

# Real Estate Finance

The attorneys of Cozen O'Connor's Real Estate Finance Practice represent lenders (regional and national commercial banks, investment banks, mortgage REITs, insurance companies, specialty finance companies, and private equity and opportunity funds) and borrowers (owners, commercial and residential developers and operators, REITs, and other institutional owners, and investors) in complex financing transactions involving commercial, retail, residential, and industrial real estate. We have experience with the origination, acquisition, and disposition of whole loans and interests in loans; formation of joint ventures, general and limited partnerships, limited liability companies, business trusts, and other investment vehicles; and creation of credit facilities with complex terms, including multiple interest rate options, foreign currency exchanges, interest rate protection products, and other derivatives.

Now more than ever, counsel on the cutting edge is essential. No matter how challenging or volatile the marketplace, the requisites for providing superior real estate counsel remain unchanged: technical knowledge, negotiating skill, and business savvy. Cozen O'Connor is regularly involved in some of the nation's largest real estate transactions, so our technical understanding of the latest in deal structure, regulation, profitability, leverage, and liability protection is second to none. And because we conduct high-stakes negotiations on behalf of both lenders and borrowers, we have real insight into the competing needs and interests of all parties. We are often able to identify unforeseen points of leverage that can give our clients a decisive advantage.

Perhaps most importantly, our lawyers understand not only the law but also the business of real estate. Striking this balance is particularly critical in an environment of economic uncertainty and fluctuating interest rates. Many of our attorneys have advanced training in mathematics, science, accounting, and finance, which enables us to grasp the financial concepts and formula behind every real estate deal. And we have the practical experience to understand how theoretical contract provisions are likely to play out in the real world. Beyond just servicing the deal, we make sure to service the broader corporate mission.

## SERVICES

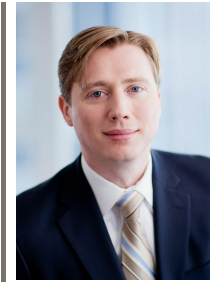
- Arrange permanent and bridge financings
- Handle sale leaseback financings
- Advise on preferred equity investments
- Set up mezzanine and A/B tiered structures
- Arrange construction financings and build-to-suit structures
- Lead capital market financings
- Conduct syndication, participation, and co-lending transactions
- Finance like-kind exchanges
- Handle credit-enhanced transactions

## Experience

Represented the borrower in connection with a Fannie Mae DUS Mortgage Loan to be secured by a 100-unit multifamily property in Minneapolis.

Represented the owner of 10 industrial properties in the southern United States in the successful completion of a \$36 million loan transaction.

Represented the Cantor Silverstein Opportunity Zone Trust in the development and financing of 3.0 University Place, a 250,000 sq. ft. life sciences, commercial lab, retail, and office building in



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## Related Practice Areas

- Business
- Condominiums & Cooperatives
- Distressed Real Estate
- Real Estate
- Real Estate Litigation
- Zoning, Land Use & Development

## Industry Sectors

- Real Estate & Construction

West Philadelphia. This development supports Philadelphia's burgeoning life sciences sector and includes long-term space for established research institutions as well as a floor dedicated to pre-built "Growth Pods" with short-term and flexible leases for smaller-scale life science companies.

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Represented Safehold, Inc. in connection with construction financing for a modular student housing project located at 1598 University Avenue in Berkeley, Cal. As lead transactional counsel for Safehold, the Landlord/Lender, Cozen O'Connor drafted and negotiated the purchase and sale agreement, ground lease, the development agreement, and related ancillary documents; construction loan documents; general contractor contract; and negotiating recognition agreements with the Preferred Equity Investor. Further, given that the project involves modular construction, a large portion of the development costs are budgeted for modular student housing units that will be fabricated off-site. Accordingly, Cozen O'Connor negotiated the modular unit subcontract and drafted and negotiated bespoke security agreements. This matter required complicated maneuvering to ensure that each capital source fit within the overall transaction structure.

