



HIGHLAND REALTY CAPITAL SECURES EQUITY AND DEBT FINANCING FOR NAPA VALLEY HOTEL ACQUISITION

Los Angeles, CA – February 4, 2014 – Highland Realty Capital, Inc. (“HRC”) arranged \$42,500,000 in bridge financing and \$4.5 million in equity for the acquisition of a 74-room boutique located on Hwy 29 in St. Helena, CA. The sponsor, Palmer City-Core Hotels (“PCCH”), a partnership between The Charlie Palmer Group and San Francisco based City-Core Development acquired The Harvest Inn at the end of January for an undisclosed amount.

PCCH is planning to add F&B services to the property including a 100-seat Charlie Palmer concept restaurant as well as a catering department to handle wedding and corporate retreat business in-house. “We are very excited to expand our footprint in the valley down from Healdsburg where we have had a lot of success at Hotel Healdsburg and Dry Creek Kitchen,” says Charlie Palmer. The hotel resides on 7.5 acres and opens on to the Whitehall Lane Leonardini Vineyard that offers an incredible setting to the 65 annual weddings and other group events.



HRC sourced the non-recourse bridge loan with a San Francisco based debt fund that financed the transaction through an on-book program. HRC raised a portion of the equity through a private offshore family with whom HRC principal Brad Sevier has a long standing relationship. “We are very comfortable with PCCH’s ability to execute the business plan, having handled the acquisition financing and refinancing for their 82-room Mystic Hotel in San Francisco,” says HRC principal Mike Guterman. “City-Core has an outstanding track record adding value to real estate projects, and Charlie Palmer is a world-class restaurateur. This hotel will benefit greatly by the full-service experience that PCCH can create.”

About Highland Realty Capital

Highland Realty Capital is a leading commercial real estate financing firm. The principals have a track record of more than \$5 billion in successful transactions. HRC represents owners and developers of commercial real estate in the office, industrial, retail, hospitality, multifamily, and residential market sectors throughout the United States. With offices in Los Angeles and San Francisco, HRC adds value for its clients through its depth of experience, longstanding capital relationships, and distinctive talents for arranging and structuring fixed and floating rate loans, construction loans, bridge financing, mezzanine debt, and joint venture equity.