

THE LISTINGS

THE WEEK'S SALES, LEASES, LOANS, NOTICES OF DEFAULT AND UPCOMING INDUSTRY EVENTS

daily deals

Financings, sales and leases from
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Compiled by Carla Pineda. Deals are listed in order of
dollar amount, then square footage.

MULTIFAMILY

ALISO VIEJO — Sequoia Equities purchased Alize, a 484-unit luxury rental community at 2 Enterprise St., for \$75 million from Northwestern Mutual Life Insurance Co. Both parties were represented by Joe Leon and Dean Zander of **Hendricks & Partners**, with Ray Eldridge and Kevin Mulhern of **CB Richard Ellis**.

VAN NUYS — A 75-unit apartment property at 6919-6929 Sepulveda Blvd. traded hands for \$5.6 million. Tony Azzi of **Marcus & Millichap Real Estate Investment Services** represented both parties.

SHERMAN OAKS — J. M&M Holding LLC purchased the 26-unit Kester Place Apartments at 5405 Kester Ave. for \$5.5 million from the Sartor Family Limited Partnership. Dana Brody and Joshua May of **Grubb & Ellis** represented both parties.

GARDENA — Marc Schillinger of **George Smith Partners** arranged a cash-out finance of a six-unit apartment property. The non-recourse loan has a 5.9 percent rate for seven years and a 30-year amortization schedule. Loan-to-value ratio was 65 percent.

INDUSTRIAL

ANAHEIM — A joint venture between Birtcher Development & Investments and Cornerstone Real Estate Advisers LLC has acquired a 21.6-acre site at 1201 N. Magnolia Ave. from Delphi Automotive. Birtcher/Cornerstone will develop a build-to-suit warehouse and distribution center for Northgate Gonzalez Inc./Gon-Rey LLC, which signed a \$69 million, 15-year lease to occupy the property. Clyde Stauff, Bret Hardy and Pat Remolacio of **Colliers International** represented both parties in the acquisition. Joseph Tilton and Steve Pearson of **Daum Commercial Real Estate Services** represented the lessee.

BURLINGAME — Michael S. Hensley purchased a 37,362-square-foot industrial building at 845 Stanton Road for \$5.2 million from Stanton Road Associates LP. Marshall Hydorn of **NAI BT Commercial** represented the buyer.

IRWINDALE — Biosense Webster Inc., a division of Johnson & Johnson, signed a five-year, \$4.7 million lease renewal for 76,000 square feet of industrial space at 15715 Arrow Highway from Redford Industrial LLC.

BURBANK — Team Acquisition Corp. signed an 88-month, \$4.4 million lease for 20,442 square feet of creative space at 901 W. Alameda from Redford Industrial LLC. Christopher R. Baer of **Ramsey-Shilling Co.** represented the lessor, while David Kutzer and Rene Soto of **Newmark Knight Frank** represented the lessee.

SAN DIEGO — Thermo Fisher Scientific Inc. signed a five-year, \$4.3 million lease renewal for a 102,211-square-foot industrial facility at Pacific Technology Park, 9389 Waples St., from Pacific Tech Property. James Duncan and Mickey Morera of **Cushman & Wakefield** represented the lessor, while Linda Greenberg of **Colliers International**

represented the lessee.

SANTA ANA — Landmax Group LLC purchased an 18,900-square-foot industrial building at 151 Columbine Ave. for \$2.9 million from the Setbisium Trust. Michael Cargile, Loren Cargile and Kevin Bayless of **Voit Real Estate Services** represented the seller, while Greg Velastegui, also of Voit, represented the buyer.

SAN DIEGO — The Abbey Co. leased 51,140 square feet of industrial space at 7328 Trade St. for \$2.7 million. Brant Aberg, Bryce Aberg, Glenn Arnold and Todd Murphy of **Grubb & Ellis** negotiated the transaction.

CHULA VISTA — Phoenix Realty Group purchased a 7,691-square-foot industrial property at 2080 Otay Lakes Road for \$2 million. Aric Starck, Dennis Visser, Duncan Dodd and Phil Linton of **Grubb & Ellis** negotiated the transaction.

