



Paul | Weiss

SKYLINE
REAL ESTATE YEAR-IN-REVIEW 2007



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W elcome to *Skyline*, our firm's annual review of our real estate practice.

2007 was another spectacular year for our clients: From developing innovative projects to executing complex financing transactions, they continued to set the pace for the real estate industry from Manhattan to Macau. And the Paul, Weiss Real Estate Department was with them every step of the way, helping innovative developers, investors and funds managers achieve their visions in an unpredictable but rewarding marketplace.

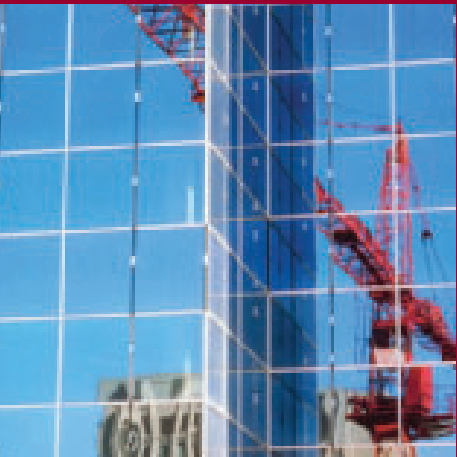
The following pages highlight just some of the exciting projects we've been privileged to help our clients realize over the past year. We look forward to continuing this caliber of work in the years to come.

Sincerely,



Steven Simkin
Chair, Paul, Weiss Real Estate Department





Successful real estate development is more than just planning and negotiation, construction and renovation. At Paul, Weiss, it is our ambition to transform the most complex and large-scale projects into value-added business opportunities for our clients. Representing lenders, investors, developers and governmental entities from around the globe, we have mastered every aspect of development including land assemblage, land acquisition, joint venture structuring and equity financing, construction and permanent financing, project development agreements, leasing and management of project space.

DEVELOPMENT



Courtesy of Stephen B. Jacobs Group
Rendering: Sun & Associates

Prominent Landowner Sells Upper East Side Air Space

We helped a major New York City landowner in the negotiation of the long-term ground lease and sale of airspace above a plane in connection with an assemblage at 86th Street and Lexington Avenue, which will allow the construction of a new 250,000-square-foot building with retail space, residential units and luxury condominiums. ▼

▲ Douglaston and Levine Shape New York's Waterfront

Douglaston Development and Levine Builders continue to shape neighborhoods across the New York City metropolitan area. We represented them in the financing and development of a 1.5-million square-foot mixed-use project on the Williamsburg waterfront in Brooklyn, as well as a 400,000-square-foot residential condominium tower across the street from Lincoln Center on Manhattan's Upper West Side.

West Chelsea Property Owner Capitalizes on Revitalization

The cultivation by The City of New York of the Hudson Yards and West Chelsea neighborhoods of Manhattan presents remarkable opportunities for property owners. Paul, Weiss continues to work on numerous projects in the area, including helping a client with a century-long ownership of a large parcel of property to develop tax-efficient strategies, analyze various proposals, and negotiate a 99-year ground lease with Avalon Bay, a national residential developer that will result in a 600,000-square-foot building with more than 600 apartments and ground floor retail establishments.







◀ Metropolitan Landowner Executes High-Profile Projects ▶

We assisted a major New York City landowner in numerous notable projects, including the restructuring and renegotiation of ground leases encumbering the Gramercy Park Hotel, the Hotel Breslin, The Mark Hotel and the Stanhope Hotel. We also continue to assist the client in the redevelopment of the former World Trade Center site.

Memorial Sloan-Kettering Cancer Center Expands Facilities

We assisted Memorial Sloan-Kettering Cancer Center, one of the world's premiere cancer research and care centers, in the development and acquisition of 96 condominium apartments in Riverwalk Landing, the newest building to be erected on New York City's Roosevelt Island. We also helped the center in the predevelopment of a new breast cancer treatment center on Manhattan's Upper East Side.

Ceruzzi/Blumenfeld Joint Venture To Buy Stake in Bronx

We represented a joint venture between shopping center developers Ceruzzi Holdings LLC and Blumenfeld Development Group in agreements to purchase an assemblage of properties in the Kingsbridge neighborhood of the Bronx. The site, currently under City of New York and private ownership, is a promising location for a department store or other large retailers.



