

Gallagher Presents

Renewable Energy

CREW *Baltimore*

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GALLAGHER EVELIUS & JONES

Gallagher Evelius & Jones LLP was founded in 1961 by the late Francis X. Gallagher, a respected attorney and civic leader in Baltimore and throughout the State of Maryland. Frank Gallagher established a tradition of effective and responsive service to clients coupled with a commitment to public service and community involvement. These values remain fundamental to the firm today.

Over the years, the firm has grown in a planned and controlled manner, careful not to lose its identity as a cohesive group of professionals who are dedicated to our clients, our community, and our colleagues.

At Gallagher, we serve our clients through diverse areas of practice, including business and real estate transactions, civil litigation, creditors' rights and bankruptcy, tax credit investments, public finance, commercial and real estate lending, health care, renewable energy, employment, education, and nonprofit services. Beyond providing quality legal work, we seek to build long-term relationships with our clients, always striving to understand fully their businesses, goals, and interests.

PRACTICE AREAS

At Gallagher, we believe that our practice group structure promotes the sharing of information, enables attorneys to build and maintain proficiency in particular substantive areas, and enables us to provide practical, comprehensive advice to clients. Our practice areas include:

- Affordable Housing
- Commercial and Real Estate Lending
- Creditors' Rights and Bankruptcy
- Education
- Employment
- Health Law
- Litigation
- Public Finance
- Real Estate and Business Transactions
- Renewable Energy
- Tax Credit Investments and General Tax

RENEWABLE ENERGY

We advise developers, owners, and operators of renewable energy projects on a range of project finance, development, tax credit and related matters, including:

- Construction and permanent financing transactions;
- Power purchase agreements; site leases, licenses and easements; engineering, procurement and construction contracts; operations and maintenance agreements, and capital leases;
- Structuring renewable energy project transactions to qualify for federal investment tax credits;
- Advising on matters and issuing tax opinions related to the syndication of federal investment tax credits;
- Negotiating the relative rights of equity investors and lenders;
- Sale and financing of renewable energy credits and similar environmental attributes tied to the production of renewable energy;
- Financing of state and utility rebates and similar incentive payments tied to the production of renewable energy;
- Real estate matters; and
- Renewable energy litigation disputes.

We have advised clients on the financing of more than 25 photovoltaic solar projects with a combined capacity of over 40 MW. Recent projects include:

- 14.2 MW photovoltaic solar facility at the Nellis Air Force Base in Nevada, the largest in North America when placed in service;
- 2 MW photovoltaic solar facility at Denver International Airport;
- 250 kW photovoltaic solar facility in San Francisco, California;
- 1 MW photovoltaic solar facility in Fresno, California;
- 250 kW photovoltaic solar facility in Sarasota, Florida;
- 600 kW photovoltaic solar facility in Oakland, New Jersey;
- 746 kW photovoltaic solar facility in Tucson, Arizona;
- 5.6 MW of combined photovoltaic solar facilities installed at multiple locations of a major department store chain; and
- 300 kW photovoltaic solar facility at the Colorado Convention Center -- site of the 2008 Democratic National Convention.

In the past 2 years, we have closed over \$150 million in photovoltaic solar project financing transactions and have participated in the syndication of over \$90 million of investments in federal investment tax credit transactions.

Our federal tax credit and financing expertise allows us to identify and address issues critical to commercial lenders and institutional investors early in the project development cycle, allowing our clients to maximize the economic potential of their projects and minimize transaction costs.

In addition to project finance and development advice, emerging renewable energy companies look to our firm for a range of legal services, including representation in mergers and acquisitions; advice on corporate governance, employment, real estate, taxation and intellectual property issues; and representation in dispute resolution and litigation matters.

REAL ESTATE TRANSACTIONS

Gallagher represents lenders, real estate developers, equity investors, health systems, colleges and universities, and other clients in a variety of real estate transactions. We work closely with our clients to achieve their business goals in many diverse contexts, such as:

- Residential, commercial, industrial and mixed-use real estate development projects from land acquisition through development, construction, leasing/sale and disposition;
- Representation of developers and syndicators in transactions involving low income housing, federal and state historic and new markets tax credits;
- Construction and permanent financing of real estate development projects through conventional bank loans, various Fannie Mae, Freddie Mac and other similar programs, tax-exempt bond issues, sales of federal and state tax credits, new markets tax credit transactions, and grants;
- Representation of equity investors and mezzanine lenders in all types of real estate projects;
- Creation of condominium regimes and homeowners associations in complicated PUD-type developments and negotiation of complex reciprocal easement and cost-sharing arrangements;
- Representation of landlords and tenants in commercial leasing transactions; and
- Commercial lending for banks and other institutional lenders, including acquisition, development, construction and permanent loans, asset-based financing and working capital loans.

Representative Real Estate Transactions

- Harbor East: Gallagher represents the entities involved in one of Baltimore's most successful redevelopment efforts, Harbor East -- including the 650,000 square feet "Legg Mason Tower," the Four Seasons Hotel and Condominiums, a 700+ room Marriott Hotel, a 210 + room Marriott Courtyard Hotel, a mixed-use project known as Parcel B (2 hotels, condos, office, retail and parking), Spinnaker Bay Apartments and Condominiums (\$90 million project value; 650,000 square feet on 1.3 acres; 43,000 square feet retail; 32 condo, 316 apartment units; 428 parking spaces) together with other significant office, retail and residential development.
- Fells Landing/Harbor Point: Gallagher represents the development team working on the billion dollar historic renovation and renewal of Baltimore's Fells Point neighborhood. Fells Landing includes 215,000 square feet of office and retail, 140 residential units, and a 680-car parking garage. Harbor Point, a 27-acre parcel, will be a mix of office, retail, hotel, restaurant, and residential uses with a waterfront park to be developed on the environmentally-remediated former Allied/Signal site.