WHITTIER — Perfect Fit Industries Inc. signed a three-year, \$1.7 million lease for a 96,758-square-foot industrial space at 12910 Mulberry Drive from Redford Industrial LLC. **CB Richard Ellis** represented the landlord, while **Grubb & Ellis** represented the tenant.

WHITTIER — US Tamex Corp. signed a 66-month, \$1.6 million lease for a 56,322 square feet of industrial space at 12910 Mulberry Drive from Redford Industrial LLC. Richard J. McGeagh of **CB Richard Ellis** represented the landlord, while Brian McLaughlin and Dave Fuels, also of CB Richard Ellis, represented the tenant.

IRVINE — Staminus Communication Inc. purchased a 4,637-square-foot industrial property in Koll Center 3 at 9253 Research Drive for \$1.3 million from KPM Spectrum LP. Michael Hartel, Kevin Turner, Joseph Winkelmann and Travis Haining of **Voit Real Estate Services** represented the seller, while **Optimal Portfolio Real Estate Ground** represented the buyer.

CARLSBAD — Las Palmas Industrial Park Associates LLC purchased 14,266 square feet of industrial space from 2151 Las Palmas Drive for \$1.1 million. Mike Erwin of **Grubb & Ellis** negotiated the transaction.

ANAHEIM — Hidden Valley Moving and Storage signed a 52-month, \$1 million lease on a 40,050-square-foot industrial property at 1222 E. Howell Ave. from Walton CWCA LLC. Mitch Zehner and Louis Tomaselli of **Voit Real Estate Services** represented the lessor, while Zach Niles of **CB Richard Ellis** represented the lessee.

SAN MARCOS — Urban Village San Marcos purchased 10,890 square feet of industrial space at 118 Bolotin Lane for \$800,000. Matthew Campbell, Mike Erwin and Peter Curry of **Grubb & Ellis** negotiated the purchase.

ORANGE — Creative Entertainment Investment Group signed a five-year, \$560,000 lease for 10,148 square feet of industrial space at 428 W. Katella Ave. from Metro Court LP. Chuck Hardy and David Williams of **Lee & Associates - Orange Inc.** represented the landlord, while Chuck Hathoot of **Prudential California Realty** represented the tenant.

FREMONT — Electronix Staffing Services signed a three-year, \$95,000 lease for 2,650 square feet of office/industrial space in the Mission Falls Business Park at 161 Mission Falls Lane from Westcore Properties. Both parties represented themselves.

SAN LEANDRO — Portfolio Productions Inc., doing business as Sitcom Furniture, expanded its 40,000-square-foot lease of industrial space

at 2050 San Leandro to 154,000 square feet from 2050 San Leandro Partners LLC. Jay Haglund of **NAI BT Commercial** represented the landlord with Paul Beckwith of **Cornish & Carey Commercial**.

SAN JOSE — Dal-Tile signed renewed its lease on 23,687 square feet at 2549 Zanker Road and expanded into 31,925 square feet for a total of 55,612 square feet of warehouse space from LBA Realty. Craig Kovaleski and Jim Kovaleski with **NAI BT Commercial** represented the tenant.

HAYWARD — Closet Dimensions Inc. renewed its lease on 47,724 square feet of industrial space in the Hayward Industrial Park. Jay Haglund of **NAI BT Commercial** and Joe Fabian of **Cornish & Carey Commercial** represented the landlord.

TORRANCE — The General Services Administration signed a 10-year lease on 47,088 square feet of industrial space at 20700 Denker from First Industrial Acquisitions. Frank Schulz, David Prior and Todd Taugner of **The Klabin Co.** represented both parties.

SUNNYVALE — MIPS Technologies leased 36,013 square feet of research-and-development space at 955 E. Arques Ave. from AMB Property Corp. Randy Arrillaga and Kalil Jenab of **NAI BT Commercial** represented the landlord.

OAKLAND — Legacy Shipping Inc. signed a lease renewal for 34,755 square feet of industrial space in the Coliseum Business Park from Coliseum Enterprise LLC. Gary Fracchia, Adam Peterson and Brian Collins with **NAI BT Commercial** represented the landlord, while Peterson and Collins represented the tenant.