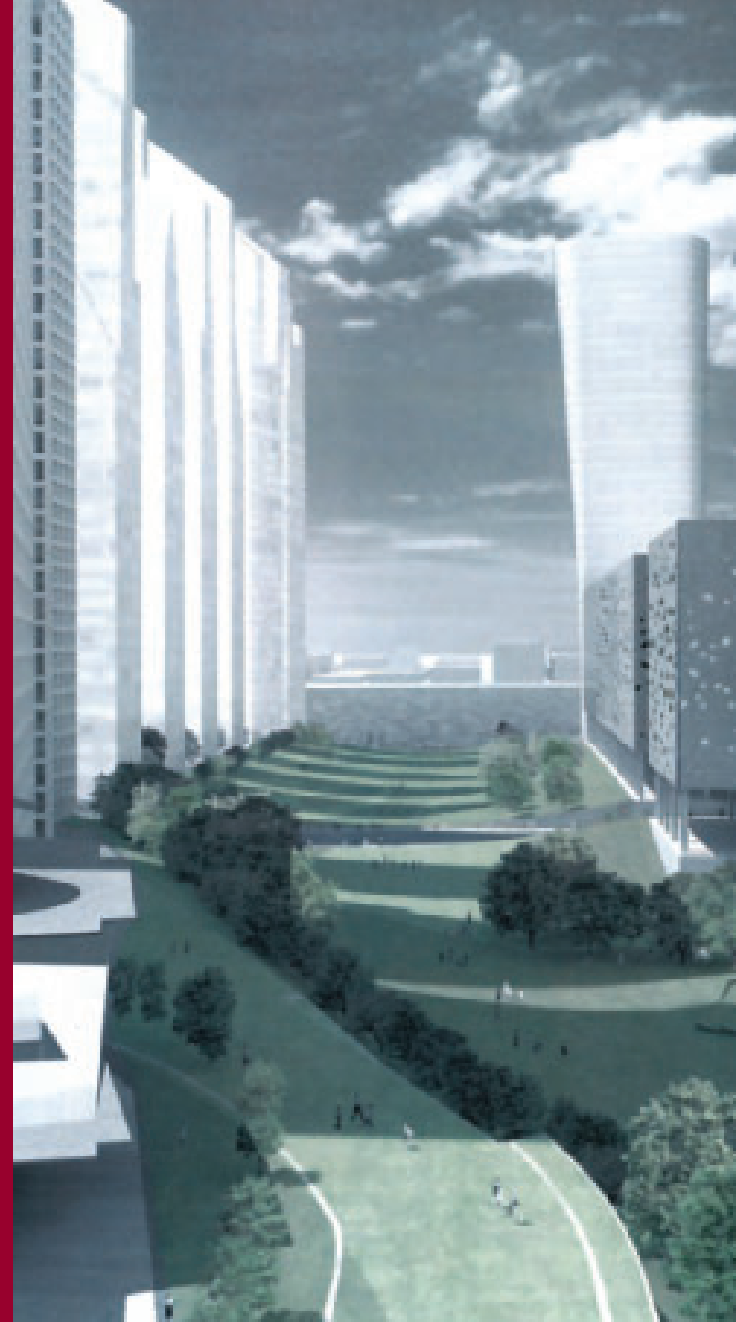
MTA Prepares West Side Railyards for Historic New Development

We are proud to represent the Metropolitan Transportation Authority (MTA) in one of the most exciting development projects in recent New York City history.

The MTA is the owner of the West Side Railyards, two 13-acre sites on the west side of Manhattan that are the largest tracts of still-undeveloped land in Manhattan. We have assisted the MTA in the planning and disposition of the sites for development, including negotiations with city and state officials regarding proposed zoning and site plans, and negotiating and structuring the sale and/or lease transaction with private developers on behalf of the MTA. The projects will be the largest developments in Manhattan since the creation of Battery Park City in 1972.

The sites, which the proposals envision developing into up to six-million square-feet of office space and up to 5,000 residential units, together with public open space and other amenities, have drawn bids from several of New York's major developers.

