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Philadelphia Rittenhouse Developer (10 Rittenhouse Square) Sets Forth Reorganization Plan

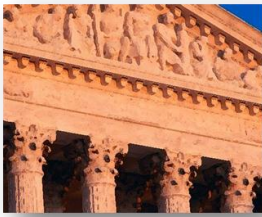
Philadelphia Rittenhouse Developer, L.P. - the company behind the 10 Rittenhouse Square building in Philadelphia, Pennsylvania - filed its proposed plan of reorganization with the bankruptcy court on Monday, which sets forth its proposal for reorganizing its finances and operations. The company filed for bankruptcy protection on December 30, 2010 following a dispute with its largest lender, iStar Tara, LLC ([you can find more details on the bankruptcy filing in an earlier post, which is available here](#)).

10 Rittenhouse Square is a 33-story residential building (with two commercial spaces on the first floor) designed by Robert A.M. Stern. According to today's court filings, 37 of the building's 144 residential condominium units had been sold as of February 10th. Two additional units were under contract and both commercial spaces were leased as of the same date. The developer asserts that the "net sell out" of the building will generate \$225 million in proceeds. iStar Tara's first priority secured claim is approximately \$190 million (although the claim is disputed), and an additional \$62 million is owed on a mezzanine loan. However, the developer asserts that a liquidation of the remaining condominium units "will not achieve anything close to [iStar Tara's] Class 2 claim of \$190,000,000."

Pursuant to the proposed plan, the developer would conduct an orderly marketing and sale of the remaining condominiums over an estimated three to four year period and place the net sale proceeds (i.e., sale proceeds less costs of administration, maintenance and construction) in a fund pending resolution of litigation. No distributions would be made from the fund before that time and iStar Tara would receive payment of its claim from that fund first. The plan also proposes that the unsecured claim of the homeowners' association - approximately \$183,000 pre-bankruptcy - will be paid over 12 months following the plan becoming effective (with administrative claims of the homeowners' association being paid as they accrue). The secured claim held by the City of Philadelphia (for real estate taxes) would also be paid over 12 months. All other claims would be paid out of the net sale proceeds fund once it is released (and to the extent that additional amounts remain after paying iStar Tara's claims).

To review the proposed plan of reorganization or other related pleadings (the disclosure statement provides a more readable explanation of the plan's proposed terms) for yourself, you can find them at the following links:

- [Chapter 11 Plan of Reorganization Filed by Philadelphia Rittenhouse Developer, L.P.. \(Attachments: # 1 Exhibit A\)](#)
- [Disclosure Statement Pursuant to Section 1125 of The Bankruptcy Code Describing the Plan of Reorganization Filed by Philadelphia Rittenhouse Developer, L.P.. \(Attachments: # 1 Exhibit A\)](#)



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- [Motion to Approve Disclosure Statement Related to Plan of Reorganization and for the Fixing of Dates for the Filing of Acceptances, Rejections or Objections to the Plan of Reorganization. Filed by Philadelphia Rittenhouse Developer, L.P. Represented by ALBERT A. CIARDI III\(Counsel\). \(Attachments: # 1 Exhibit A# 2 Proposed Order # 3 Service List\)](#)
- [Notice of \(related document\(s\): 83 motion Motion to Approve Disclosure Statement Related to Plan of Reorganization and for the Fixing of Dates for the Filing of Acceptances, Rejections or Objections to the Plan of Reorganization.\) Filed by Philadelphia Rittenhouse Developer, L.P.. Hearing scheduled 3/31/2011 at 10:30 AM at nix4 - Courtroom #4. \(Attachments: # 1 Service List\)](#)

To view all major court filings from the case, please visit:

<http://www.chapter11cases.com/Philadelphia-Rittenhouse-Developer-LP10-Rittenhouse-Square-c-16606.html#axzz1FzfhsJly>