Debtor will retain and operate the Property to maximize net rental revenue. Currently, the Debtor is generating approximately \$112,000 in monthly rent revenue and anticipates generating approximately \$1,600,541 in rent revenue during the first year of the Third Amended Plan based upon existing leases and generating new leases. Furthermore, the Third Amended Plan will be funded through condominium sales at a conservative rate of 1 unit sold per month for 60 months of the Third Amended Plan and 2 units sold per month for 12 months of the Third Amended Plan.

7.3 The Third Amended Plan will be funded by an equity advance of between \$200,000 and \$250,000, which amount – along with the funds being currently retained by the Receiver in the Debtor’s operating account – will be sufficient to cover the amount due at confirmation to cover the Allowed Administrative Claims, the U.S. Trustee’s fees and the amount due at confirmation to creditors in Class 4(b), from the Debtor’s principals, Ponce Holdings, LLC and 1300 Ponce Funding, LLC who will receive 100% of the shares of the Reorganized Debtor. Prior equity interests shall be voided and cancelled effective on the Effective Date. **ANY PARTY OR THIRD PARTY MAY PROPOSE ALTERNATE FUNDING IN EXCHANGE FOR THE EQUITY INTEREST OF THE REORGANIZED DEBTOR BY FILING AN OBJECTION TO THIS THIRD AMENDED PLAN.**

7.4 The Reorganized Debtor will serve as distribution agent of all payments to be made. Upon Confirmation, all property of the estate shall be retained by the Debtor. New Directors shall be elected by the new shareholders of the Reorganized Debtor. The Directors will elect officers as needed to carry out the business of the Debtor. New Articles of Incorporation and By-Laws shall be filed on the Effective Date consistent with this Third Amended Plan.

7.5 Each of the Debtor’s payments to 1300 Ponce Holdings under the Third Amended Plan shall be due as follows:

The Debtor will make payments as set forth in the Third Amended Plan in an amount equal to the below schedule from the sales projected and net rental income during such nine month period (the “True-Up Amounts”). The True-Up Amounts shall be:

Payment Number	True Up Payment	Payment Date
1	10/1/2013	\$3,400,000
2	7/1/2014	\$3,600,000
3	4/1/2015	\$3,750,000
4	1/1/2016	\$3,825,000
5	10/1/2016	\$3,875,000
6	7/1/2017	\$6,850,000
7	1/1/2018	\$8,130,000

Condominium assessments on all Debtor owned units will be paid before they become delinquent and incur a late charge as set forth in Exhibit 3.

If Debtor does not make sufficient payments sufficient to equal a True-Up Payment in full on or before the above referenced due dates, or fails to comply with the other provisions for default, the Debtor is deemed to be in default under the Third Amended Plan. If default continues for more than 15 business days after delivery of written notice of default to Debtor and its counsel for Payments 1-6 above and 30 days for Payment 7 above (the "Cure Period"), 1300 Ponce Holdings shall immediately be entitled to file a motion and affidavit of default with the Bankruptcy Court to permit 1300 Ponce Holdings to enforce or exercise its *in rem* rights against the Property, including filing a motion in the existing state court proceeding to reschedule the foreclosure sale of the Property after an order has been entered by the Bankruptcy Court permitting same. However, if the Debtor presents hard contracts for the remaining units during the Cure Period in order to cure the payment and those sales are scheduled to close, the Debtor shall have an additional 30 days after the end of the Cure Period to close on those units (the "Additional Closing Period"). If the Debtor sells additional units in a nine-month period or receives funds from sales in excess of the minimum nine-month payment set forth above, the excess shall be credited to the following nine-month period.

The Debtor will make payments to 1300 Ponce Holdings as follows: (1) net sales proceeds at the time of closing and (2) monthly net rental income for a previous month will be turned over on the 15th day of the following month. The total net sales proceeds paid to 1300 Ponce Holdings shall equal 92% of the gross sales proceeds. Any shortfall for closing costs in excess of 8% shall be paid from gross rental income.

The Developer Fee of 1.5% will continue to be included in the Purchase Agreements of any new sales until the time the Debtor determines it is no longer appropriate for it to be included. The Developer Fee will be used to pay closing expenses including, but not limited to, (1) documentary stamp tax on the deed to the State of Florida Department of Revenue (.5%), (2) title insurance premium (.575% for the first \$100,000 and .5% for every additional \$100,000 or fraction thereof) and (3) attorneys' fees and costs to Jeffrey Levey, P.A. The Developer Fee is paid by the unit buyer and will not affect the 92% being paid to 1300 Ponce Holdings.

