

Real Estate Update

Despite turmoil in the capital markets and subprime sector, our clients in 2007 kept us busy closing transactions all year. We were particularly active with property sales and purchases, joint venture investments, large leases and permanent financings. In 2007, our real estate group participated in four of the 10 largest Manhattan office leasing deals, as reported by *Crain's New York Business*:

- 825 Eighth Avenue, in which we assisted the tenant, Cravath, Swaine & Moore LLP, in the modification of its lease of over 600,000 square feet with Macklowe Properties,
- We represented Gibson Dunn & Crutcher in its lease of over 200,000 square feet with Boston Properties at the building to be constructed at 250 W. 55th Street,
- 620 Eighth Avenue, in which we represented Forest City Ratner in its lease with Goodwin Procter at *The New York Times'* new building (totaling over 200,000 square feet), and
- We represented the tenant, The Bank of Tokyo-Mitsubishi UFJ, Ltd. in its lease of over 200,000 square feet at 1251 Sixth Avenue.

In addition, our Real Estate group participated in the following representative transactions in 2007:

- Our attorneys continued to represent The Durst Organization in connection with the leasing by One Bryant Park LLC to Bank of America of approximately 1.6 million square feet. We also represented The Durst Organization in connection with the leasing at One Bryant Park by (a) Marathon Asset Management, LLC of approximately 76,000 square feet and (b) Akin Gump of an additional 68,000 square feet to bring the total space leased by Akin Gump at One Bryant Park to approximately 272,000 square feet.
- We also represented Forest City Ratner in handling the leasing at The New York Times Building to various tenants including Goodwin Procter LLP, JAMS, Inc., Markit North America, Inc., an affiliate of SJP Properties and Samoo Architecture.
- We continued to represent UBS Realty Investors in its leasing at 135 West 50th Street – this included leases to Alliance Bernstein (approximately 86,000 square feet), BDO Seidman (approximately 51,000 square feet) and Mizuho Trust and Banking Co. (approximately 45,000 square feet).
- We represented Allied Irish Banks, p.l.c., PB Capital Corporation, Deutsche Genossenschafts-Hypothekenbank AG, Norddeutsche Landesbank Girozentrale, and Emigrant Bank in purchases of co-lending interests in loans secured by U.S. properties and large revolving credit facilities.

- We represented Bank of Tokyo-Mitsubishi UFJ, Ltd. in a loan to Cullman Casting Corporation secured by a mortgage on industrial property located in Southhaven, Mississippi.
- We represented one of the owners of 708 Third Avenue in acquiring the tenancy in common interest of the other co-owner and the concurrent \$72,000,000 mortgage financing with Bank of America.
- We represented Steinberg & Pokoik in the lease modification for over 200,000 square feet at 575 Madison Avenue with the law firm of Katten Muchin Rosenman.
- The firm represented Allied Irish Bank (AIB) in the closing of several commercial real estate loans that AIB directly originated.
- The firm represented Richard Berry and Anthony Zunino of Zuberry Development, in partnership with The Durst Organization, in their sale of 641 Avenue of the Americas (between 19th and 20th Streets) to an entity controlled by Atlas Capital Group for \$85 million. The transaction also required the defeasance of a previous loan that our real estate group had worked on.
- We represented several prominent hedge funds (including Pershing Square Capital Partners and Taconic Capital Advisors) and leading architectural firms (including Gensler and Kohn Pederson Fox) in their office leases.
- We represented Sunwick Stone Development LLC in its acquisition and financing of three separate development sites on East 22nd Street, East 44th Street and East 46th Street.
- We represented various fee and leasehold owners (including The Durst Organization and the owner of the land under the Pfizer Building on East 42nd Street) in their ground rent arbitrations affecting major office buildings on Sixth Avenue, East 57th Street and East 42nd Street.
- We represented the Mandelbaum family in the acquisition of 100% of the stock of a company owning the ground lease for the Dellwood Country Club in Rockland County, New York.
- We were retained by the American Stock Exchange to assist in the sale of its headquarters building at 86 Trinity Place in Downtown Manhattan.
- We advised a NYSE listed insurance company in connection with its \$25,000,000 investment in a fund to acquire warehouse properties and its investment in a joint venture to acquire a \$57,000,000 suburban office park.
- We represented Bank of Tokyo Mitsubishi UFJ, Ltd. in a major office leasing transaction of 137,000 square feet at Harborside in Jersey City, New Jersey.
- We represented the owners of 444 Saw Mill River Road in the sale of their warehouse/ office building for a reported sale price of \$14,000,000.

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We continue to represent many tax exempt organizations in all of their real estate needs, including:

- The New York Botanical Garden in connection with the negotiations to acquire a commercial property adjoining the Garden on Webster Avenue in the Bronx to allow for future expansion,
- The Ms. Foundation for Women in connection with its leasing of headquarters space,
- A family foundation in the granting of conservation easements to a national preservation organization, and
- A private foundation in connection with its adaptive reuse of an historic estate.

In Other News...

Patterson Belknap ranked fifth on *The American Lawyer's* "A-List" of leading law firms in the United States. The firm is one of just five firms to be in the top 10 every year in which the "A-List" has been published. The "A-List" is based on four criteria: *pro bono* performance, associate satisfaction, diversity of lawyers and financial performance.

In addition, members of our real estate department received their share of acknowledgments from esteemed legal industry publications, including:

- *Guide to the World's Leading Real Estate Lawyers*
- *International Who's Who of Business Lawyers*
- *Best Lawyers in America*®
- The Best of the Best in Real Estate
- *New York Super Lawyers*®
- *Real Estate Weekly's* Rising Stars

We are also proud to announce that Hope K. Plasha became counsel to the firm. Hope has a broad-based real estate practice that includes the representation of landlords and tenants in leasing transactions, investors in the acquisition and development of commercial and residential properties, and commercial lenders in a wide spectrum of real estate financings.

Finally, back by popular demand, Andy Herz appeared as a guest on Whoopi Goldberg's morning radio show, "Wake Up With Whoopi", on two more occasions to discuss the issues facing the housing market in light of the subprime crisis.

This newsletter is for general informational purposes only and should not be construed as specific legal advice. If you have any questions about the Real Estate Update or wish any further information, please contact a member of the Patterson Belknap Webb & Tyler LLP Real Estate Practice Group:

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