Extell Development Company ►



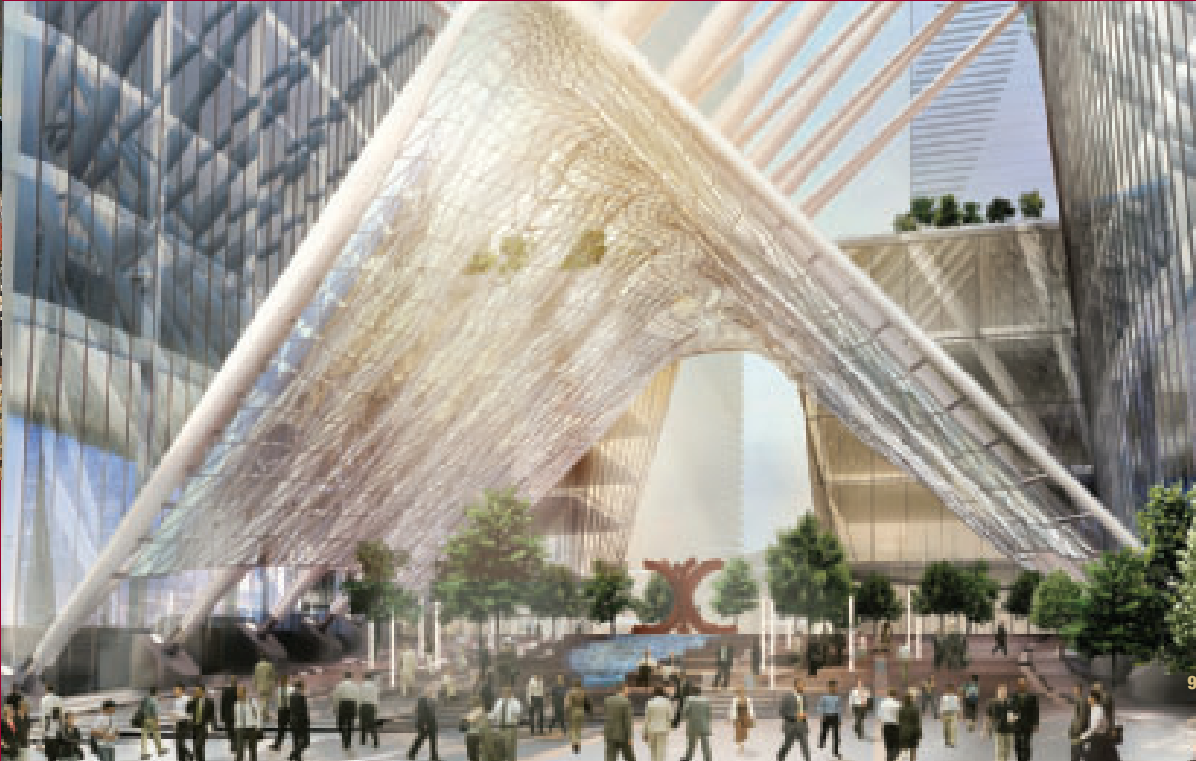
Vornado Realty Trust/The Durst Organization ►

Developer Proposals



▲ Tishman Speyer/Morgan Stanley

▼ Brookfield Properties



▲ Related Companies/Goldman Sachs

LAS VEGAS SANDS CORP.,

the world's largest gaming company, is a longtime client of Paul, Weiss. Our firm continues to help Las Vegas Sands with real estate development and financing at home in the United States and around the world.

INTERNATIONALLY, Paul, Weiss assisted Las Vegas Sands in both Singapore and Macau. We:

- represented Las Vegas Sands in a \$5.4 billion Singapore dollar financing for the construction and development of the Marina Bay Sands Integrated Resort in Singapore, which will include hotel, gaming, retail, convention center and cultural components and will be the only gaming facility on the Singapore mainland.

- are negotiating a joint venture with Far East Consortium International Limited for the development, ownership and operation of a casino-resort facility containing three hotel casino resorts, residential apartments and a retail complex on the Macau's "Cotai Strip," a 1.8-mile stretch of land reclaimed from the ocean that adjoins two of Macau's islands and that is intended to be Asia's Las Vegas.

- helped secure a \$2.8 billion financing for the proposed construction and development of seven hotel-casino-resort complexes, retail complexes, residential apartments and a convention center on the Cotai Strip, including The Venetian Macau, a 3,000-room hotel casino resort modeled after The Venetian Hotel Casino Resort in Las Vegas.