The Debtor will reserve the funds set forth on Exhibit 3 for the Tax Reserve in a separate escrow account. The taxes due on each unit will be paid at closing from either (1) the gross sales proceeds so long as 1300 Ponce Holdings still receives 92% of the gross sales proceeds, (2) the tax escrow account or (3) gross rental income. The Debtor will use the net rental income turned over by the Receiver at confirmation to fund the tax escrow account and will continue to use net rental income post-confirmation to fund the tax escrow account. The Debtor will use the funds in the tax escrow account to pay 75% of the estimated 2012 real estate taxes on or before March, 2012, in order to preserve the Debtor's right to appeal. If there is a shortfall in the tax escrow account in March 2012, the Debtor shall use a portion of the gross sales proceeds from the sale of one unit to satisfy the March 2012 tax payment with the consent of 1300 Ponce Holdings, which may not receive 92% of the gross sales proceeds for that one sale. The Debtor will be used to pay the taxes at the earliest time possible to take advantage of the discounts for early payments in December, January and February with the consent of 1300 Ponce Holdings.

The Debtor is providing for General Expenses as set forth on Exhibit 3, which provides for the following expenses:

- 1) Sales Expenses: \$500.00

- 2) Insurance: \$1,250.00
- 3) Refurbishing of Units: \$1,000.00
- 4) Marketing: \$2,250.00

To the extent that the Debtor does not utilize the General Expenses in any given month, they will be rolled over and maintained by the Debtor for expenses incurred during the Third Amended Plan.

Debtor may not cure any default by attempting to deed some or all unsold units to Secured Creditor, unless Secured Creditor authorizes same.

No monies may be paid to Claimants in Classes 3 or 4(a) as set forth in Debtor's Third Amended Plan until 1300 Ponce Holdings is paid in full as set forth in Exhibit 4.

At confirmation, Debtor will get credit as to the sum it owes to 1300 Ponce Holdings under Debtor's Third Amended Plan of Reorganization as to 1300 Ponce Holdings' 1111(b) claim - \$38,197,062.82, for all sums delivered by Debtor to 1300 Ponce Holdings (\$4,766,941.55) arising from sales of units at subject property since the filing of this bankruptcy proceeding. However, the sums delivered to 1300 Ponce Holdings prior to the Effective Date shall not be credited towards the above Payments.

Debtor will provide 1300 Ponce Holdings a monthly report which reflects (1) the funds into and out of the tax escrow account, (2) the monies collected from rents and (3) how the rental income is being used to make payments to Claimants in Class 2 and Class 3.

The following additional events shall be deemed a default by the Debtor under the Third Amended Plan:

7.5.1 Failure to (i) remit to 1300 Ponce Holdings the net sales and rental proceeds actually collected by the Debtor for the previous month prior to the expiration of the Cure Period, (ii) failure to obtain, assign, deliver, or keep in force policies of insurance for the Real Property with the types and amounts of coverage no less than that currently maintained by the Debtor; (iii) any sale, transfer, pledge, hypothecation, or further encumbering of any part of the Real Property except as provided for under the Third Amended Plan or as agreed to by 1300 Ponce Holdings; (iv) failure to make payments to 1300 Ponce Holdings equal to a True-Up Amount prior to the expiration of the Cure Period and the Additional Closing Period, if applicable, or (v) failure to timely pay the allowed Secured Claim of the Miami-Dade County Tax Collector as provided in the Third Amended Plan;

7.5.2 Failure to timely pay any tax against the Real Property on or before the taxing authorities' default date;

7.5.3 Failure to obtain, assign, deliver, or keep in force policies of insurance for the Real Property with the types and amounts of coverage no less than that currently maintained by the Debtor;

7.5.4 Any sale, transfer, pledge, hypothecation, or further encumbering of any part of the Real Property without the prior written consent of 1300 Ponce Holdings; or

7.5.5 Failure to timely pay the allowed Secured Claim of the Miami-Dade County Tax Collector as provided in the Third Amended Plan.

(any or all of the above shall be referred to as a “Default”). In the event of a Default under § 7.5, 1300 Ponce Holdings shall provide written notice of the Default (the “Notice”) to the Debtor. If the Debtor does not cure the Default within the Cure Period, 1300 Ponce Holdings shall immediately have the right to file a motion to reset its foreclosure sale and amend its Final Judgment, which motion shall be accompanied by an Affidavit of Default certifying the Debtor’s Default and all amounts received by 1300 Ponce Holdings for purposes of determining the amount of the amended final judgment. However, if the Debtor provides 1300 Ponce Holdings hard contracts on units during the Cure Period that are scheduled to close, the Debtor shall have the Additional Closing Period to cure the default. In addition, if the Debtor exceeds the minimum payment due in any 9 month period, the Debtor can carryover the excess to meet the requirements in the following 9 month threshold.