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Represented a consortium of lenders in connection with the refinancing of 640 Fifth Avenue, a 300,000-square-foot mixed-use development facing Manhattan's storied Fifth Avenue retail corridor, owned by an affiliate of Vornado Realty Trust and Crown Acquisitions Inc. The financing included a senior Commercial Mortgage-Backed Securities (CMBS) mortgage loan in the amount of \$300 million originated by Morgan Stanley Bank, N.A., The Goldman Sachs Group, Inc., and the Bank of Montreal as well as a \$100 million mezzanine loan originated by Morgan Stanley Bank, N.A. and The Goldman Sachs Group. The project also included a complex ground lease arrangement that was designed in 1970 and that established an ownership structure utilizing practices since discontinued under the zoning code.

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Advised the lead lender on the structuring, syndication, and eventual closing of a construction loan facility for a new infill condominium project.

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Represented Blue Lake Capital in its \$131 million acquisition of a large, multi-building apartment complex in the Arcadia Cove section of Phoenix, Ariz. The transaction involved a preferred equity investment by a third-party investor, a tenant-in-common ownership structure, and the assumption of two loans in the aggregate amount of \$88 million. The transaction drew on the experience of Cozen O'Connor's real estate, corporate, and tax attorneys.

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Represented the real estate investment affiliate of a leading logistics company in the \$750 million recapitalization of a national portfolio of industrial warehouse and outdoor storage facilities with a foreign sovereign wealth fund and with significant debt financing provided by a major U.S.-based life insurance company, including the corporate and tax structuring of the transaction and negotiation and documentation of the joint venture and loan documentation.

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Represented the lender in connection with a \$25 million participation financing of a \$106 million construction loan for the conversion of a 13-story office building into a 243-unit multifamily project in Washington, D.C.

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Represented a \$75 million participant in a \$500 million syndicated loan for a data center in Northern Virginia.

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Represented the owner/operator of senior care nursing home facilities in a complex transaction through which 20 facilities in Texas were refinanced in a deal consisting of a term loan, a delayed draw, and revolver. This \$102 million transaction drew on the experience of the firm's corporate and real estate attorneys.

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Represented a joint venture between a leading national developer/investor and a top tier local

developer, as borrower, in a complex \$176 million senior and mezzanine construction loan facility to fund a luxury multifamily project that is planned to be the tallest building in the State of Utah and is being built to the highest environmental standards.

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Represented a lender in connection with a \$20 million acquisition and development loan secured by a 139-acre parcel of land that is planned to become a 364-lot residential community Frederick County, Md.

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Represented a lender in connection with a \$57 million revolving credit facility secured by a portfolio of residential and commercial properties located in Montgomery County, Md.

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Represented industrial non-profit Greenpoint Manufacturing and Design Center in connection with the \$118 million development of Bridge Rockaway, a unique, mixed-use affordable housing development in the Brownsville neighborhood of Brooklyn. The project utilized New Market Tax Credit financing, an Industrial Development PILOT program, Low Income Housing Tax Credit financing, state and federal grant funds and various bridge financing facilities, and involved the creation of a commercial condominium and ground lease. Combining 174 affordable apartments, 87 permanent supporting housing units for those formerly experiencing homelessness, 40,000 sq. ft. of light manufacturing space, and 11,000 sq. ft. of green space, this project is the first of its kind in the region.

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Represented the lender of a \$340 million construction loan financing for a mixed-use hotel condominium project in downtown Miami. The 50-story project is slated to include a 219-room hotel with 310 residential condominium units above the hotel portion, as well as ground-floor retail space that will include five restaurant and bar areas.

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Represented affiliates of Equus Capital Partners, Ltd. in the acquisition of a portfolio of industrial properties throughout the Southeast and Sun Belt in a transaction valued in excess of \$900 million. The portfolio consists of 75 properties, covering approximately 5.4 million sq. ft. total, located in South Florida, Houston, Dallas, the Baltimore-Washington Corridor, Richmond, Atlanta, and Greenville, S.C. This representation included assisting Equus with a senior mortgage loan and a mezzanine loan originated by affiliates of New York investment bank Morgan Stanley for an aggregate amount of \$646.9 million.

