



HREC Capital Markets Group Arranges \$30.9 million Refinancing of Eight Midwest Hotels

(Denver, Colorado; San Diego, California) – HREC Capital Markets Group, the dedicated capital markets team within HREC Investment Advisors, is pleased to announce it arranged the refinancing of the eight property, 1,084-key Stoney Creek Hotel Portfolio on behalf of Stoney Creek Hospitality Corporation, based in Mason City, Iowa. The portfolio refinancing includes the Stoney Creek Hotels in Columbia, MO, Johnston, IA, Galena, IL, Quincy, IL, St. Joseph MO, Moline, IL, Peoria, IL, and Sioux City, IA. The non-recourse loan was provided by BMO Capital Markets, served to pay off various maturing debts, and features a 10-year term, a fixed rate of 6.44%, a three-year interest only period and thirty-year amortization thereafter.

The negotiations were led by Greg Porter, Managing Director – Capital Markets, in HREC’s San Diego office. “We are pleased to have sourced an elegant financing solution for the Stoney Creek Hospitality team in the midst of a challenging debt market for independent-branded hotels. The quality of the hotel product and team made the difference,” stated Greg Porter.

Four Corners Advisors, Inc., led by its founder and CEO, Michael Shindler, provided strategic advisory services to Stoney Creek Hospitality in connection with the structuring and closing of the financing. Shindler commented, “This financing had multiple complexities – including a ground lease with a municipality -- that both BMO and HREC needed to assimilate. We were beyond pleasantly surprised that we could achieve Stoney Creek’s needs for this portfolio in a CMBS structure, and Greg and his team at HREC kept the Stoney Creek team focused on the solution, while BMO stayed with this to the finish.”

Founded in 1994 by entrepreneur Jim Thompson, Stoney Creek Hospitality is an independent boutique hotel brand rated “Upscale” by Smith Travel Research – the same rating as Courtyard, AC by Marriott, Hilton Garden Inn, DoubleTree, Residence Inn, and Hilton Tapestry Collection. The Stoney Creek Hotel brand is framed around a woodsy and genuine home-away-from-home lodging experience for both business and leisure travelers that leaves a lasting impression that cannot be achieved by a generic “big brand” hotel. Stoney Creek Inn and Stoney Creek Hotels and Conference Centers were built out of a love for travel and a passion for genuine hospitality. The success of the Stoney Creek brand is evidenced by high Trip Advisor ratings – the average Trip Advisor ranking amongst the eight hotels in their respective submarkets is in the top 20th percentile.

About HREC®: HREC® is the nation’s leading lodging and gaming real estate advisory firm specializing in property sales, mortgage brokerage, equity/JV structuring, consulting including market studies, and litigation support. With 20 offices throughout North America, HREC® is distinguished by unwavering commitment to client service and success through its team approach, intellectual capital, and hotel/casino specialization.

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