

Mezzanine Lending

Overview

For lenders and investors providing mezzanine debt and other types of junior capital, we offer legal services with a distinctive blend of deal experience, expertise and practical counsel. Handling a significant number transactions in the past couple of years, our lawyers routinely represent regional, national and international banks and non-bank investors, such as small business investment companies (SBICs), business development companies (BDCs), in structuring and negotiating complex mezzanine finance transactions, including deals requiring multiple layers of financing. We are creative yet pragmatic in structuring deals, closely attuned to the market and our clients' businesses, and fundamentally solution-oriented. Instead of over-complicating transactions, we take a deal driven approach focused on reasonable market terms to achieve the best and most efficient outcome.

Our team represents financial institutions as lenders, issuers, underwriters, credit enhancers and servicers; and we also represent mezzanine borrowers from multi-national corporations to emerging entrepreneurial businesses. Our Finance attorneys offer extensive experience in structuring and negotiating mezzanine transactions for such activities as:

- Management buy-outs
- Leveraged acquisitions
- Bridge financing
- Growth capital
- Recapitalizations
- Restructurings
- Portfolio purchases and sales
- Real estate "gap" financing

Our Firm handles investments in a diverse range of industries, such as energy, health care, financial services, food and beverage services, education, media and communications, software, information technology, distribution, transportation, construction and manufacturing. For the energy industry, in which our finance attorneys are deeply rooted, we have advised and represented major mezzanine lenders in such specialized transactions as production-based mezzanine financing, reserve-based mezzanine financing, formation of new mezzanine lenders and crafting of debtor-in-possession financing.

Among the full range of services our attorneys provide are:

- Negotiating, documenting, and consummating transactions
- Forming and administering mezzanine funds
- Fund structuring and closing
- Negotiating subordination and intercreditor arrangements
- Providing tax and structuring advice
- Executing clients' exit strategies

Our Mezzanine Finance practice is supported by attorneys with deep experience in private equity deals, senior secured lending and mergers and acquisitions. Backed by the strength of a full-service business and litigation Firm, we specialize in integrated deal management with lawyers in all sections of our Firm. We provide thoughtfully tailored counsel, with heavy involvement and oversight by senior lawyers, while offering clients significant value. Priding ourselves on the trust and confidence we build with clients, we are fortunate to enjoy relationships that span decades.

Experience

Borrower Representation

Represented a developer in a \$94 MM first lien construction loan and \$65 MM subordinate mezzanine loan for the development of a downtown 18-story, 500,000 square feet office building and 20,000 square feet of premium restaurant space.

Lender Representation

Represented the proprietary debt and equity banking arm of comprehensive capital provider in financing the development of a senior and assisted living project in New Jersey, involving an (i) A/B Note syndication; (ii) EB-5 mezzanine loan; and (iii) EB-5 mezzanine bridge loan.

Convention Center Hotel Development

Represented the developer in the development of multiple branded convention center hotels through public-private partnership with local municipalities throughout Texas. While each was unique, the developer utilized local banks for debt financing and the city Economic Development Agency to provide mezzanine financing.

Multifamily Community Development

Represented a real estate development company in the acquisition of the land and development and financing of several sites throughout Dallas, Texas of more than 5,000 units of luxury multifamily communities. Munsch Hardt handled the coordination and negotiation of agreements as purchaser, developer, owner, construction loan borrower, mezzanine loan borrower and all of the transaction documents, including without limitation, loan documents, asset management agreement, development management agreement, construction management agreement and all consultant contracts with design professionals.

Real Estate Finance: Multifamily

Served as Borrower's counsel in connection with securing financing for a new multi-family project in Tennessee. The financing was comprised of a first lien construction loan and a mezzanine loan.

Historic Tax Credits

Represented a European investment group in its construction and tax credit equity financing for the \$100 MM rehabilitation of the historic Butler Brothers building in downtown Dallas, Texas. The building was converted into 238 apartments and a 270-room, dual branded hotel (Fairfield Inn/Town Home Suites by Marriott). The construction financing was through an EB-5 lender and it included a separate closing for the mezzanine financing, which required specific knowledge of how the tax credit closing would work with the mezzanine loan.

Practice Leaders



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Asset-Based Lending
Consumer Finance
Reserve-Based Lending
Distressed Debt
Real Estate Finance

Related Industries

Financial Services
Construction
Energy
Hospitality
Manufacturing