



H. Pearce Commercial Real Estate

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"Success Begins With the Partner You Choose."

www.HPearceCommercial.com

H. Pearce Commercial Real Estate

Quarterly Market Review

HOT TOPICS

NEW HAVEN COUNTY

- Legal Issues
- Medical Office Development
- H. Pearce Commercial Deals of Note—3rd Quarter



Legal Issues Affecting Developers and their Tenants



Louis Donofrio
Reid & Riege

The Impact of Executive Order 13224 on the Real Estate Industry. While most everyone has heard of the USA Patriot Act, few are aware of the existence of Executive Order 13224 (the "Order"), which was issued by President Bush in the wake of the September 11, 2001 terrorist attacks. The Order, which has been in effect since September 24, 2001, generally prohibits business transactions with persons or corporate entities designated as terrorists on a list of "Specially Designated Nationals" (the "SDN List") published by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). Lawyers and their clients who enter into a transaction without confirming that the other party to the deal is not

found on the SDN List run the risk of civil and criminal sanctions for violating the Order. While the Order does not reference real estate matters specifically, based on statements made by representatives from OFAC, the general consensus among real estate attorneys is that real estate transactions, including leases, purchases, sales and financing transactions, are governed by the Order and the names of all parties to the deal should be checked against the SDN List prior to consummation of the transaction. If a party to the transaction is found on the SDN List, the transaction must be "blocked" and the searching party is required to notify OFAC pursuant to instructions found on the U.S. Treasury Department's website (<http://www.treas.gov/ofac/tlisdn.pdf>). The SDN List is also found on this site, but there are other sites and vendors which can assist in searching the SDN List, usually for a fee. While parties to a real estate transaction must ensure that they, or their attorney, check the names of the parties against the SDN List prior to closing, one may encounter provisions in a lease, purchase and sale agreement or mortgage document whereby one party represents to the other that neither the party making the representation nor any of its shareholders, members and officers are found on the SDN List. While a breach of this representation may give rise to a default under the contract, it is not a panacea, as it will likely not absolve the party receiving the representation from liability under the Order if that party did not independently verify the accuracy of the representation by checking the SDN List.

(continued on page 3)



Medical Office Development Opportunity

H. Pearce Commercial Real Estate is pleased to announce that it has been selected to exclusively represent Gaylord Hospital in offering 6 Devine Street, Lot #2, North Haven, CT, for sale.

- 7.73 acres of improved land, zoned O12 and CB40
- Convenient access from I-91, Route 40, Route 15, Dixwell Avenue and State Street
- Access to site from Devine Street and State Street
- Proximity to the Gaylord Medical Fitness Center, currently under construction
- Site can accommodate approximately 60,000 SF subject to local planning and zoning approval

This enhanced parcel of land, with a unique location situated next to the Gaylord Medical Fitness Center is being offered for sale at \$2,641,925.

A description of the site improvements is available upon request.



