



TerraCap Partners Acquires 120-Room Hotel in Fort Myers Beach, Fla.

- Latest deal advances firm's distressed commercial real estate strategy -

NAPLES, Fla., Nov. 14, 2012 /PRNewswire/ -- TerraCap Partners is pleased to announce it has acquired a 120-room Hampton Inn & Suites hotel in Fort Myers Beach, Fla. Located at 11281 Summerlin Square Drive, the property is just 2.5 miles from two highly-trafficked tourist destinations: Fort Myers Beach and Sanibel/Captiva Beaches.

Hotel amenities include two boardrooms with 800 square feet of meeting space, a business center, an outdoor pool and courtyard and a 14-table (62-seat) complimentary breakfast area. Since November 2011, the property has been managed by Aimbridge Hospitality, which currently oversees more than 86 hotels and 24 resorts in the United States and the Caribbean. TerraCap will maintain the Hampton Inn & Suites brand name.

“This is a top-notch property that we were able to close at less than 50 percent of replacement cost, just as we accomplished with our purchase of the Coconut Office Center back in September,” said W. Stephen Hagenbuckle, founder and co-managing partner of TerraCap. “In addition to the strength of the Hampton Inn & Suites brand name, this deal, which marks our second hotel purchase, demonstrates our ability to take advantage of high-quality distressed commercial real estate opportunities.”

This acquisition is just one of several recent purchases from TerraCap Partners II, the firm's latest opportunity fund. So far, TerraCap's second fund has made nine investments comprising more than 600,000 square feet of apartments, office, light industrial, hotel and mixed-use properties and 330 acres of land. The firm is close to completely harvesting its first fund, launched in 2009, whose purchases of distressed Florida real estate have recorded IRRs of approximately 30 percent.

“With the residential real estate market rebounding, we're now going to see the same in the commercial sector,” said TerraCap co-managing partner Bob Gray. “The growing rate of foreclosed commercial properties has opened up attractive investment opportunities that, through our unique investment approach, we've been able to leverage over other potential buyers.”

About TerraCap Partners

Based in Naples, Fla., TerraCap Partners was founded in 2008 by W. Stephen Hagenbuckle to take advantage of the distressed real estate markets in Florida. The firm's first fund, TerraCap Fund I, closed in December 2010 and has executed 15 deep value land investments in high growth markets in southwestern Florida. The firm is currently raising its second fund with an initial target of \$200 million. TerraCap Fund II is focused

more broadly on southeastern U.S. and mainstream commercial properties. Commercial real estate veteran Robert Gray joined the firm in 2011 as co-managing principal, bringing his experience from a career at JPMorgan, Morgan Stanley and Cantor Fitzgerald.

The firm takes a thematic approach to its investment activities with an emphasis on understanding real estate and migratory trends, banking regulatory pressures, and general market inefficiencies to acquire real estate assets that are mispriced, overlooked or undervalued. TerraCap's prides itself on being able to close transactions quickly with all cash. For more information please visit www.TerraCapMgmt.com.

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