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Deals Updates

[Equity Office Properties \(EOP\) purchases Skyport Plaza from Brocade Communications Systems](#)

Equity Office Properties (EOP) recently completed its purchase of 1600 Technology Drive in San Jose's Skyport Plaza from Brocade Communications Systems, Inc. Allen Matkins worked with EOP team (including Christopher Peatross, John Moe, Will Connors, and Todd Hedrick) to finalize the purchase, fending off other buyers pursuing the property due to its high value and low price. EOP bought the real estate for \$30.3 million, after originally selling it to Brocade in 2003 for \$106.8 million, a difference of roughly \$400 per square foot. EOP's managing director for Northern California, John Moe, explained that the company was "looking for opportunities like this to buy at the bottom of the market," and that EOP got a "great deal." The purchase put EOP in an ideal position for tenants in the area interested in expansion. Allen Matkins also represented EOP in negotiating a lease with Brocade, which will remain in the space for the next two years. Brocade will pay \$1.35 per square foot with annual rent increases and multiple options to renew.

[McCarthy Cook & Co. completes \\$600 million lease transaction to UCSF](#)

McCarthy Cook & Co. recently completed a unique \$600 million lease transaction with the University of California, San Francisco (UCSF). This partnership with private developers will enable UCSF to open a \$198 million state-of-the-art neuroscience center despite the university's financial troubles. McCarthy Cook and Edgmoor Real Estate Services will build the 237,000-square-foot, five-story center at UCSF's Mission Bay campus, covering construction costs with \$250 million in nonprofit bonds offered by the California Infrastructure and Economic Development Bank. UCSF will lease the property, slated to open in spring 2012, for the next 30 to 40 years and pay principal and interest on the bonds, taking ownership from Edgmoor/McCarthy Cook Partners LLC once the lease expires.

[EOP lease to NetLogic](#)

Equity Office Properties (EOP) recently completed a lease transaction with NetLogic Microsystems at EOP's Mission Towers project in Santa Clara, California. The lease of approximately 100,000 square feet of office and lab space will serve as NetLogic's corporate headquarters, and will fill space that is currently leased, but not occupied, by Sun Microsystems. Allen Matkins worked with EOP to document the transaction, which involved a direct lease, as well as a sub-sub lease of certain of the unoccupied Sun Microsystems space. John Moe and Todd Hedrick represented the EOP team.

[Kearny Real Estate Co. Sells 1.4 Million square feet at Century Business Center for \\$40 Million](#)

A partnership of Kearny Real Estate Company and Morgan Stanley Real Estate

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Allen Matkins is a full-service law firm with over 230 attorneys practicing in seven offices throughout California. Some of the areas of focus at Allen Matkins include green and sustainable construction,

Fund V has sold 1.4 million square feet of industrial and manufacturing space within its Century Business Center in Hawthorne, Calif. to Buchanan Street Partners and Zelman Development Co. for \$40 million. This is the largest industrial deal in Southern California in 2010. Buchanan Street Partners provided \$10.2 million in joint venture equity for the acquisition. Located in the in one of the premier industrial submarkets in the western U.S., the entire space is leased by Vought Aircraft Industries, a leading manufacturer of aerostructures and aviation components. The sale involves one five-story 254,000 square-foot office building and six industrial manufacturing buildings including a one million square-foot facility used by Vought as the sole manufacturing center of fuselage panels for Boeing's 747 aircraft. The aerospace manufacturer recently renewed its lease through 2015. The 43-acre property is one of only 10 industrial sites in the Los Angeles region with more than one million square feet on 40 acres.

construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. [More...](#)

[Equity Office Properties \(EOP\) completes Lease Transaction with Atheros Communications Inc.](#)

Equity Office Properties (EOP) completed a lease transaction with Atheros Communications Inc. (Atheros). Atheros leased over 185,000 rentable square feet of space in an office/R&D building located in San Jose, California, which lease represented over 95% of the building. In addition, the Lease included expansion rights into an adjacent building. Notwithstanding the size and complexity of the Lease, the transaction took only two weeks, from the first draft of the lease to lease execution, to complete. John Moe, Todd Hedrick and Josh Hitchcock represented the EOP team.

[Lincoln Property Company and Angelo Gordon & Co. purchases Griffin Towers in Orange County](#)

Lincoln Property Company and Angelo Gordon & Co. emerged as the successful bidder among 34 prospective buyers in the purchase of Griffin Towers in Santa Ana, CA. The transaction was the largest office sale in Southern California this year, according to real estate brokerage CB Richard Ellis Inc. The Angelo Gordon team was led by Steve White and Louis Friedel. Lincoln Property Company and Angelo Gordon & Co. were able to act exceptionally quickly and paid \$90 million cash to Maguire Properties, Inc. (NYSE: MPG), a Southern California-focused real estate investment trust.

The twin 13-story towers, built in 1987, are 77% leased to such tenants as Corinthian Colleges and engineering firm CH2M Hill Inc. In connection with the sale, Maguire Properties was relieved of the non-recourse project level debt which was scheduled to mature on May 1, 2010. The \$22 million repurchase facility was converted into an unsecured term loan and remains an obligation of Maguire's operating partnership.

EQUITY & DEBT UPDATES

[Bank of China completes \\$31 million loan to finance new JW Marriott Hotel in Downtown Los Angeles, CA](#)

Bank of China, Los Angeles branch, recently completed a \$31,000,000 mortgage loan for the financing of the acquisition of the Marriott hotel in downtown Los Angeles. Shenzhen New World Group Co., a Hong Kong-based investor with real estate holdings throughout mainland China, purchased the 469-room hotel located at 3rd and Figueroa Streets. Shenzhen purchased the hotel from an affiliate of GE capital after the hotel fell into foreclosure last summer. The hotel will be managed for Shenzhen by New Age Hospitality LLC, an affiliate of Arcadia-based investor and property manager Kam Sang Co.

Despite the complexities created by the multiple parties and international investment aspect, Bank of China, Los Angeles branch was able to complete loan approval process, its underwriting and due diligence and close the transaction in less than thirty days. Plans are under way to upgrade the hotel to LEED energy-efficiency standards, as well as enhance its service offerings to include five-star amenities. The world trade center association Los Angeles-Long Beach says the sale will help retain 400 existing jobs, and the renovations could create hundreds more. The Marriott hotel loan is the most recent of a number of loan transactions closed by Bank of China and, Los Angeles branch, on the West Coast, and Bank of China, Los Angeles branch expects to be active in the US real estate lending market going forward.

Government Action Updates

None to report

SPECIAL FEATURES

None to report

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