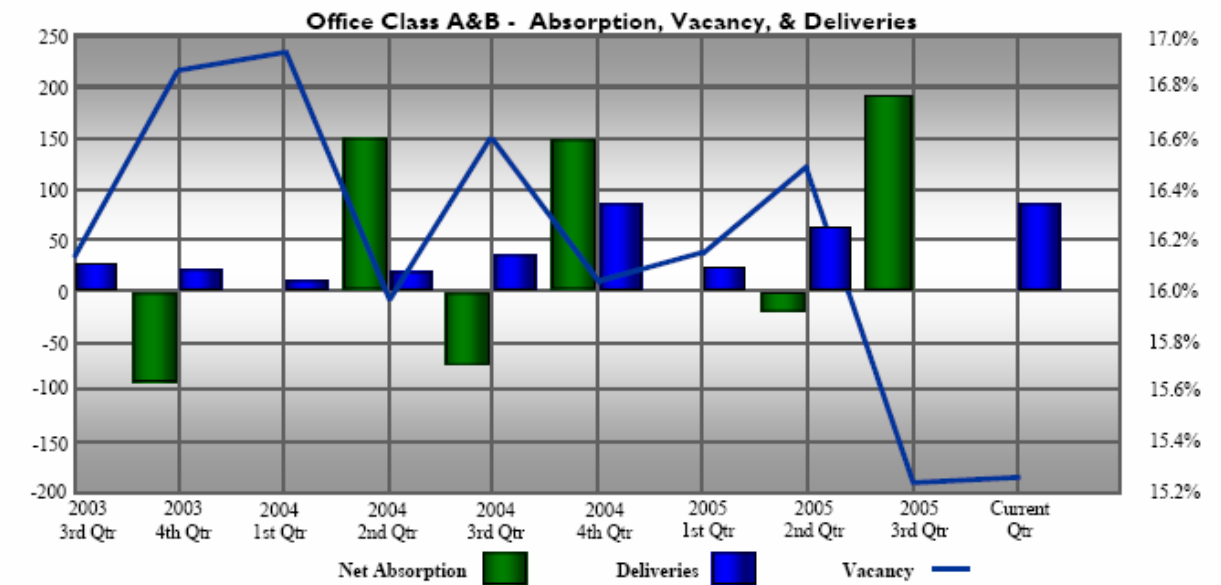
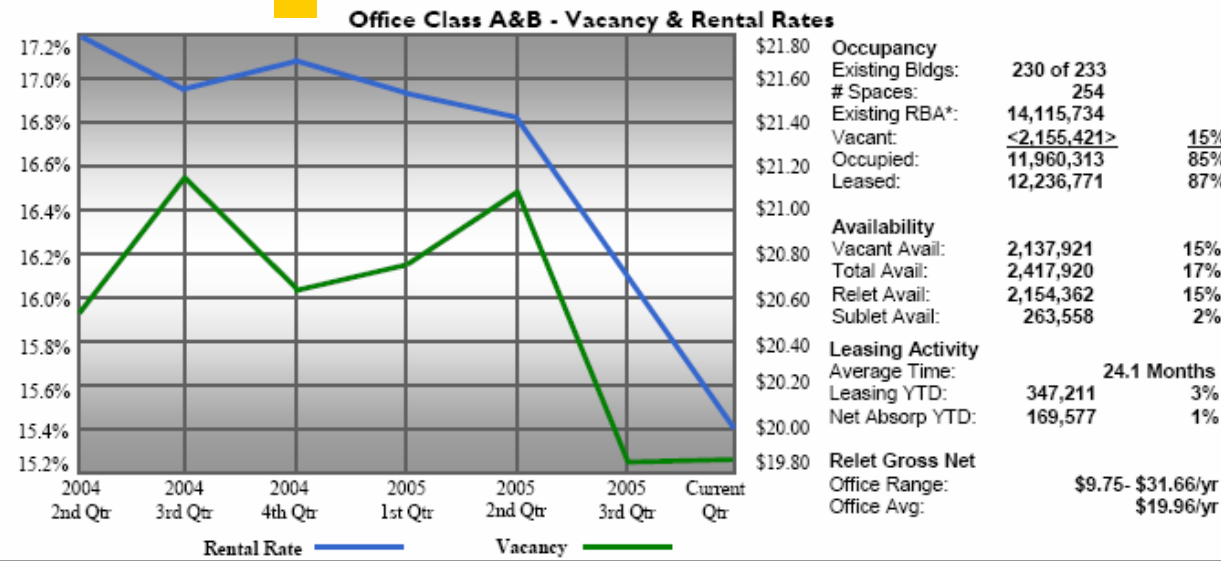
For more information call **Edward J. O'Neill** 203-281-3400 ext. 311, edoneill@hpearce.com, or **Kevin J. Smith** 203-281-3400 ext. 328, ksmith@hpearce.com.

203.281.3400
North Haven, CT 06473
393 State Street

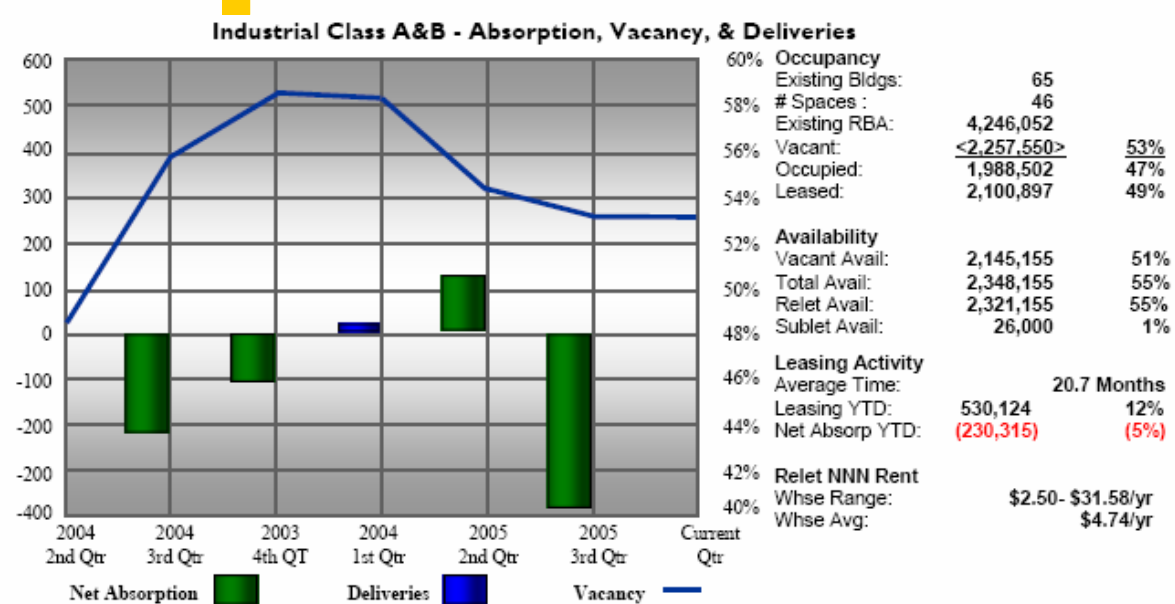
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Commercial Real Estate



