

## → Real Estate Portfolio Transactions

Sheppard Mullin's Real Estate Portfolio Transactions group represents buyers, sellers and investors in the acquisition and disposition of real property portfolios of all types and sizes in markets across the country.

Our national, multidisciplinary team of attorneys and our dedicated support staff takes a holistic approach in advising at every phase of multi-property transactions. We leverage our deep experience in real estate, corporate and securities, environmental, finance, labor and employment, land use, litigation, charitable trusts, and tax law to guide clients through the full range of issues that arise over the life of these legally and logistically complex deals.

Together, we are:

**Scalable.** We collaborate with our clients to define the scope of work at every phase of the transaction, seamlessly scaling our team up and down as needed. We staff our teams with the right subject matter expertise and local knowledge across all seniority levels, leveraging our highly-trained associates and dedicated real estate due diligence team, comprised of attorneys, paralegals and other professionals, to deliver significant savings.

**Business-minded.** We draft and negotiate strategic bids and agreements for complex purchase and sale transactions, multi-property borrowing transactions secured across multiple jurisdictions, and multi-tier joint ventures. In every instance, we negotiate terms that maximize property value and manage going concern risk.

**Efficient.** We are skilled at organizing, analyzing, synthesizing and integrating large amounts of property data into a transaction. We streamline and automate manual tasks and frequently used form documents to ensure that information is entered once and deal forms are consistent. We partner with our clients to identify process improvement and automation opportunities tailored to their specific needs so as to maximize the return on due diligence.

**Problem Solvers.** We focus on spotting, assessing and reducing risk during due diligence and structure environmental and other disclosures to avoid costly deal delays and post-closing challenges. When there is a need, we litigate aggressively on our clients' behalf, with skilled litigators admitted in jurisdictions across the country.

**Trusted.** Our clients count on us in both strong and challenging markets. Whether our clients need a strategy to dispose of, reposition or acquire a distressed portfolio, we know how to position them for the best possible outcome while preserving the value of their assets.

**Flexible & Transparent.** We are adept at pricing and managing portfolio budgets, including alternative fee arrangements, that align with our clients' needs. Once a budget is set, we work with our internal pricing and project management team to ensure we work within it – with no surprises.

**Relationship-focused.** We care deeply about developing genuine connections with our clients. We are better collaborators and champions when we know our clients and their business well. Our reputation and credibility with opposing deal counsel helps us deliver favorable results. We also have strong relationships with national surveyors, title companies, environmental engineers and zoning consultants, and we are always pleased to introduce our clients.

## Experience

Our portfolio experience spans all asset classes, including residential (multifamily, single family and affordable housing); commercial (data center, distribution/warehouse, self-storage and industrial); office and mixed-use; hospitality; retail and shopping center; medical office/ hospital/medical facilities; cannabis grow, process and retail facilities; and senior care and assisted living. Select, recent matters include:

- Serve as California counsel to a **multi-national private equity firm** in connection with numerous portfolio acquisitions across the state. Recent transactions include helping our client acquire more than \$5 billion in media, studio and office buildings; industrial, research and redevelopment properties; thousands of multifamily units; dozens of retail properties; 25 self-storage facilities; senior housing communities; and numerous business park and hotel assets.
- Represented the **purchaser** in the asset acquisition of Manhattan Mini Storage, LLC for \$3.2 billion, involving 19 owned and 15 leased locations throughout New York City.
- Represented **Public Storage** in closing its acquisition of All Storage's \$1.5 billion portfolio. The portfolio included 56 self-storage facilities – 52 in the Dallas-Fort Worth market and the others in Oklahoma City and Killeen, Texas – totaling 7.5 million rentable square feet with an average occupancy of 75% during the third quarter. The deal significantly expanded our clients' holdings in the Dallas-Fort Worth area to 172 locations and 15.5 million net rentable square feet.
- Represented **Save Mart Supermarkets** in connection with a \$1.2 billion sale-lease back transaction involving a portfolio of over 65 properties throughout California and Nevada. This was a transaction of great strategic importance for our client as it allowed Save Mart to pay off existing debt on highly favorable terms and provided a war chest to upgrade stores per its "clean and bright" program and introduce new store concepts to gain a competitive advantage over rivals in the industry.
- Represented **Professional Financial Investors (PFI)** in the bulk sale of the majority of its mixed-use portfolio of real estate assets for \$434 million in connection with PFI's bankruptcy case pending in the U.S. Bankruptcy Court for the Northern District of California. Measured in assets, PFI is either the largest or second largest pre-confirmation chapter 11 case in California. The case follows on the heels of a massive half billion dollar Ponzi scheme. Working with the official committee of unsecured creditors and two ad hoc committees, we confirmed a chapter 11 plan within nine months and closed on the sale of PFI's real estate assets in December 2021. Distributions to creditors totaled about 39% of allowed claims started in February 2022.
- Represented a New York City **multifamily investment fund** in the modification of \$200 million+ senior/junior mortgage loans on a 35-building portfolio comprised of 35 separate borrowers and 70 individual loan facilities.
- Represented **SF Hotel Portfolio Holdings, LLC**, a joint venture of Oxford Capital Group and several Goldman Sachs managed investment funds, and its subsidiaries with the purchase and sale of the Hotel Vertigo, Good Hotel, Americana Hotel and Carriage Inn in San Francisco, CA for \$132.5 million. The transaction involved an

approximately \$112 million term and construction loan for renovation of the four hotels, as well as zoning analysis and other local development due diligence.

- Represented **Oxford Capital Group, LLC** and its subsidiaries in connection with the portfolio acquisition of the King George Hotel, Hotel Griffon, and Inn at Union Square in San Francisco; the Hotel Los Gatos in Los Gatos; and the Creekside Inn in Palo Alto from affiliates of Greystone Hotels for approximately \$112 million. The transaction included the assumption of existing mortgage loans on the five hotels.
- Represented **Oxford Capital Group** with its joint venture structuring, purchase, and senior and subordinate loan financing of up to approximately \$65 million (Canadian) from the Bank of Montreal for a portfolio roll-up of nine independent living / assisted living senior housing properties in Ontario, Canada.
- Represented a **healthcare organization** in a sale-leaseback transaction of an 8-building portfolio in Manhattan, Brooklyn, Staten Island and Suffolk.
- Represented a southwestern **health system** in connection with a sale/leaseback and lease/leaseback transaction opposite Remedy Medical Properties, Inc., a healthcare REIT. The deal included 9 properties that were sold and leased back, and 2 properties that were ground leased and leased back by the health system. We negotiated and executed the purchase and sale agreement, ground leases, space leases, reciprocal easement agreements, and related transactional documents.
- Represented an **impact investor** in connection with a joint venture transaction for the sale and leaseback of a portfolio of commercial properties from a startup tech company. The startup sold 6 properties in California to a joint venture entity in which our client, the tech company members, and the tech company subsequently leased back. We negotiated the joint venture agreement, purchase agreements, lease agreement, and related transaction documents. The joint venture structure allowed the startup to monetize real property assets on its balance sheet and to participate in the future appreciation of these properties.