SANTA CLARA — Pace Supply Corp. leased 33,000 square feet of office space at 605 Laurelwood Road from Tom Hennig Co. Derik Benson and Tom Snider with **NAI BT Commercial** represented the lessor.

SUNNYVALE — Unisem Test renewed its lease on a 20,000-square-foot industrial building at 1284 Forgewood Ave. from Sobrato Development. Derik Benson with **NAI BT Commercial** represented the tenant.

SANTA CLARA — Element Labs Inc. leased 12,513 square feet of research-and-development space at 2380 Owen St. from Owen Street Investment Co. Brian McCarthy and Randy Arrillaga of **NAI BT Commercial** represented the landlord.

SANTA FE SPRINGS — J.W. Pepper Inc. signed a one-year lease renewal for 6,408 square feet of industrial space in the Heritage Business Park at 11947 E. Florence Ave. from Westcore Properties. Both parties represented themselves.

SANTA ROSA — Russian River Brewing Co. leased 4,500 square feet of industrial space at 1825 Ferdinand Court from Colgan Commercial Center. Russ Mayer of **Keegan & Coppin Co. Inc.** represented both parties.

CONCORD — Benjamin Franklin Plumbing leased 2,225 square feet of industrial space at 2490 Arnold Industrial Way from Concord Industrial Park. Tyler Epting of **Cornish & Carey Commercial** represented the lessee.

OFFICE

EMERYVILLE — Hollis Street LLC purchased a 55,000-square-foot office building, 100 percent leased to Bayer Pharmaceuticals, at 5650 Hollis St. for \$17 million from Emeryville Quarters LLC. Barry Cohn of **NAI BT Commercial** represented the buyer.



600 San Ramon Valley, Danville

DANVILLE — Berkeley Land Co. purchased a 14,854-square-foot office building at 600 San Ramon Valley Blvd. for \$5.7 million from Danville Investors LP. Tyler Brown of **Lee & Associates** represented the seller.

NEWPORT BEACH — Beam, Brobeck, West, Borges & Rosa LLP signed a five-year, \$1.8 million lease for 12,516 square feet of office space at 1301 Dove St. from Metropolitan Life Insurance Co. David Dowd and Greg Brown of **Cushman & Wakefield** represented the lessor, while Tony Gleason of **Voit Real Estate Services** represented the lessee.

ORANGE — Canyon Acres Children & Family Services signed a five-year, \$1.5 million lease for 12,783 square feet of office space at 1845 W. Orangewood Ave. from Adler Realty Investments Inc. Marshal Vogt and George Thomson of **Lee & Associates** represented the landlord, while Matt Wiley of **Traver's Realty** represented the tenant.

NEWPORT BEACH — Waldron & Bragg LLP signed a \$1.2 million lease for 5,902 square feet of office space at 23 Corporate Plaza from **The Irvine Co.** The lessor represented itself, while Doug Killian of **Voit Real Estate Services** represented the lessee.

SAN DIEGO — Paul "Sonny" Marshall, doing business as PW Construction Inc., purchased a 1,579-square-foot office condominium in the Schiefer & Sons building at 815 J St. for \$726,000 from East Village Square LLC. Barry Mahlberg and Kevin Farrell of **Cushman & Wakefield** represented both parties.

SAN DIEGO — Murata Electronics North America Inc. renewed its lease on 1,118 square feet of office space in Vista View Plaza at 6725 Mesa Ridge Road for two years at \$42,000 from Westcore Properties. Mike Hoek of **CB Richard Ellis** represented the lessor, while Ryan Egli, also of CB Richard Ellis, represented the lessee.

IRVINE — U.S. Bank National Association signed a 10-year lease for 82,500 square feet of office space at 3121 Michelson from **Maguire Properties Inc.** Peter Johnston and Stephan Khudic represented the lessor in-house, while Nick Christensen of **CB Richard Ellis** represented the lessee.

RANCHO BERNARDO — The Division of the State Architects leased 23,382 square feet of office space at The Pinnacle. **Cushman & Wakefield** negotiated the transaction.