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Represented Arden Real Estate Partners III, L.P. and certain of its affiliates in the recapitalization of its ten million sq. ft. industrial portfolio valued at over \$700 million, and in its programmatic joint venture with the U.S. arm of Arcapita Group, a Bahraini-based institutional investor. This complex transaction involved 22 assets in multiple states and followed an Ijari Shariah structure. The representation drew on the experience of the firm's real estate, corporate, and tax attorneys.

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Represented Blue Lake Capital in its \$80 million, acquisition of a 360-unit multifamily complex in Duluth, Ga., on a short timeline. The representation involved reviewing and negotiating the loan documents in just over two weeks, providing the non-consolidation opinion required by the lender, and negotiating a full management agreement.

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Represented affiliates of Equus Capital Partners, Ltd. in a multi-tiered transaction that included the sale of two portfolios of industrial assets totaling 88 properties throughout the Southeastern United States in a transaction with a value in excess of \$1 billion. As lead counsel our representation included negotiating, documenting, and closing the sale and purchase transactions establishing two new joint ventures with the real estate affiliates of the contract purchaser for the acquisition, ownership, and management of the portfolio, and negotiating the terms of and closing two single-asset CMBS loans originated by Goldman Sachs in the aggregate amount of \$686 million.

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Represented the managing member and 50 percent equity investor in an Opportunity Zone

development of a student housing project, with related retail, in a unique transaction that combined Opportunity Zone tax advantages, educational non-profit participation, financing from a national bank, and subordinate financing from a local development fund.

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Represented Radial, Inc., a Bpost company, in its 760,000 sq. ft. industrial lease for an e-commerce fulfillment center located in metropolitan Atlanta. The representation included negotiation of more than \$9 million in tenant improvements with issuance of two series of economic development revenue bonds, with a maximum principal amount of \$81 million, and documenting discretionary tax incentives with an estimated value in excess of \$3 million.

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Represented the U.S. subsidiary of global investment management company in its \$110.25 million acquisition of, and \$71.7 million financing in connection with, a 207,000 sq. ft., four-story, new construction, single-tenant office building located within the Lincoln Yards Development in Chicago. This representation included negotiation of acquisition and financing documents, coordination of sharia-compliant documents with con-counsel, conducting title and survey review, drafting organizational documents, and preparing for and handling the closing of both the acquisition and the loan.

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Represented the borrower in a \$133 million construction loan for property located adjacent to Nationals Park in Washington, D.C.

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Represented a lender in connection with an \$11.5 million permanent financing loan secured by property located in Loudoun County, Va., which included due diligence regarding the collateralization of land ground leased to national tenants.

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Represented a syndicate lender in connection with a \$50 million piece of an approximately \$150 million credit facility secured by a data center in Northern Virginia.

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Represented a syndicate lender in connection with a \$50 million piece of an approximately \$500 million credit facility secured by a data center in Northern Virginia. The representation included the negotiation of intercreditor and co-lender provisions as well as due diligence related to the underlying data center lease.

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Represented real estate developer Parkway Corporation in connection with the zoning, construction, leasing, and \$187 million financing of a new office tower at 2222 Market Street in Philadelphia. The 19-story tower will have 305,000 square feet of rentable space. This transaction drew on the experience of the firm's real estate; construction; corporate; tax; bankruptcy, insolvency & restructuring; and environmental attorneys.

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Represented an equity sponsor in its \$80 million acquisition of a 500-unit, luxury multifamily property in Atlanta, which included providing counsel on a \$60 million agency loan and a \$9 million preferred equity joint venture agreement.

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Represented a borrower in connection with a \$15 million construction loan for the development of a last-mile flex/industrial warehouse in Prince George's County, Md.

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Represented the borrower in connection with a \$30.5 million refinance with Fannie Mae for a multifamily property in Maryland, including representing the borrower in connection with a defeasance of its existing loan.

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Represented a participant bank in connection with a \$1.25 billion construction loan for the development of an office tower in New York City.

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Represented institutional lenders and real estate investment trusts in connection with fixed and

floating rate securitized conduit lending programs.

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Represented an institutional lender in connection with a \$300 million syndicated construction loan secured by a Marriott hotel and a PGA golf course in San Antonio.

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Represented a real estate debt fund in connection with loan modifications with respect to distressed real estate.

