



Coffee, Tea or Seller Financing



Most buyers and sellers of property interests have some knowledge of the possibilities and benefits of seller financing as a means to finance the purchase and sale of property interests. But when financing is required in order to close a deal, it is often considered a less desirable option than turning to traditional third-party financing resources. However, given the currently tight credit markets, buyers and sellers may want to focus more closely on the possible use of seller financing for their transactions.

Within the real estate purchase and sale context, seller financing typically involves the seller taking back “paper” from the buyer in the form of a promissory note secured by a deed of trust against the sold real estate as partial payment for the purchase price. Yet there are quite a few other seller financing devices that parties might want to utilize such as lease-options, all-inclusive trust deeds (also described as wrap-around mortgages), and installment land contracts described in the Civil Code § 2985 as “real property sales contracts.”

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Diane Hvolka Speaks on BOMA Panel



Ms. Hvolka participated in a panel discussion presented by the Building Owners and Managers Association (BOMA) entitled “*Westside Regional Council presents: It’s Playoff Season—Is There a Rebound in Sight?*” The program, which took place on May 26th, addressed issues facing the

West Los Angeles office leasing market and presented insights into future commercial leasing trends.

Los Angeles Rent Freeze Rejected!



Property owners normally do not get involved in local politics until there is a crisis. Often it is too late.

Richard Close and Susy Forbath of Gilchrist & Rutter, both registered lobbyists with the State of California and the City of Los Angeles, recently obtained a major victory with the City Council of Los Angeles.

Los Angeles was about to impose a “temporary” rent freeze on all rent-controlled properties. This issue is of importance to all California rental property owners, as it provides an important lesson.

In less than three weeks Richard Close and Susy Forbath, on behalf of a group of property owner clients, were able to establish a strong political voice with the Los Angeles City government on this issue.

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Trends: Automated Parking

Gilchrist & Rutter strives to provide the latest in “green” trends and innovative property management systems. On May 26, 2010, the firm hosted an automated parking presentation discussing how automated parking systems save on energy and space, given by Paula Reddish Zinnemann of Automated Parking Solutions and Ryan Astrup of Park Plus, Inc.

For more information on the program, please visit

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Deals & Judgments

Gilchrist & Rutter regularly handles real estate transactions, litigation, and related matters for clients dealing with a range of issues. Below are recent representative deals and judgments. To talk with us about a similar deal or matter, contact the listed attorney.

- Closed the conversion of a lender's \$9.6M loan on Southern California shopping center into an equity investment interest (*Duane Montgomery*).
- Negotiated and closed acquisition, lease, loan, and construction agreements for \$3M veterinary clinic in prime South Bay location (*Martin Burton, Duane Montgomery, Steve Heller, Henry Herrman*).
- Completed ten year lease to franchisee of a national chain of bakery/café restaurants, for the owners of an Orange County shopping center (*Steve Heller*).
- Completed 63,000 sf three-floor lease for ten-year term, for the relocation of a national law firm for REIT owner of a downtown Los Angeles office building (*Henry Herrman*).
- Obtained a temporary restraining order and preliminary injunction with respect to easement rights on commercial property (*Martin Burton, Christine Page, Yen Hope*).
- Negotiated complex financial terms involving an equity kicker, trademark and patent security issues, and a bifurcated loan and funding structure to secure debt financing from a Texas-based private lender to assist in the advertising and operation of a start-up company (*Duane Montgomery, Martin Burton*).
- Defeated appeal by the City of Palm Springs of Writ obtained against the City for failure to approve subdivision map (*Thomas Casparian*).
- Led governmental advocacy campaign to successfully stop adverse changes in Los Angeles rent control law on behalf of rental property owner clients (*Richard Close and Susy Forbath*).

Market Outlook from G&R Attorneys

Furloughs, early retirements, double duty, and general morale issues are taking their toll on the City of Los Angeles Planning and Building & Safety staff. The most far-reaching consequences: staff members with irreplaceable institutional memory are being lost. Remaining staff are having a harder time problem-solving in pragmatic ways. On the plus side, it's easier to get extensions.

Clients with good projects and solid business plans are finding money at reasonable terms. We have recently closed private financing and private equity deals in the \$2M to \$12M range for acquisition of two 100+ apartment projects, promotion of a retail food product, and construction of a veterinary clinic.



Partner *Martin Burton* has a particular focus on land use and real estate transactions, including the California Environmental Quality Act (CEQA), zoning and entitlement.

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