SABRE SPRINGS — Hospira signed a lease expansion for an additional 22,454 square feet of office space in Kilroy Sabre Springs. **Cushman & Wakefield** negotiated the transaction.

SABRE SPRINGS — Bridgepoint leased the top floor of Kilroy Sabre Springs, totaling 17,359 square feet of office space. **Cushman & Wakefield** negotiated the transaction.

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DEALS

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CARPINTERIA — Lynda.com subleased 15,404 square feet of office space at 6410 Via Real from QAD. Christos Celmayster of **Pacifica Commercial** represented the sublessor, while Francois DeJohn and Steve Hayes of **Hayes Commercial Group** represented the sublessee.

DUBLIN — Canon Business Solutions signed a 17-month sublease for a 14,158-square-foot office building in the Sierra Trinity Business Park at 6723 Sierra Court from Standard Register. Mark Triska of **Colliers International** represented the sublessor, while Joe McBurnie of **Robinson Commercial** represented the sublessee.

SAN JOSE — Automated Power signed a long-term, 13,015-square-foot lease for office space at 224 Airport Parkway from Equity Office. Michael Rosendin, Katherine Rendler and Susan Gregory of **Colliers International** represented the landlord, while Jeff Rogers, also of Colliers, represented the tenant.

SANTA ROSA — Modify Your Mortgage LLC leased 8,657 square feet of office space in the Fountaingrove Executive Center at 3569 Round Barn Circle from Equity Office Properties. Niels von Doepp, Tony Lucchesi, Jeff Negri and Greg Moss of **NAI BT Commercial** represented the landlord.

SAN MATEO — Applied Strategies Consulting leased 8,247 square feet of office space in the San Mateo Bay Center at 951 Mariners Island Blvd. from Equity Office Partners. Mike Moran, Clarke Funkhouser and Kevin Waldman of **NAI BT Commercial** represented the landlord, while Erich Sollman, also of NAI, represented the tenant.

MOUNTAIN VIEW — The U.S. General Services Administration leased 7,110 square feet of office space at 200 W. Evelyn Ave. from SFF Realty Fund. Mike Courson, Mike Connor and David Hiebert of **NAI BT Commercial** represented the lessor.

SAN JOSE — P.W. Supermarkets Inc. leased 6,451 square feet of office space at 2001 Gateway Place from Equity Office. Michael Rosendin, Katherine Rendler and Susan Gregory of **Colliers International** represented the landlord, while John Machado and Marty Morici, also of Colliers, represented the tenant.

FRESNO — The Kroger Co. leased 5,901 square feet of office space at 5118 E. Clinton Way from Paul and Greg Quiring. Denver Butler and Scott Christensen of **Grubb & Ellis | Pearson Commercial** represented both parties.

SANTA ROSA — Farmers Insurance leased 715 square feet of office space at 1355 N. Dutton Ave. from 1355 Associates. Doug Braik of **Keegan & Coppin Co. Inc.** represented both parties.

ROHNERT PARK — Deluxe Marketing Inc. leased 392 square feet of office space at 5430 Commerce Blvd. from Real Property Solutions. Beau Southwell of **Keegan & Coppin Co. Inc.** represented the lessor, while Kevin Doran, also of Keegan & Coppin, represented the lessee.

SANTA ROSA — Auto Weekly leased 200 square feet of office space at 1220 N. Dutton Ave. from Adobe Associates Inc. Kevin Doran of **Keegan & Coppin Co. Inc.** represented both parties.

SANTA ROSA — Marianne Schwarz-Kesling MFT leased 160 square feet of office space at 4000 Montgomery Drive from Vern Cooper Co. LLC. Doug Braik of **Keegan & Coppin Co. Inc.** represented both parties.

LAND

NATIONAL CITY — The McCune Family Trust purchased 5.4 acres of land at 3202 Hoover Ave. for \$6.1 million. Duncan Dodd of **Grubb & Ellis** negotiated the transaction.

FULLERTON — Contract Carpet purchased a 29,070-square-foot parcel at 850 Enterprise St. from LPC Fullerton. Brian DeRevere and Ryan Peterson of **CB Richard Ellis** represented the buyer, while Mitch Zehner and Louis Tomaselli of **Voit Real Estate Services** represented the seller.