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Represented a publicly traded real estate investment trust in connection with several multi-property UPREIT transactions, ranging from \$30 million to \$100 million.

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Represented an institutional lender in connection with a \$50 million revolving credit facility, which enables the borrower to periodically draw down bridge loans to acquire commercial properties that are simultaneously restructured as ground-leased assets subject to separate ground lease financing. The initial draw on the facility was used to finance the acquisition of five properties in four different states and required the negotiation of the mortgage loan documents, the ground lease documents, and recognition agreements with each of the leasehold lenders.

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Represented an institutional lender in connection with a \$340 million loan for the construction of a platform and foundation spanning an active rail line in New York City.

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Represented an institutional lender in connection with a \$278 million multi-phase condominium construction loan in Flushing, N.Y.

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Represented the borrower in a \$40 million construction and project loan for a condominium development in New York City.

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Represented a lender in connection with a \$75 million revolving credit facility secured by promissory notes and accounts receivable in residential properties eligible for low-income housing tax credits.

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Represented a real estate fund in the acquisition and financing of a ground lease for a major metropolitan office complex. The ground lease financing was comprised of a senior construction mortgage loan and mezzanine financing in the total amount of \$255 million.

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Represented a real estate fund in a refinancing for the redevelopment of a large office park in Somerset County, New Jersey. The total loan amount was \$155 million, including construction advances of \$77 million. The property consisted of multiple large office buildings and an amenities building. The transaction also included zoning issues related to the build-out of a major tenant space and the donation of an interior parcel to the property owner's association.

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Represented a bank in connection with making a permanent loan of \$50 million, on a non-recourse basis, on a one million sq. ft. industrial/warehouse project in California's Central Valley. This representation involved extensively renegotiating the non-recourse carve outs with the borrower to protect the bank.

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Represented a real estate development and management company located in Southeastern Pennsylvania in multiple financing transactions in New Jersey and Pennsylvania, including one for the construction and development of a residential complex of more than 400 units that will transform the client's existing shopping center in Exton, Pa., into a first-class, multi-use project.

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Represented a global real estate investment firm in the negotiation of a programmatic joint venture with California State Teachers' Retirement System to create a joint venture to invest in land deals for single-family home development in the eastern United States. The representation included negotiating the joint venture agreement and representing the joint venture in connection with various

land deals.

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Advised McCarthy Cook & Co. in a \$179.7 million acquisition of Castro Station, a three-building class A office campus in downtown Mountain View, Calif., whose seven tenants include Dropbox. The acquisition was completed through a joint venture with Northwestern Mutual Life Insurance Company.

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Represented institutional sellers in a portfolio sale of multiple industrial properties located in Georgia, Colorado, Texas, and Nevada for an aggregate sale price in excess of \$300 million. We negotiated the agreements of sale and closed the transaction on behalf of the sellers, which were multiple joint ventures our client had formed with various affiliates of a Denver-based real estate developer.

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Represented the Los Angeles County Metropolitan Transit Authority (Metro) in connection with a joint funding agreement with the California High-Speed Rail Authority (Authority) allocating \$76.7 million in Proposition 1A bond funds toward a major grade separation project at the intersection of Rosecrans Avenue and Marquart Avenue in Los Angeles. This intersection was deemed the highest-priority railroad grade crossing in California, and the project to build a vehicular bridge over existing railroad tracks is expected to cost \$155.3 million. It is the first project to be funded under Proposition 1A (the High-Speed Rail Act). The agreement between the Metro and the Authority took more than 12 months to complete and required additional agreements with the BNSF Railway and the City of Santa Fe Springs.

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Represented a private equity fund in the acquisition and financing of the Chevy Chase Embassy Suites Hotel. The representation required the negotiation of the condominium documents to establish a condominium regime for the mixed-use office, retail, hotel, and parking project of which the hotel is part and which was a precondition to closing the transaction, and the negotiation of the acquisition financing documentation and the franchise and hotel management arrangements for the hotel.

