

Taurus CMBS (Germany) 2006-1 p.l.c
Quarterly Surveillance Report for the
Collection Period
February 2020 – May 2020
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Deal Overview

Deal Overview

This deal is a CMBS transaction comprised at inception of a multi-borrower pool of nine commercial mortgage loans, four of which were originated by Merrill Lynch International Bank Limited and Merrill Lynch Capital Markets Bank Limited and five by Capmark Bank Europe plc. The portfolio was secured by 35 commercial properties and approximately 2,400 residential units at origination and the aggregate initial loan balance was EUR 571.088 million.

Interest and Principal are paid quarterly in arrears on 22 January, April, July and October, with Notes scheduled to amortise according to a modified pro rata structure and Excess Spread being distributed to the X Note holders.

The deal benefits from a Liquidity Facility in the amount of EUR 40 million (equivalent to 7.00% of the initial principal balance of the collateral) decreasing over time in line with the principal balance outstanding on the notes provided by Lloyds TSB Bank by way of a 364 day revolving facility.

Activity since last reporting (Special Servicing)

Bremen Loan

The collateral for this loan comprises a shopping centre in Vegesack, Bremen, built on a plot of approximately 33,500sqm. The property, completed in spring 2003, is built on two levels and includes a car park with over 1,200 spaces. The centre has circa 35,500sqm of lettable space.

As reported previously, the Borrower was unable to repay the Bremen Loan on the scheduled Loan Maturity Date of 18 October 2010, causing a non-payment breach. The Servicer, acting in accordance with the Servicing Agreement, determined that a Servicing Transfer Event had occurred and as such, the Bremen Loan became a Specially Serviced Loan as of 8 November 2010.

The Special Servicer obtained an updated valuation in November 2013 with the reported Market Value being EUR 29.1 million and a further updated valuation dated April 2015 showing a drop in Market Value to EUR 14.4 million. At that time the Special Servicer decided against disclosing the drop in value to the market in order not to negatively affect the marketing of the property.

In the meantime the Special Servicer consented to a sale and purchase agreement with an agreed purchaser to acquire the property which had been signed by the Insolvency Administrator of the Bremen Borrower on 13 April 2017 (referring to the RIS notice published on 21.04.2017)

The purchase price amounting to EUR 17.5 million had been received into a notary trust account as agreed and the hand-over of the property took place on 12.07.2017.

Following expiry of the right to withdraw granted to the purchaser in the sale and purchase agreement, on the 16th August 2017 the notary transferred EUR 15.5m to the Special Servicers account (for distribution to the securitisation at the October 2017 note payment date). The remaining EUR 2.0 million was been held back by the Insolvency Administrator to cover representations, warranties, liabilities and to ensure a solvent winding up of the borrower. From the overall EUR 2.0 million retained funds by Insolvency Administrator, EUR 500,000 was retained to be released to the lenders not earlier than 15 months after the sale providing no claims have been made against the representations and warranties of the seller and this together with additional funds was paid across to the securitisation in Jan 2019. The remaining EUR 1.5 million was retained by the Insolvency administrator to pay for all costs fees and expenses incurred from the sale of the Bremen Property as well as those expenses incurred for the orderly liquidation of the Bremen Borrower. The Insolvency Administrator has

agreed to provide regular billing/account reporting in respect of liquidation of the borrower.

August 2019 up date

According to the Insolvency Administrator and his most recent timeline and payment schedule (dated 26.06.2019) a final payment distribution in line with the completion of the insolvency proceedings will be highly unlikely to be achieved before 2020 (and not as previously reported by the end of 2018 referring to the RIS notice published on 05.09.2017). This delay is due to the complexity of winding up the borrowing company respectively a subsidiary company of the borrower.

On IPD July 2019 another payment of EUR 100k was distributed to the securitisation. The remaining amount from the initial € 1.5 Mio. held in escrow is now at € 245k) and these funds will be released by the Insolvency Administrator on an ad hoc basis taking into account further necessary cost to be paid.

November 2019 up date

There has been no further confirmation as to the likely date of the final distribution from the liquidator in this period and no distributions.

May 2020

There has been no distributions in this period and despite further requests to the Insolvency Administrator they have not confirmed as to when the final distributions to the creditors will be made..

Contact Details

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Disclaimer

Link to the Deal Summary Report

<http://loans.linkassetservices.com>

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