- engaged several leading hotel operators to manage branded condominium hotel developments on the strip, including Shangri-La Hotel and Resorts and Trader's, Four Seasons Hotels and Resorts, Starwood Hotels & Resorts Worldwide, Inc.® (St. Regis and Sheraton), Hilton Hospitality, Inc. (Conrad Hotels® and Hilton®), InterContinental Hotels Group (InterContinental Hotels and Resorts® and Holiday Inn Hotels and Resorts®), Fairmont Hotels and Resorts (Fairmont and Raffles) and Cosmopolitan Hotel Group.

IN THE UNITED STATES, we assisted Las Vegas Sands in several domestic deals:

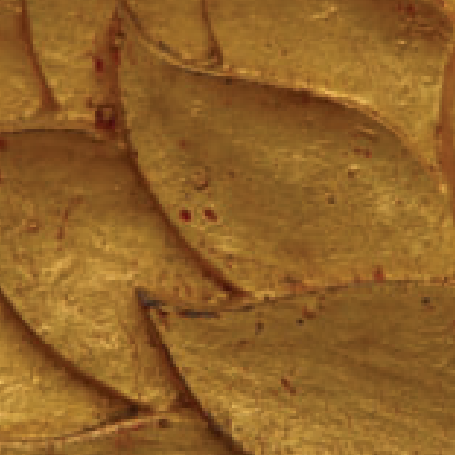
- a joint venture to develop a gaming, hotel, retail, museum and residential complex on the site of the former Bethlehem Steel Plant in Bethlehem, Pennsylvania.

- a \$5 billion financing secured by the Venetian Resort Hotel Casino in Las Vegas, the proceeds of which have been and will be used, among other things, for the construction of the 3,000-room Palazzo Hotel Casino Resort, and a luxury residential condominium tower, adjacent and connected to the Venetian.



Courtesy of Las Vegas Sands Corp.





From hospitals to shopping malls, real estate is becoming increasingly specialized. Clients require legal counsel with a thorough and sophisticated understanding of properties with special requirements.

From the acquisition

SALES & ACQUISITIONS

of New York City's Grand Central Terminal, to sales executed by famed national hotel and resort chains, we have built our reputation on the most distinctive and complex sales and acquisition transactions. It is this experience that has earned Paul, Weiss the trust of buyers and sellers of real estate across every asset class.

Murray Hill Sells 417 Fifth Avenue

We represented affiliates of Murray Hill Properties and General Electric Capital Corporation in their \$250 million sale of the land and building at 417 Fifth Avenue. Tenants in the building include CIBC World Markets, Marvel Enterprises and Turner Broadcasting. ►

Farallon Makes Significant Purchase of Manufacturing Company

We represented Farallon Capital Management, LLC in its acquisition of a manufactured home community business from Affordable Residential Communities Inc. The transaction was valued at \$1.84 billion.



Peter Loppacher Photography

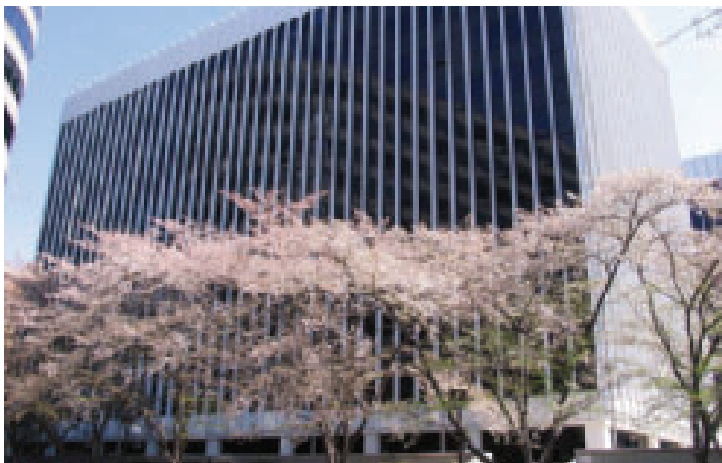






Monday Properties and Lehman Brothers to Buy Office Building Portfolio ▲▶

We represented Monday Properties which, in a joint venture with Lehman Brothers Inc., purchased a portfolio of 10 office buildings in Rosslyn and Arlington, Virginia from Broadway Partners. As part of the deal, both Monday Properties and Lehman Brothers sold their interests in 237 Park Avenue in New York City to Broadway Partners. The combined value of the transactions was in excess of \$2 billion.





SL Green Sells Prominent Manhattan Properties ►

We handled various transactions for publicly traded REIT SL Green Realty Corp., including the sale of a commercial condominium office unit at 110 East 42nd Street in New York, which was structured to retain for SL Green transferable development rights relating to the property, and the sale of the historic ◀ Clock Tower building at One Madison Avenue.