RETAIL

SAN DIEGO — DEL LLC, doing business as Old Town Mexican Café, purchased a 12,969-square-foot restaurant at 2489 San Diego Ave. for \$4 million from Ramona D. Cardwell. Jeff Brown, Bill Shrader and Mickey Morera of **Cushman & Wakefield** represented both parties.

VAN NUYS — An 11,770-square-foot retail property at 14917 Delano St. sold for \$1.6 million. Tony Azzi of **Marcus & Millichap Real Estate Investment Services** represented both parties.

SANTEE — Santana's Mexican Grill signed a 15-year, \$1.6 million lease for 2,400 square feet of retail space at 10055 Mission Gorge Road from Marcia Nordstrom. Karly Kevane of **Flocke & Avoyer Commercial Real Estate** represented the landlord.

LOS ANGELES — A 3,260-square-foot retail property at 5168 Pico Blvd. sold for \$500,000. Brandon Michaels of **Marcus & Millichap Real Estate Investment Services** represented both parties.

CORONADO — The Armoire signed a one-year, \$32,000 lease renewal for 850 square feet of retail space at 976 Orange Ave. from **Westcore Properties**. Both parties represented themselves.

SAN JOSE — OCZ Technology signed a 41,000-square-foot sublease for research-and-development space at 6373 San Ignacio Ave. from Oracle. Jeff Rogers, Phil Arnautou, and George Quinn of **Colliers International** represented the sublessor, while **Studley** represented the sublessee.

ROHNERT PARK — Driven Raceway leased 36,253 square feet of retail space in the Wal-Mart Plaza Shopping Center on Redwood Drive from Coddling Enterprises. Richard Fenske with **NAI BT Commercial** represented the tenant.

SAN DIEGO — Ross Dress for Less Inc. signed a 10-year lease for 25,461 square feet of retail space in Hawthorne Crossings at the southwest corner of Kearny Mesa Road and Armour Street from American Fund US Investments LP. John Jennings and Aaron Hill of **Cushman & Wakefield** represented the lessor, while Nancy Johnston of **Epsteen & Associates** represented the lessee.

COSTA MESA — Ducati Newport Beach signed a 10-year lease for 8,400 square feet of retail space at 1601 Newport Blvd. Dan Parker of **Parker & Associates Inc.** represented the landlord, while Dave Bueche of **Sperry Van Ness** represented the tenant.

SHERMAN OAKS — Townhouse Restaurant & Wine Bar signed a long-term retail lease for 7,000 square feet of restaurant space in the Sherman Oaks Galleria at 15301 Ventura Blvd. Irwin Hyman of **NAI Capital** represented the lessee.

SAN JOSE — Pangenena LLC signed a long-term lease for 4,556 square feet of retail space at 1706 Murphy Ave. from the Sobrato Organization. John Machado of **Colliers International** represented the landlord, while **Cornish & Carey Commercial** represented the lessee.

REAL ESTATE in the courts

■ **11 U.S.C. Section 523(a)(2)(B) allows lease assignee to pursue exception to discharge based on assignor's reliance on debtor's false written financial statement.**

Boyajian v. New Falls Corp. (In re Boyajian), US Court of Appeals - Ninth Circuit, No. 07-55713, May 1, 2009

In 1999, Pateel and Salpy Boyajian entered into a lease agreement with Epic Funding Corporation (EFC) through their company, Blue Diamond Straw & Toothpick Company Inc. (BD). The Boyajians personally guaranteed BD's lease obligations. To this effect, the Boyajians submitted written personal financial statements (Statements). EFC relied on Statements in agreeing to the lease. EFC assigned the BD lease to Cupertino National Bank (CNB). BD defaulted on the lease and a default judgment (Judgment) was entered against BD and the Boyajians. Eventually, the lease was assigned to New Falls Corporation (NFC). The Boyajians filed for Chapter 7 bankruptcy and NFC filed an adversary complaint charging that Judgment was non-dischargeable under 11 U.S.C. Section 523(a)(2)(B) as Statements were materially false and submitted to obtain the lease. The bankruptcy court granted summary judgment to the Boyajians as NFC did not itself rely on Statements. The Bankruptcy Appellate Panel (BAP) reversed, holding that NFC "stood in the shoes of its predecessor."