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Represented a real estate development firm in the refinancing of the 325-room Hilton Hotel at Penn's Landing in Philadelphia. Negotiations focused on a \$55 million mortgage and a \$20 million mezzanine loan had commenced shortly after the client transferred the hotel to a Hilton flag, which required the funding, preparation, and implementation of a Property Improvement Plan (PIP). This representation included negotiating the incorporation of the PIP into the refinance plan, as well as multi-party negotiations over the subordination agreement between the lenders and the independent manager.

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Represented a newly formed Delaware Special Purpose Entity affiliated with our client, Merion Realty Partners, LLC, in connection with its \$58 million acquisition of Champions Walk Apartment Complex in Bradenton, Fla. In addition to the acquisition, the project included preparation of the private placement documents and joint venture agreement with a large institutional investor and large public trust, a \$45.9 million agency loan, issuance of a Florida Opinion, a Delaware Single Member LLC Opinion, and a U.S. bankruptcy non-consolidation opinion.

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Represented Greenpoint Manufacturing and Design Center Local Development Corporation in the acquisition, development, and financing of an 85,000 sq. ft. manufacturing facility in Queens, N.Y. The cost of the acquisition and development of the Ozone Park project is an estimated \$40 million. The project was financed through several incentive programs, including New Markets Tax Credit financing, Historic Tax Credit financing, grant funds from New York City's Economic Development Corporation, grant funds from the State of New York, Industrial Development Agency tax benefits through a PILOT program, and bridge financing through the New York City Partnership Foundation.

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Represented Rodman Properties, Inc. in connection with its acquisition of seven multifamily properties. The \$129 million portfolio purchase included approximately 1,000 units and was the client's largest acquisition as of the closing date. The transaction involved both Fannie Mae and

conventional mortgage financing as well as a \$39 million private equity offering.

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Represented Independence Realty Trust, and Independence Realty Operating Partnership, LP and various subsidiaries, as borrowers and guarantors in connection with a \$300 million credit facility. The lenders comprised a syndicate of ten banks led by Citibank NA and KeyBank NA. Independence Realty Trust is a multifamily apartment real estate investment trust that owns and manages 46 multifamily communities in the southeastern and midwestern regions of the United States.

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Represented private equity funds sponsored by The Arden Group, Inc. in the nine-figure acquisition of the downtown Sheraton Atlanta Hotel, including 763 guest rooms and 90,000 sq. ft. of meeting space. Assisted the client in the negotiation and documentation of the purchase and sale agreement with the property owner, the franchise agreement with Starwood, the hotel management agreement with Merritt Hospitality, and the acquisition and capital improvement financing provided by Apollo Commercial Real Estate Finance.

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Represented a joint venture in connection with the financing of a mixed-use development project along the H Street Corridor in Washington, D.C.

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Represented a real estate investment firm in the \$136 million acquisition of a New Jersey corporate center encompassing several four-story buildings, totaling approximately 820,000 sq. ft., on a 176-acre site. The deal included a \$123 million term loan from a syndicate of lenders.

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Represented CenterSquare Investment Management in its acquisition, financing, and joint venture for 770 L Street in Sacramento, Calif.

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Represented Winthrop Realty Trust in its debt restructuring and equity for 1515 Market Street in Philadelphia.

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Represented The Arden Group in its acquisition and debt financing for The Atrium in Los Colinas, Texas.

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Represented a private equity fund in its acquisition, in joint venture with affiliates of Carey Watermark and Marcus Hotels and Resorts, of the 372-room Atlanta Westin Perimeter Hotel. In less than 30 days, the team and co-counsel negotiated and concluded the acquisition, joint venture, hotel management, and franchise and loan documentation. Total acquisition and committed property improvement costs were \$57 million.

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Represented a real estate investment management firm in its investment in and financing of the majority interest in a \$2.5 billion joint venture formed to develop or redevelop a portfolio of 93 assets on 42 development sites located throughout the greater Washington, D.C., metro area as office, retail, hotel and multifamily residential.

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Represented a large private equity fund in obtaining permanent financing for a North Carolina-based joint venture in order to refinance approximately \$30 million of preferred equity.

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Represented a large Philadelphia-based developer in the restructuring of a joint venture agreement for an existing multifamily apartment project located in Baltimore, which included the contribution of \$9 million of additional equity by a new preferred equity investor.