**ARTICLE VIII
PROCEDURE FOR RESOLVING CONTESTED CLAIMS**

8.1 Unless otherwise ordered by the Bankruptcy Court, Debtor shall litigate to judgment, settle or withdraw objections to contested claims subsequent to confirmation, if necessary.

8.2 Should any payment become due under the Third Amended Plan on a contested claim, such payment shall be held in the Debtor’s counsel’s trust account pending the resolution of contested claim. Upon final resolution of the contested claim, the Claimant shall be paid a pro rata distribution of the funds held based on the percentage of the claim allowed, if any.

**ARTICLE IX
PROVISIONS FOR RETENTION OF JURISDICTION FOR SUPERVISION
OF THE THIRD AMENDED PLAN**

9.1 The Bankruptcy Court shall retain jurisdiction over the Chapter 11 case for the purposes of determining any and all objections to the allowances of claims; determining any and all applications for compensation for professional and similar fees; determining any and all applications, adversary proceedings, and contested or litigated matters before the Bankruptcy Court or pending on the Confirmation Date; resolution of any tax issues through negotiation and approval of the Bankruptcy Court or by the filing of adversary complaints if deemed necessary; and construing and enforcing the provisions of the Third Amended Plan relating to the payments and distributions to be made by the Debtor on or after the Confirmation Date.

9.2 Subsequent to the Confirmation Date, the Debtor is authorized and directed to take any action or cause the taking of any action necessary or appropriate to carry out the provisions of this Third Amended Plan.

9.3 The headings used in this Third Amended Plan are inserted for convenience only, and neither constitutes a portion of the Third Amended Plan nor in any manner effect the provisions of the Third Amended Plan.

9.4 Should any provision in the Third Amended Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Third Amended Plan.

ARTICLE X
PROVISION TO INVOKE CRAMDOWN PROVISION IF NECESSARY

10.1 If all of the applicable requirements of 11 U.S.C. Section 1129(a), other than paragraph 8, are found to have been met with respect to the Third Amended Plan, the Debtor may then seek confirmation pursuant to 11 U.S.C. § 1129(b). For purposes of seeking confirmation under the cramdown provision of the Code, should that alternative means of confirmation prove to be necessary, the Debtor reserves the right to modify or vary the terms of the claims of the rejected classes, so as to comply with the requirements of 11 U.S.C. § 1129(b).

ARTICLE XI
NOTICES

11.1 All notices required to be made in or under this Third Amended Plan shall be in writing and shall be mailed by registered or certified mail return receipt requested, to PONCE TRUST, LLC, with a copies to JOEL L. TABAS, ESQ. Attorney for the Debtor, TABAS, FREEDMAN, SOLOFF, MILLER & BROWN P.A. 14 N.E. 1st Ave. Penthouse, Miami, FL 33132.

CONCLUSION

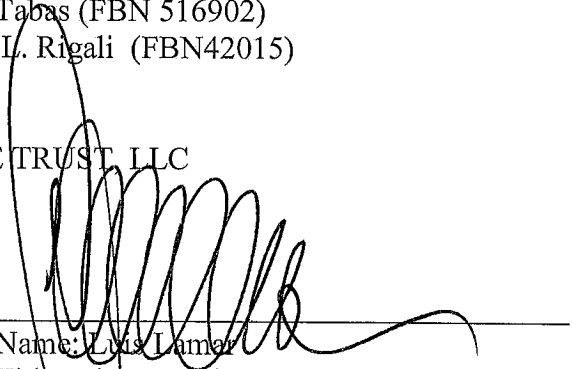
The aforesaid provisions shall constitute the Third Amended Plan of Reorganization of the Debtor in Possession. This Third Amended Plan, when approved and confirmed by the Bankruptcy Court, shall be deemed binding on the Debtor, all creditors, and all parties in interest and their successors and assigns in accordance with 11 U.S.C. § 1141.

Dated: December 14, 2012

TABAS, FREEDMAN, SOLOFF,
MILLER & BROWN, P.A.
Counsel to Ponce Trust, LLC
14 N.E. 1st Ave.
Penthouse
Miami, FL 33132
Telephone: (305) 375-8171
Facsimile: (305) 381-7708
E-mail: jtabas@tabasfreedman.com
E-mail: arigali@tabasfreedman.com

By: /s/ Joel L. Tabas
Joel L. Tabas (FBN 516902)
Andrea L. Rigali (FBN42015)

PONCE TRUST, LLC

By: 
Name: Luis Lamer
Title: Vice President