- University of Baltimore campus: The firm represents the developer of an extensive redevelopment effort on the University of Baltimore's urban campus. The project is a \$75 million mixed-use development consisting of 280 residential apartments, 14,000 square feet of retail space and a 1,200-space parking garage. Gallagher assisted the developer in its negotiation of a 65-year ground lease with the State of Maryland, a PILOT agreement with the City of Baltimore, and in connection with the project's participation in the Maryland Department of the Environment's Voluntary Clean-up Program. In addition, Gallagher assisted the developer in closing third party equity arrangements and construction financing in one of the most difficult financing environments the industry has ever experienced.
- AFL-CIO Building Investment Trust, Lubert Adler and Crossbeam Capital: The firm represents these fund managers in equity placements for large commercial projects. Representative transactions include Gallery Place in Washington, DC - a \$300 million mixed use project with 1 million square feet total (220,000 sq. ft. office, 260,000 sq. ft. retail, 192 residential condo, 700 parking spaces, and a 14-screen theater), 91 Sydney Street (Forest City) in Boston, and the Harborview development on Baltimore's waterfront. Gallagher has represented Fannie Mae's American Communities Fund in similar transactions in the past.
- The Whitney: A \$75 million mixed use project designed around a landmark Art Deco theatre in Bethesda, Maryland, that includes 17,000 square feet of entertainment/retail space, residential, and 280 residential parking and 350 public parking spaces.
- Gallagher has represented an urban developer in many of its development and redevelopment efforts including: Belvedere Square - a \$25 million redevelopment of a 101,301 square feet urban shopping complex, with TIF financing and historic and new markets tax credits; Charles Commons - 618 beds of student housing, a state-of-the-art dining facility, student amenity space and a full-service Barnes & Noble bookstore; Village Lofts - 68 for-sale residential units, 12,500 square feet of retail & restaurant space, and 68 parking spaces; Clipper Mill - a \$53 million adaptive re-use project that includes 97,500 square feet of office space and 200 residential units; and Beason Place - a \$36 million adaptive reuse of the Overflow Warehouse at Tide Point for a headquarters office and retail outlet for Under Armour.
- With a national tax credit practice, Gallagher handles federal historic tax credit transactions in urban settings including, the Railway Express Project, Miller's Court, The Can Company, Census Building, Congress Hotel, and the YMCA, all in Baltimore City, National Newark in Newark, Stoneleigh Hotel in Dallas, On Broadway in San Diego, West Village in Durham, the Santa Fe Building in Los Angeles, and the Delaware Trust Building in Wilmington, as well as numerous transactions involving state historic tax credits.
- Over the last decade, Gallagher has closed approximately 500 low-income tax credit transactions on behalf of syndicators and developers.
- Stadium Place: Gallagher represents the nonprofit developer of this retirement community on the former Memorial Stadium site in Baltimore.

TAX CREDIT INVESTMENTS AND GENERAL TAX

Our firm's tax practice group focuses on transactions using federal income tax credits, including the Internal Revenue Code Section 42 tax credit for affordable housing, the Code Section 47 tax credit for historic structures, Code Section 45D new market tax credits, and the Code Sections 45 and 48 production and investment tax credits for renewable energy. In addition, we represent our clients in dealing with a variety of general tax matters, including the structuring of real estate transactions, the structuring of partnerships and limited liability company arrangements between investors and developers, and issues specific to tax-exempt entities. Examples of the types of transactions and clients we have represented include:

- Several national syndicators and direct purchasers of the Code Section 42 affordable housing tax credits and the Code Section 47 historic rehabilitation tax credits. These projects have been constructed throughout the nation;
- Real estate development companies in Maryland and throughout the United States, both for-profit and nonprofit, developing projects using affordable housing tax credits, New Markets tax credits, and historic rehabilitation tax credits;
- Hope VI public housing projects, HUD 202 housing projects, and projects with IRP structures;
- One of the largest national syndicators of Code Section 48 investment tax credits for solar energy property;
- Code Section 45D new market tax credit projects involving both debt and equity structures;
- Code Section 47 historic rehabilitation tax credit projects using master lease and sandwich lease structures both with and without New Markets tax credits, including projects involving pension funds;
- Code Section 42 affordable housing tax credit projects using tax-exempt bond financing;
- Code Section 1031 tax-free real estate exchanges;
- Joint venture arrangements for real estate investors and real estate developers; and
- General tax planning for closely held businesses.



Practice Areas

- Corporate and Finance Transactions
- Real Estate and Business Transactions
- Renewable Energy
- Public Finance

Education

- University of Delaware, BA, magna cum laude, 1992
Phi Beta Kappa
- University of North Carolina School of Law, JD, with high honors, 1999
Order of the Coif
North Carolina Law Review Staff and Articles Editor (1998 – 1999)

Bar Admissions

- New York
- Maryland

Matthew L. Pirnot

Partner

A member of Gallagher's Real Estate and Business Transactions Group, Matt Pirnot's practice is focused on renewable energy finance and development. Matt advises developers, owners, and operators of renewable energy projects on a range of project finance, development, equity investment and related matters, including construction and permanent debt financing, equity financing and project contracts. He also has significant experience in a variety of other areas of finance, including corporate, municipal, real estate, project and structured finance, as well as general corporate and contract matters.

Professional Memberships

Maryland State Bar Association

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