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Represented a real estate investment trust in connection with the acquisition of whole loans, participations, A/B notes, and mezzanine interests and has experience in negotiating both intercreditor and participation agreements.

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Represented FNMA DUS lender in connection with the origination of commercial mortgage loans

secured by multifamily properties throughout the country.

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Represented an institutional investor in the restructuring of significant portions of a multibillion dollar real estate portfolio.

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Represented a major financial institution in restructuring numerous real estate joint ventures involving in excess of \$400 million in the aggregate.

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Negotiated and documented a workout in which the borrower provided additional collateral consisting of a 50 percent interest in a shopping mall and then acquiring such interest in a subsequent workout.

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Represented a borrower in structuring a deed in lieu transaction (in the context of a confirmed bankruptcy plan) to facilitate a §1031 deferred exchange.

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Represented a large Connecticut-based developer in the sale of federal historic tax credits and the related construction loan refinancing to convert an abandoned warehouse into a 235 unit, residential apartment building. We also handled the later \$30 million refinancing of the project with Freddie Mac as part of its capital markets execution program for large multifamily loans.

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Represented private equity client in connection with a \$15 million loan secured by: (I) multiple real estate parcels, (II) pledge of membership interests, (III) pledge of cash collateral account held by third party and (IV) a personal guaranty. Proceeds of this loan were utilized, together with proceeds of other private/institutional lenders and bond offerings to develop a multi-use project in Cleveland.

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Represented the developer of a New York residential condominium development in connection with a work/out restructuring of three loans.

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Represented a lender making a loan in connection with a major mixed use development in the Cleveland area.

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Represented the buyer of a loan secured by a failed residential condominium development in the Philadelphia area.

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Represented a private equity fund in acquiring a distressed loan secured by a major office building in the southeast United States and a contemporaneous deed in lieu transaction.

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Represented a private equity fund in acquiring a loan secured by a failed residential high-rise condominium development in the Southeast United States.

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Represented a nationally known private equity fund in the overhaul of a distressed portfolio of national real estate assets involving the restructuring of several hundred million dollars of senior debt and recourse guaranties, and extensive modification of the internal equity structure of scores ownership entities.

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Represented a joint venture owning a super regional shopping center in one of the largest commercial mortgage-backed securities (CMBS) loans closed in 2010.

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Structured and negotiated acquisition and equity and debt financing of a \$20 million, 1,800,000 sq. ft., industrial and office facility in Tinicum Township, Pa. Responsible for evaluation and underwriting of transaction, due diligence and closing processes, negotiation and documentation of acquisition, joint venture equity, and debt financing transactions and management arrangements.

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Represented the borrower in the construction loan financing for the development of retail shopping center known as Oxford Commons, located in Oxford, Pa.

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Represented a major international bank as a lead lender for a syndicate of lenders in connection with a \$103 million construction loan to be advanced in connection with the construction of an 11-story office building of approximately 321,000 sq. ft., located in Washington, D.C.

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Represented a major international bank and a syndicate of lenders in a loan of approximately \$318 million for the construction of a resort hotel and spa outside of San Antonio.

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Represented a major international bank as a lead lender for a syndicate of lenders in connection with a construction loan of approximately \$168 million to be advanced for the renovation, repositioning and reconstruction of an existing retail center located in Hampton, Va.

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Represented a major international bank and a German bank as lead lenders in connection with a syndicated acquisition and development loan in excess of \$400 million.

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Represented a major international bank in connection with the increase and modification of a construction loan. The aggregate loan proceeds, in excess of \$80 million, were funded for the renovation of an existing midtown (New York City) south residential building and its conversion to operation as a hotel.

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Represented Liberty Property Trust in the development, leasing and debt/equity financing of the \$500 million Comcast Center office tower in Philadelphia.

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Represented a major international bank, as agent for a syndicate of lenders, in connection with the conversion of a construction loan in the approximate principal amount of \$150 million into a loan secured by the unsold shares in a newly-constructed leasehold cooperative apartment building in New York City.

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Represented a borrower in a \$230 million commercial mortgage-backed securities loan secured by a regional shopping mall.

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