

# Commercial Mortgage

www.CMAAlert.com

THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION **ALERT**

## THE GRAPEVINE

**Shinhan Bank** of Seoul is offering a hodgepodge of real estate loans with a combined book value of \$22.9 million. The small-balance mortgages are backed by a mixed bag of collateral, including a golf driving range, hotels and single-family homes. The properties are in five states, and performance of the loans varies. **Mission Capital Advisors** of New York, which is managing the offering, has set a May 20 bid date. ❖

**Commercial Mortgage** www.CMAAlert.com  
THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION **ALERT**

**MAY 14, 2010**

- 8 RECENT LOAN MODIFICATIONS
- 12 BEAR LOANS HELD BY FED
- 2 Cigna Shops Loan on Vacant Offices
- 3 Rockwood Seeks to Refi Complex
- 3 M&I Markets \$500 Million Portfolio
- 3 Wachovia Shops NY Office B-Note
- 4 CMBS Prices Rebound After Selloff
- 4 NJ Condo Developer Seeks Relief
- 6 NBS Gearing Up for 4th Fund
- 6 Berkshire Funds Big Healthcare Loan
- 6 Wells Writes \$50 Million Office Loan
- 9 Loans Posted 2.5% Return in Quarter
- 10 GGP Exit Bolsters Simon Bonds
- 10 PrinceRidge Hires Another US Vet
- 14 Sorin Shops B-Note on Luxury Hotel

**THE GRAPEVINE**

**Buyer of Microsoft-Leased Tower Seeks Loan**  
Cole Real Estate is seeking up to \$180 million of mortgage financing for its pending acquisition of a suburban Seattle office building that is fully leased to Microsoft. A nontraded REIT operated by Phoenix-based Cole has agreed to buy the 574,000-square-foot City Center Plaza in Bellevue, Wash., from Beacon Capital Partners for \$310 million, or \$540/sf. Eastfall Secured, from Beacon Capital is also advising Cole on the loan.  
Cole is soliciting proposals for a five-year mortgage of \$150 million to \$180 million, which would put the loan-to-value ratio at just 40-58%. Given the low leverage and the stellar tenant, the battle for the assignment is likely to center around foreign and domestic banks. Such institutions would probably be more willing to offer a lower rate than insurance companies, which typically set floor coupons on their loans. Securitization shops are likely out of the picture.  
Microsoft has a 15-year lease on all of the office space at the building, which See BUYER on Page 7

**Pyramid Near Deal to Modify Big Mall Loan**  
Pyramid Cos. is close to securing an extension of up to two years for a maturing \$500 million mortgage on Palisades Center, a step that would solidify its control of the trophy mall in suburban New York.  
Pyramid has been facing the potential risk of being squeezed out of the 2.3 million-square-foot Rockland County property because "vulture investors were attempting to buy the junior debt in order to call the shots in any workout.  
But now Pyramid is poised to gain more breathing room. The company and special servicer Helios AME of San Francisco have agreed in principle to the terms of a loan modification and extension, and are working out the final details, according to market players. A Deutsche Bank CDO that controls the junior debt appears to be on board. While a final agreement on the extension is not certain, all signs are now pointing that way.  
To get the reprieve, Pyramid would likely have to put up some capital. And See PYRAMID on Page 14

**Wells Lends \$135 Million on Macerich Mall**  
Macerich has taken cash out of a mall in Modesto, Calif., by lining up a \$135 million floating-rate loan from Wells Fargo.  
The five-year loan, pegged to Libor plus 300 bp, is backed by the 1.1 million-square-foot Vintage Faire mall.  
Macerich, a mall operator based in Santa Monica, Calif., used less than half of the proceeds to retire a \$61.4 million mortgage that TIAA-CREF originated in 2000. That 7.9% loan, which had an original balance of \$70 million, was scheduled to mature in September.  
Macerich and Wells, which have a long relationship, began discussing the loan to analysts last week about the REIT's first-quarter earnings. O'Hern praised the flexibility provided by the Wells loan. The bank "came in with a deal that looked almost like a life-company deal," O'Hern told the analysts. "The difference was that See WELLS on Page 2