Broadway Theater Owners Sell Air Rights for West Side Development

Paul, Weiss represents two of New York's largest Broadway theater owners in the sale of hundreds of thousands of square feet of development rights over several historic Broadway theaters. Our lawyers helped affiliates of The Shubert Organization, Inc. and Jujamcyn Theater Company close the first-ever sales of theater development rights, utilizing special provisions of New York City zoning laws. ▼





International real estate is booming, with opportunities opening for savvy investors in every corner of the globe. Paul, Weiss has represented American, European and Asian investors in

INTERNATIONAL REAL ESTATE

international markets for decades, using our presence in Tokyo, Hong Kong and London, along with a wide network of local partner firms, to help investors execute complex and profitable transactions. Whether we are representing a prominent Chinese city in infrastructure negotiations with a foreign investor, or helping a domestic real estate investment fund with projects on three separate continents, our lawyers bring a unique combination of negotiating skill and extensive local real estate knowledge to the table.



◀ IREO Expands its Activities in India

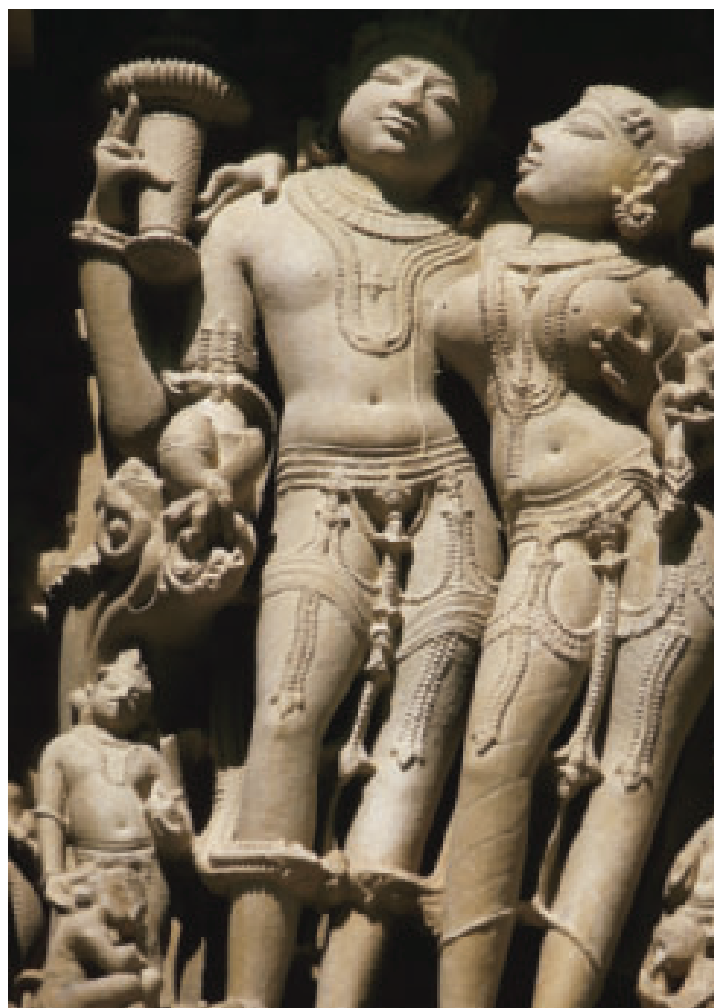
Since 2003 we have represented the sponsor of the IREO funds, the first foreign investment funds established to invest in the fast-growing and dynamic Indian property market. IREO and its affiliated entities have raised approximately \$1.6 billion in equity commitments in two funds and related coinvestment vehicles from global investors. IREO has invested in approximately 15 properties including large-scale residential and commercial development projects in greater Delhi, Chennai (formerly Madras), Coimbatore and Pune, among other markets. We continue to represent the firm in connection with its fund formation activities, as well as in debt financings and joint ventures with Indian developers and other strategic partners.

XE Capital Management Makes India Investments

We aided an affiliate of our client XE Capital Management, LLC (XE), in its acquisition of an indirect interest in an India-based development company that plans to construct a residential development on a 25-acre parcel of land it owns in the IT hub of Chennai, India (formerly Madras). We also helped XE form a joint venture to develop a one-million-square-foot technology park near Delhi, India.

