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Owners of The Georgian Building in Silver Spring, Maryland File for Chapter 11 Bankruptcy Protection

Last Wednesday, two related companies - Stellar GT TIC LLC and VFF TIC LLC - voluntarily filed for chapter 11 protection in the bankruptcy court in Greenbelt, Maryland with a pre-negotiated plan of reorganization. The companies own an 891-unit multi-family high rise property (consisting of two 14-story apartment buildings) located at 8750 Georgia Avenue in Silver Spring, Maryland. The complex is commonly known as [The Georgian](#) and was over 90% occupied as of yesterday's bankruptcy filing. Stellar GT TIC owns a 10% interest in the Georgian and VFF TIC owns the remaining 90% interest.

The companies' assets consist almost exclusively of just the project, which is listed in their schedules as having an "undetermined" value. The project secures over \$207.6 million of secured debt maturing March 1, 2012. The secured debt is evidenced by three promissory notes:

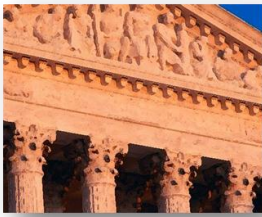
- July 1, 2007 Amended and Restated Note A-1 in the principal amount of \$67,000,000 (held by Wells Fargo Bank, N.A., as Trustee for the registered holders of Deutsche Mortgage & Asset Receiving Corporation, COMM 2007-C9, Commercial Mortgage Pass-Through Certificates)
- July 1, 2007 Amended and Restated Note A-2 in the principal amount of \$58,000,000 (held by Wells Fargo Bank, N.A., as Trustee for the registered holders of Deutsche Mortgage & Asset Receiving Corporation, CD 2007-CD5, Commercial Mortgage Pass-Through Certificates, and Bank of America, N.A.)
- July 1, 2007 Amended and Restated Note B in the principal amount of \$60,000,000 (held by FCP Georgian Towers, LLC)

The secured debt is administered by Helios AMC, LLC, as Special Servicer, pursuant to a Pooling and Servicing Agreement dated August 1, 2007. The schedules also list a mechanics' lien asserted by General Electric Company in the Circuit Court for Montgomery County, Maryland. The amount is listed as "undetermined" and the claim is scheduled as being contingent, unliquidated and disputed.

Wells Fargo commenced a receivership action in the Circuit Court for Montgomery County, Case No. 324928-V, on December 30, 2009 after the debtors informed Wells Fargo that "the property management company had resigned and that 'all on-site employees' would be issued termination notices on January 4, 2010." The Circuit Court appointed Greystar Management Services, LP as the receiver for the Georgian project and Greystar Real Estate Partners Dallas LP was retained to manage the Georgian.

[View a complimentary copy of Stellar GT TIC's voluntary petition by clicking here.](#)

The debtors defaulted on their secured debt on February 1, 2010 and have failed to make any payments since that time (the loan required interest-only payments at a current rate of 6.14%). Since the appointment of the receiver, the debtors and Wells Fargo have had



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"extensive negotiations" and the proposed plan of reorganization and disclosure statement filed by the debtors with the bankruptcy court yesterday "are a result of those negotiations."

The proposed plan is premised on either (1) a sale of the project pursuant to an auction process or (2) a consensual restructuring of the secured debt. The sale will occur if a bidder other than Wells Fargo submits the highest bid for the project and the debt restructuring will occur if Wells Fargo is the highest bidder. Draft amended loan documents (providing the terms of the debt restructuring) are attached to the proposed plan, as are proposed auction procedures.

Under the proposed auction procedures, the auction will be conducted by CB Richard Ellis Inc. through its Baltimore office. The procedures propose that a first-round sealed bid would be required to be submitted by August 24, 2011. The broker (in consultation with the debtors and Wells Fargo) would then have until September 5, 2011 to negotiate with the first-round bidders. Second-round sealed bids would be due by 5:00 p.m. on September 5th. The highest second-round bid would be identified by September 12, 2011 and the highest bid would be submitted for approval at the confirmation hearing (date and time to be determined). If there are no bidders other than Wells Fargo or if Wells Fargo submits a credit bid which is determined to be the highest bid, then the project would not be sold and the debtors and Wells Fargo would enter into amended loan documents.

Access copies of key court filings by visiting the following links:

- [Chapter 11 Plan of Reorganization Filed by Stellar GT TIC LLC. \(Attachments: # 1 Exhibit 1# 2 Exhibit 2# 3 Exhibit 3# 4 Proposed Order\)](#)
- [Disclosure Statement Filed by Stellar GT TIC LLC. \(Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Proposed Order\)](#)
- [Summary of Schedules, Schedule A, Schedule B, Schedule D, Schedule E, Schedule F, Schedule G, Schedule H on behalf of Stellar GT TIC LLC](#)
- [Statement of Financial Affairs on behalf of Stellar GT TIC LLC](#)
- [Motion to Fix Claims Bar Date Filed by Stellar GT TIC LLC. \(Attachments: # 1 Exhibit A# 2 Proposed Order\)](#)
- [Motion to Assume Leases or Executory Contracts \(Forbearance Agreement\) Filed by Stellar GT TIC LLC. \(Attachments: # 1 Exhibit 1# 2 Proposed Order\)](#)

Search and download copies of all key court filings from this case by visiting: http://www.chapter11cases.com/Stellar-GT-TIC-LLCaka-The-Georgian-8750-Georgia-Avenue-Silver-Spring-Maryland_c_26739.html