NEW HAVEN COUNTY— MARKET TRENDS



NEW HAVEN COUNTY— MARKET TRENDS



Common Areas (continued from pg. 1)

representation may give rise to a default under the contract, it is not a panacea, as it will likely not absolve the party receiving the representation from liability under the Order if that party did not independently verify the accuracy of the representation by checking the SDN List. Further, the party making such a representation must be careful in its breadth. For instance, the representation should not extend to employees, nor to shareholders if the company is publicly traded or is of a nature such that confirming whether each shareholder or employee is not on the SDN List would be an impossible task. Again, while this does not limit liability for failure to check the SDN List, a reasonable, "belt and suspenders" provision pertaining to compliance with the Order is as follows, using a lease as a transaction example:

" Landlord and Tenant represent and warrant to each other that neither Landlord nor Tenant, respectively, is among the entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected

terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tlstdn.pdf> or any replacement website or other replacement official publication of such list."

In sum, it is imperative that landlords and tenants, buyers and sellers, and lenders and borrowers, and their attorneys, check the SDN List before closing a real estate transaction. Neither the parties to the transaction, nor their attorneys, may proceed to close in violation of the Order and the rules promulgated by OFAC. With the threat of both civil and criminal penalties imposed for violating the Order, it is not a risk worth taking.

For further information on this issue, or if you have a question regarding a purchase, sale or lease of commercial real property, please contact **Louis Donofrio** (860) 240-1042 or ldonofrio@reidandriege.com, at the Hartford office of Reid and Riege.

New Haven and Hartford County Transactions - 3rd Quarter 2005

Kid's Furniture leased 6,800 sq. ft. at **2190 Berlin Turnpike** in Newington for five years. Virginia Vinci and Neil Riley of our Rocky Hill office were the sole brokers in the transaction.

58 - 60 Whitmore Street in Hartford, a multifamily investment property, sold for approximately \$81,000 per unit. Virginia Vinci and Neil Riley of our Rocky Hill office represented the seller.

South Central Regional Water Authority sold 17 acres on West Avenue Milford. The buyer intends to develop the property for mixed residential use. David Roetting of our North Haven office was the sole broker in the transaction.

A two-building complex at **364-370 Silas Deane Highway** in Wethersfield, 9,000 sq. ft. office and 1,800 sq. ft. medical/office, was sold in a transaction where Virginia Vinci and Neil Riley were sole brokers.

1515 State Street, North Haven, located in a residential / business zone and at various times used as multifamily and commercial, was sold. David Roetting of our North Haven office worked with our residential division to represent the seller.

83 - 85 Hood Terrace in West Haven, 4,900 sq. ft. light industrial building, was purchased by **New England Copier Supply**. Kevin Smith of our North Haven office represented the seller.

5 Industrial Circle in Hamden, a 17,500 sq. ft. light industrial building with multiple tenant spaces, was purchased by **JGK Realty** for both its own use and as an investment property. Kevin Smith represented the seller.

KCI Inc., a woodworking operation, long-term leased 4,500 sq. ft. at **355 Sackett Point Road** in North Haven, a multi-tenanted light industrial condominium complex know as Taft Park. David Melillo represented the landlord, and Kevin Smith represented the tenant. Both David and Kevin are in our North Haven office.

Lesco, a multi-state landscaping contractor, also leased 7,200 sq.

ft. in Taft Park. David Melillo again represented the landlord, while David Roetting represented Lesco.

1347 Boston Post Rd. - Madison, **Middlesex Cardiology Associates**, in an ongoing expansion of its medical practice throughout eastern CT has entered a long term lease with the Dowler Group, LLC for 4,000+ SF to house MCA's new shoreline practice. Rich Guralnick, CCIM represented both parties.

1291 Boston Post Rd. - Madison. H. Pearce Commercial, on behalf of the ownership of the **Parkview of Madison**, is pleased to announce that the final space within this new award winning (32,000 SF office/medical) complex has been leased to **Oppenheimer, Inc.** a global financial services firm with headquarters in New York and Toronto. Bryant Dembrosky GMAC represented the tenant and Rich Guralnick, CCIM of H. Pearce Commercial represented the owners.

978-1004 Main Street - Branford - As exclusive representatives for owner 978 Main LLC, H. Pearce Commercial is pleased to announce that all 10,000 SF in the new retail shops at "**Branford Town Center**" have been leased. New tenants include **Ben & Jerry's** and **Mangos Bar & Grill** a Caribbean/Cuban restaurant. Rich Guralnick, CCIM of H. Pearce's Commercial division in North Haven represented the owner in all the transactions.

21 Business park Drive - Branford. H. Pearce Commercial division, as exclusive representative for this 36,000 SF facility is pleased to announce that **Comprehensive Prosthetic Services, LLC** (3,000 SF) and **Rushford Center, Inc.** (4,500 SF) have leased the final two spaces in this complex. Rich Guralnick, CCIM and Joel Galvin, GRI were the sole representatives in these transactions

14 Business Park Drive - Branford. H. Pearce Commercial real estate is pleased to announce that **Empire Kitchens, LLC** has signed a long term lease to open it's new Branford based office, showroom and warehouse. Rich Guralnick, CCIM and Joel Galvin, GRI represented the owners in this transaction.