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Chapel Hill businessman late for foreclosure hearing

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HILLSBOROUGH — The unusual saga of Chapel Hill's Courtyard complex continued Tuesday when the owner appeared late for a foreclosure hearing, minutes after it was postponed.

Wachovia Bank wants to sell the property, a European-style mix of shops surrounding a courtyard fountain on West Franklin Street. Owner Spencer Young, it said in court documents, has defaulted on a \$2.6 million loan he got in 2005 to buy the property.

Young attracted an interesting mix of tenants, including a French restaurant and coffee shop that have received national attention, but many of the shops remain empty. After the owner of the coffee shop — 3Cups — withheld rent, saying Young hadn't provided enough promised parking, Young locked out the workers there and in a sister business, Sandwhich restaurant, for a day. 3Cups owner Lex Alexander moved out after Young started eviction procedures. According to a police report, Young threatened to break Alexander's nose.

A Wachovia representative at the hearing said the bank hadn't received a mortgage payment since February. Young declined to speak to a reporter, simply turning away.

His lawyer, former Raleigh City Council member Kieran J. Shanahan, said Young was working on a plan to deal with the creditors and wants to keep the property.

"Spencer Young intends to own and operate The Courtyard for years to come and to be a good corporate citizen in Chapel Hill," Shanahan said, adding that the property had "a great deal of equity in it."

During the hearing, Elizabeth Harrison, a lawyer for Wachovia, told Orange County Clerk of Superior Court James C. Stanford that Young hadn't signed for certified mail notifying him of the hearing, but that the sheriff's department had posted a notice on his home, and another notice was sent to Shanahan. Stanford said the property itself should be posted, and that one remedy for not having clearly notified Young could be to also serve the N.C. Secretary of State.

Harrison asked Stanford for a continuance for at least 30 days to do additional notification, and he agreed.

As representatives of Wachovia and other creditors left the hearing, they met Young and a lawyer from Shanahan's office in the lobby. Young and his lawyer huddled briefly, then departed.

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