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FOR IMMEDIATE RELEASE

TERRA CLOSSES HOTEL MEZZANINE LOAN IN FORT WORTH, TEXAS

NEW YORK, NY - Terra Capital Partners ("Terra") is pleased to announce the closing of a three-year, \$8.8 million mezzanine loan backed by the Fort Worth Sheraton Hotel & Spa, a 431-room full-service downtown hotel adjacent to the city's convention center. Terra continues to close hotel loans in both primary and secondary markets - often with earnouts and PIP financing - providing flexibility and speed for transactions that require higher leverage debt than is available from senior lenders.

"This was a very complex deal," said Bruce Batkin, President and CEO of Terra Capital. "The hotel had been operating in bankruptcy and was facing imminent foreclosure. Our financing was part of a \$58 million capital stack that enabled the borrower to acquire the hotel out of bankruptcy through a section 363 sale."

Instead of simply providing capital, Batkin said, due to the impending foreclosure, Terra had to quickly - and proactively - sort through a tangle of legal issues and devise solutions that addressed the concerns of not only the new lenders and equity providers but resolve issues of the various creditors in the bankruptcy.

"Our piece of the capital structure was critical to facilitating the purchase of the hotel and funding a \$4 million property improvement program, which will allow the sponsor to implement a new marketing and management program," added Batkin. "We believe the combination of a talented new management team, the redesign of the lobby, restaurant and bar, and the expansion of the convention business in Fort Worth will lead to increased RevPAR, cash flow and a significant increase in value for the new owner."

Sushil Patel, president of Presidio Companies, a Fairfield, California-based firm that purchased the asset, said: "Terra Capital Partners played an invaluable role helping to structure this complicated deal, managing the interests of multiple parties and closing within a tight timeframe. While most lenders are concerned only with providing capital and looking after their own interests, Terra was proactive in helping to resolve our issues with the other participants in the transaction, even though the issues didn't directly affect Terra."

Terra is a New York based non-bank lender that specializes in mezzanine and preferred equity investments in high quality commercial real estate. Terra fills the gap between the first mortgage and the borrower's equity by funding up to 85% of the value of the underlying property. Our firm lends on multifamily, hotel, office, retail and industrial properties throughout the United States. Since 2002, we have made 300 investments nationwide in approximately 41 million square feet of property valued at over \$5 billion.

Bruce Batkin, President and CEO
212 753 5100
bbatkin@tcp-us.com

Jade Faugno, Account Supervisor
212 754 5425
jfaugno@intermarket.com