

ARMSTRONG TEASDALE SECURES POSSESSION OF TWO CHICAGO HIGH-RISES IN GROUND LEASE LITIGATION

An Armstrong Teasdale litigation team successfully secured possession for its clients of two high-rises located on the 800 West block of Jackson Boulevard in Chicago, delivering a significant victory for the ground lessors in two related lease disputes.

The two matters arose out of long-term commercial ground leases, each running for a 99-year term, where the ground lessors owned the underlying land while the tenants owned the buildings and other improvements built on the land. After the tenants defaulted on their obligations to pay rent for the land, including the failure to pay base rent and Cook County real estate taxes, the ground lessors moved to terminate the leases and recover the properties. In an effort to delay entry of the orders of possession, each tenant filed for bankruptcy. Armstrong Teasdale successfully secured the dismissal of both bankruptcy cases, clearing the way for the ground lessors to obtain possession of the improvements in related state court proceedings.

Acting as litigation counsel for the ground lessors, Armstrong Teasdale pursued possession of the improvements and clear title to the buildings, free of the competing claims of the tenants and their leasehold mortgagee. Under the terms of the leases, upon termination the ground leases, the ground lessors become the absolute owners of the improvements on the premises. The result confirms the ground lessors' possession of the improvements.

"Securing possession of the two high-rise buildings is the outcome that gives a ground lease victory real value," said Partner [Monte Mann](#). "In this ownership structure, the land and the buildings are owned separately, so recovering the buildings themselves, not just the ground beneath them, is what matters."

Possession of high-rise improvements is often the most heavily contested issue in ground lease litigation, particularly where tenants have granted mortgages on their leasehold interests.

These matters were handled by Armstrong Teasdale lawyers [Monte Mann](#), [Erin Edelman](#), [Stephanie Moon](#), and [Ellen Mannion](#).

PEOPLE

Monte L. Mann

Erin M. Edelman

Stephanie M. Moon

Ellen M. Mannion



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