

Real Estate Transactions

Commercial Real Estate Representative Transaction:

Attorneys presently at Tully Rinckey PLLC represented an entity controlled by overseas investors (Party X) in the sale by Party X of a Manhattan office tower for approximately \$92 million (the "Sale Transaction"). The Sale Transaction was documented by a complex Purchase and Sale Agreement, with numerous representations and warranties, covenants and indemnification provisions. The cash proceeds of the Sale Transaction were deposited with a qualified intermediary in order to facilitate a Section 1031 tax free exchange in which Party X acquired title to a newly-constructed office building (the "Acquired Property") in a major metropolitan center in the western United States (the "Acquisition Transaction"). In connection with the Acquisition Transaction, attorneys presently at Tully Rinckey prepared a new operating agreement for Party X containing provisions establishing a springing member, independent managers, separateness covenants and other provisions intended to insure that Party X was treated as an independent, bankruptcy-remote entity. In addition, in connection with Acquisition Transaction, attorneys presently at Tully Rinckey drafted and negotiated a complex purchase and sale agreement, the lease with the single credit tenant occupying the Acquired Property, the assignment of lease with the single credit tenant and the special warranty deed, as well as undertaking an extensive review and negotiation of the title policy. In connection with the Acquisition Transaction, such attorneys also reviewed the property survey, the easement documents, the real estate tax documents, the insurance certificates, the Phase I environmental report, zoning information, copies of permits and warranties, building plans, soil reports and mechanical reports relating to the Acquired Property. Such attorneys also drafted and negotiated the Subordination and Non-Disturbance agreement, the estoppel certificate, the utility agreement and the post-closing undertakings in connection with the Acquisition Transaction. In connection with the Section 1031 tax free exchange, attorneys presently at Tully Rinckey PLLC also reviewed the following documents: the assignment of real estate contract to the qualified intermediary, the joint exchange instructions for the replacement property and the authorization to release funds. Interim financing for the Acquisition Transaction was obtained from a major money center banking institution and permanent financing for the Acquisition Transaction was obtained from a consortium of institutional lenders. In connection with interim financing and permanent financing, attorneys presently at Tully Rinckey PLLC attorneys reviewed and negotiated the interim financing agreement, the note purchase agreement for the permanent financing, the trust indenture for the permanent financing, the form of promissory note, the deed of trust, the assignment of lease, the pledge and security agreement, the non-recourse carve-out guaranty agreement and the environmental indemnity agreement for the permanent financing. As a result of the permanent financing, Party X received tax-free financing proceeds of approximately \$79 million.