Las Vegas Sands Continues International Development

We represent Las Vegas Sands Corp. (LVS), the world's largest gaming company, in a number of international real estate projects. We have helped LVS execute billions in financing for multiple hotel, gaming, retail and residential projects in Macau, and advised the company in structuring and negotiating agreements with leading hotel brands to manage hotels on Macau's "Cotai Strip". We are also representing LVS in a proposed residential development in mainland China, and were lead counsel for LVS in the financing for the development of a gaming resort in Singapore.





The real estate marketplace has spawned a wide spectrum of financing instruments, from public and private securities offerings to a wide variety of intricate securitizations, loans and

FINANCING & RESTRUCTURING

sale-leaseback transactions. Paul, Weiss represents every type of lender and borrower in the real estate industry, who rely on our firm to create sophisticated financing vehicles that maximize the leverage and value of their assets.



High-Profile Lender Enters Hawaii and Maryland Projects ▲

We handled two simultaneous closings for a well-known institutional lender: a \$70 million revolving resort land financing to an affiliate of a major real estate fund for horizontal infrastructure improvements relating to a proposed residential development on the Kohala Coast in Hawaii, and a joint venture acquisition with a prominent opportunity fund of a preferred equity position in the recapitalization of a 13-property multifamily portfolio in the mid-Atlantic region.



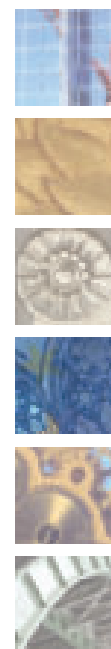
Fund Manager Restructures Hudson Waterfront Mortgage Loan

We counseled a prominent New York City-based hedge fund manager in the restructuring of a mortgage loan secured by a 13-acre brownfield development site on the Hudson River. The proposed development is expected to include residential, marina and commercial/retail uses.



▲ SL Green Recapitalizes Two Major Manhattan Properties

We helped SL Green Realty Corp., the largest owner of New York City office buildings, recapitalize its ownership interests in 485 Lexington Avenue and 521 Fifth Avenue in Manhattan. The recapitalizations, involving swaps of partnership interests, like-kind exchanges and refinancing of a mortgage loan, were implemented to enable SL Green to accomplish strategic objectives for each of the properties.





Leases are complicated instruments, demanding a thorough understanding of complex technical, financial and business issues. We command an encyclopedic knowledge of retail, office and ground lease transactions won from decades of major landlord and tenant representations. From space leases, net leases and sale-leasebacks to financing leases and credit leases, our clients have come to rely on our experience on every kind of leasing arrangement.

LEASING



◀ **The Cooper Union Negotiates Lease for New Engineering Building**

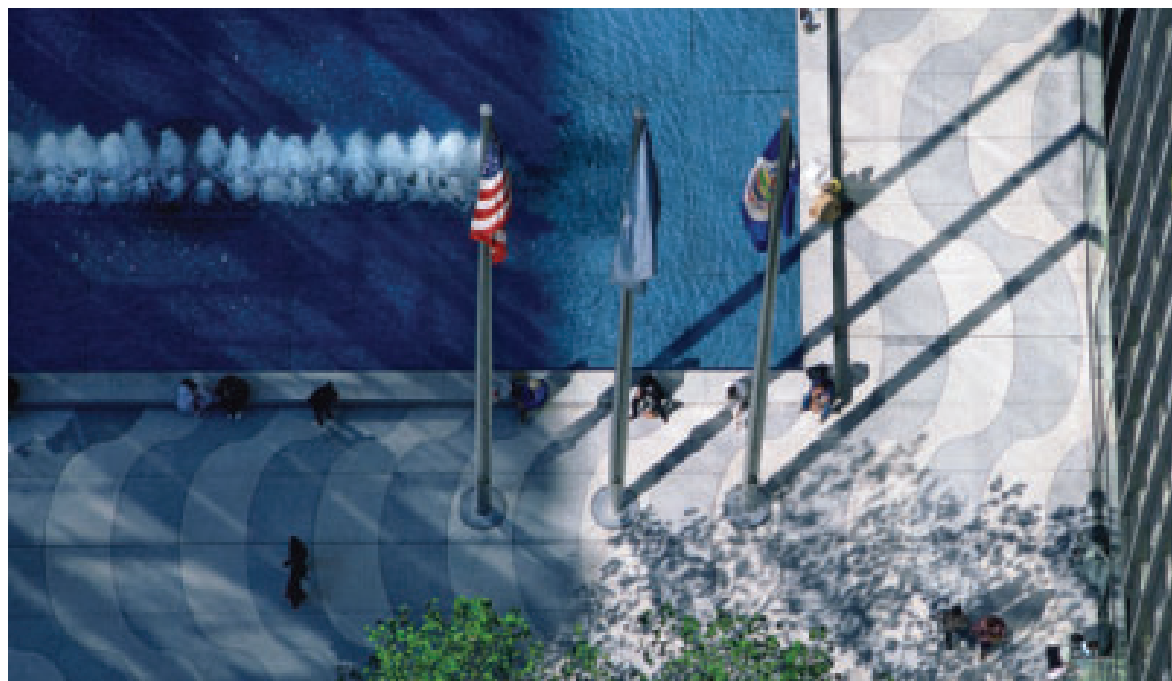
We aided The Cooper Union for the Advancement of Science and Art in negotiating a long-term ground lease with Edward J. Minskoff Properties for the private development of a 370,000-square-foot mixed-use retail, educational and office property at 51 Astor Place.