The decision was affirmed. Section 523(a)(2)(B) provides an exception to the dischargeability of a debt "where the debt was obtained by means of a materially false written financial statement" on which "the creditor... reasonably relied." In general, an assignee "steps into the shoes" of an assignor. Here, EFC reasonably relied on Statements, which were materially false. When NFC was assigned the lease, it had the same rights under the lease as EFC. Since NFC's assignment was proper, it had "standing to pursue non-dischargeability" under Section 523(a)(2)(B) as if it was EFC. Thus, NFC's claim against BD was proper.

*Opinion by Justice William A. Fletcher.
— Linda Choi*

Environmental Law

■ **Plaintiffs are entitled to proceed with limited challenge to California Coastal Commission's approval of permits under California Coastal Act of 1976.**

Strother v. California Coastal Commission (Alvarez), California Courts of Appeal - 4th District, No. G040745, April 30, 2009

Several individuals (plaintiffs) resided in a coastal area with views across undeveloped parcels owned partly by Ernest and Paulette Alvarez, and Mark Cragun (collectively Real parties). The Real parties each filed an application with the California Coastal Commission (CCC) for coastal development permits to construct homes on their parcels. The CCC approved the permits. In 2008, the plaintiffs sued the CCC, claiming that it failed to evaluate a reasonable range of alternatives and violated procedural requirements. The CCC and the Real parties separately demurred to the petition, arguing that the plaintiffs failed to file it within 60 days after the CCC approved the permits. In response, the plaintiffs claimed that the applicable statute of imitations required the action to be filed within 30 days after filing of a notice of approval. The trial court sustained the demurrers.

The decision was reversed and remanded. The California Environmental Quality Act (CEQA) allows an aggrieved person to seek

review within 60 days after the CCC's decision became final. Under the California Coastal Act of 1976 Section 21080.5, an action to enforce compliance with Section 21080.5 requires filing of an action 30 days from the filing of a notice of approval. While an action under CEQA applies to any CCC decision, an action under Section 21080.5 covers actions alleging that a plan did not comply with the statute. Here, if Section 21080.5 applied, plaintiffs will have timely filed their action. Given that plaintiffs limited their attack to the CCC's alleged noncompliance with Section 21080.5, the 30-day period in that statute applied. Thus, the plaintiffs' action survived.

*Opinion by Justice Rylaarsdam.
— Seena Nikravan*

Environmental Law

■ **Court properly finds owner of land containing chemical distributor facility partially liable for remediation costs under CERCLA.**

Burlington Northern & Santa Fe Railway Co. v. U.S., US Supreme Court, No. 07-1601, May 4, 2009

Brown & Bryant (B&B), an agricultural chemical distributor, had a facility in Arvin. In 1975, B&B leased an adjacent parcel of land owned by Burlington Northern & Santa Fe Railway Co. (BN) to expand its facility. Delivery of hazardous chemicals would often leak or spill. Based on this, by 1989, B&B's Arvin facility was noted on the National Priority List of hazardous sites requiring cleanup. Due to B&B's insolvency, the Government spent over \$8 million for remediation of the Arvin site. The Government filed suit to recover remediation costs from BN. The district court determined that BN was a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and apportioned 9 percent liability. The district court relied on certain facts adduced at trial, such as the percentage of the total area of the Arvin facility owned by BN, to apportion liability. The appellate court reversed, finding that the record did not establish a "reasonable basis for apportionment."

The decision was reversed and remanded. Under CERCLA, a "potentially responsible party" may be strictly liable for environmental contamination and "may be compelled to clean up a contaminated area or reimburse the Government." Apportionment of liability is proper when "there is a reasonable basis for determining the contribution of each cause to a single harm." This court determined that the record reasonably supported the decision to apportion liability, as the district court used relevant factors to determine that BN, as owner of part of the Arvin facility, should be 9 percent responsible.

*Opinion by Justice John Paul Stevens; Justice Ginsburg, dissenting.
— Linda Choi*

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