

Experience

Chevy Chase Center

Land Company

The firm served as outside general counsel to the project's owner/developer, The Chevy Chase Land Company of Montgomery County, Maryland (the "Land Company"), and the firm was instrumental in all aspects of the project from its very inception and continuing through construction completion, leasing, and current management. For example, the firm's Land Use Group handled the Land Company's application for Project Plan approval under the Optional Method of Development for the office/neighborhood retail component of the project, as well as a separate application for a Local Map Amendment and Development Plan approval for the luxury retail component of the project. The firm's Transactions Group worked continuously with the Land Use Group throughout the process to assure that considerations such as financability and leaseability were addressed, as well as in the documentation of various land entitlement requirements, such as an agreement with owners of adjacent development projects for shared road improvements.

The firm's Transactions Group also handled all other transactional matters with respect to the project. We negotiated and drafted an architect's contract with HOK Architects, a highly prominent, international architectural firm. We negotiated and drafted an \$80 million + construction contract with James G. Davis Construction Corporation, and we assisted the Land Company in construction contract issues which arose throughout the course of construction, as well as in connection with the close-out of the construction contract. We also represented the Land Company in the negotiation of the numerous other service agreements necessary for the redevelopment of Chevy Chase Center.

As to the project's financing, we represented the Land Company in (i) a \$121 million construction loan from Bank of America and Teachers Insurance and Annuity Association, not as participants, but as co-lenders, (ii) a \$10 million subordinate construction loan from Bank of America, and (iii) the conversion from construction to permanent financing with Teachers Insurance as the sole lender.

The Transactions Group also handled the negotiation and drafting of all leases for the project, including the full building lease with The Mills Corporation (one of the largest single office lease transactions in Montgomery County history), as well as the leases with Giant Food and each of the luxury retailers, who were invariably represented by "New York counsel." It is also significant to note that Clyde's Restaurant occupied space in the old shopping center under a lease, which imposed upon the Land Company the obligation to accommodate Clyde's continuous operation during the redevelopment of Chevy Chase Center. We ultimately negotiated and drafted a lease amendment, which provided for Clyde's temporary closure during the redevelopment, and also restructured the basic elements of the lease. Further, as a result of corporate difficulties faced by The Mills Corporation subsequent to lease execution, it has available for sublease three of the eight floors under its lease. Anticipating the permanent lender's concern as to physical occupancy of that space, we have been proactive and creative in negotiating with prospective subtenants with respect to means of assuring their continued occupancy other than by way of a conventional right of non-disturbance.