Time Executes Massive Subleasing Transaction

We represented Time Inc. in one of the largest and most notable leasing transactions in Manhattan in 2007. We helped the company sublease approximately 425,000 square feet at the Time-Life Building at 1271 Avenue of the Americas to Lehman Brothers and their affiliates. The space covers more than 10 full floors and provides for future expansion rights. ▶

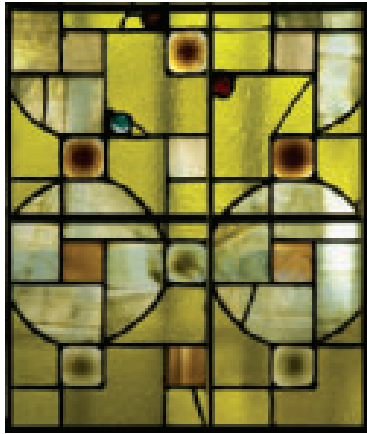
Lincoln Center Theater Enters New Lease

Our client Lincoln Center Theater (The Vivian Beaumont Theater, Inc.) entered into a new lease with Lincoln Center For The Performing Arts, Inc. for the portion of its building on the Lincoln Center campus housing the Vivian Beaumont Theater, the Mitzi E. Newhouse Theater and administrative offices.



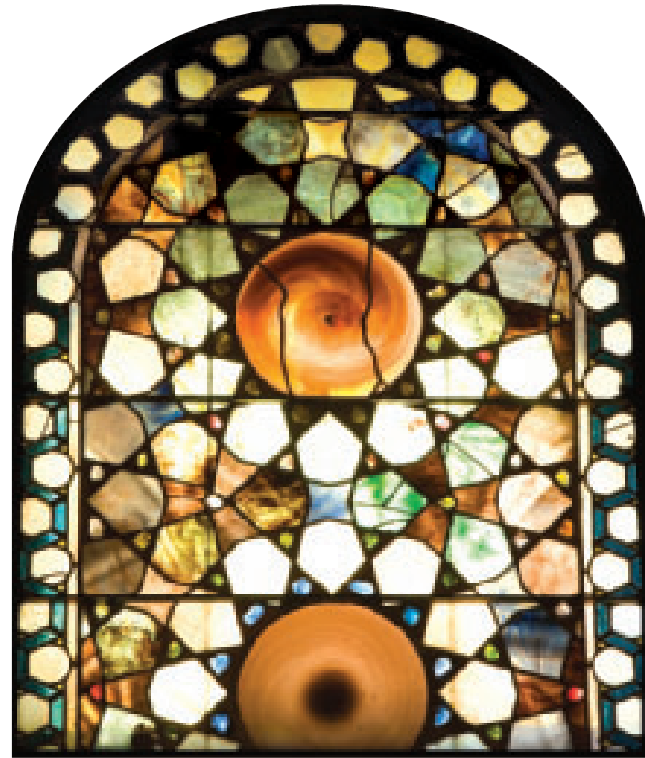


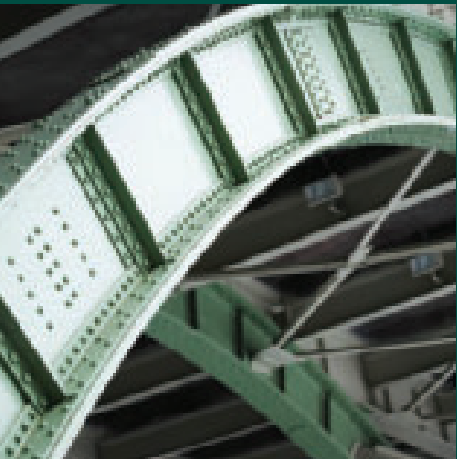
Seventh Regiment Armory



Conservancy Establishes New Manhattan Cultural Venue

We represent the Seventh Regiment Armory Conservancy, Inc., a group that is leasing the historic Seventh Regiment Armory building located at Park Avenue and 66th Street from the State of New York, as it restores this New York landmark into a cultural and performing arts center for the community. Our work on behalf of the Conservancy included negotiating the 99-year lease from the state, navigating the New York state statutes that permitted the transaction, and litigating in federal and state courts in support of the state's right to lease the property to the Conservancy.





Paul, Weiss advises on a wide spectrum of joint ventures for clients of every stripe, from developers to investors to fund sponsors. We help clients negotiate and document joint ventures, crafting deals that meet stringent reviews by institutional investors and government entities. We work closely with our corporate, tax and litigation partners to devise tax-efficient, value-added structures and resolutions for every joint venture project.

JOINT VENTURES & FUNDS



Jonathan Rose Creates Green Development ▲

We advised Jonathan Rose Companies LLC on several investments and new projects including a large mixed income, green transit-oriented mixed-use development, Metro Green, in Stamford, CT. Jonathan Rose Companies is developing the residential portion of the project as a joint venture development with the project's owner and lead developer, Peter L. Malkin and Anthony E. Malkin, and their wholly owned subsidiary W&M Properties of Connecticut. Metro Green Apartments (pictured) adjacent to the Stamford railroad station, will consist entirely of affordable housing. As the first building completed in the development, it will serve as the linchpin of the revitalization in this underused portion of the city. The complex is a LEED-Neighborhood Development registered pilot project, a joint venture of the Congress for the New Urbanism, the U.S. Green Building Council, and the Natural Resources Defense Council.

