

Handled the Refinancing of a 36-Hole Golf Course

SmithAmundsen's real estate team handled the refinancing of a 36-hole golf course (Country Club Facility) owned by Whitaker Golf, Inc., a Subchapter S Corporation. The refinancing allowed the client to significantly reduce operating costs and as a part of the refinancing certain minority interests in the enterprise were acquired. The refinancing should permit the client to start realizing a profit from the enterprise. We acted as borrower's counsel and negotiated the loan terms and documents. Part of the complication of the transaction was that in order to create a tax basis the loan had to be structured as a loan to the shareholders with a guaranty by the corporation. The loan documents contained covenants typical to a corporate borrower and cross default/cross collateralization terms which had to be extensively renegotiated because of the varying business interests of the shareholders.

PROFESSIONALS

Brad Goss
Partner

Lisa A. Johnson
Partner

Elizabeth H. Lum
Partner

RELATED SERVICES

Real Estate, Zoning & Public
Finance