Hedge Fund Plans Major Metro Washington Development

We represented a hedge fund in connection with Washington Gateway, a hotel, residential, office and retail development in Washington, D.C. The activities for which we assisted our client included a joint venture with our client's developer partner, the acquisition of the property and the land loan financing. Construction financing and other development activities for Gateway will begin this year. ▼





▲ **Real Estate Family Invests in Oceanfront Hotel**

We counseled a prominent New York real estate family acting as a “white knight” investor in the recapitalization and planned redevelopment of the Savoy Hotel in Miami Beach.

New York Investor Acquires Valuable Hotel Portfolios ►

We represented a New York-based hotel developer and investor in joint ventures with The City Investment Fund and The Carlyle Group to acquire portfolios of limited service and mid-scale hotels in New York City. The properties have an aggregate value in excess of \$350 million.



F U N D S

From emerging markets across the globe to our own New York City neighborhoods, Paul, Weiss advises clients in the formation of real estate investment funds for the development, ownership and operation of all classes of real estate assets.

- **A \$200 million fund** formed to invest in U.S. commercial real estate
- **Four parallel funds**, with an aggregate of \$400,000,000 in commitments, formed to invest in U.S. commercial real estate
- **IREO Fund II, Ltd.:** a \$680 million fund formed to invest in real estate in India, as well as a \$369,000 co-investment vehicle to invest in projects in Delhi
- **A €350 million fund** formed to develop and invest in commercial real estate projects throughout Europe, with a focus on Central and Eastern Europe
- **South Asian Real Estate Ltd.:** an Isle of Man company formed to make real estate investments in India
- **A \$250,000,000 fund** to invest in U.S. multi-family real estate assets.

Paul, Weiss is a firm of more than 500 lawyers with diverse backgrounds, personalities, ideas and interests who collaboratively provide innovative solutions to our clients' most critical and complex legal and business challenges. We represent a varied range of clients, including some of the largest publicly and privately held corporations and financial institutions in the United States and abroad. We are equally committed to representing those in need, and our pro bono efforts continue to benefit the world in profound ways.

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