

SoTHERLY Hotels Inc. (NASDAQ: SOHO; Williamsburg, VA) Closes Offering of \$25.3 Million in Senior Notes

Sandler O'Neill + Partners, L.P. served as sole book-running manager for this offering. This transaction is the 13th senior or subordinated debt transaction for a financial services company since January 1, 2014 in which Sandler O'Neill has acted as a book-runner or placement agent.⁽¹⁾

About the Offering:

SoTHERLY Hotels Inc. (NASDAQ: SOHO) (the "Company") today announced the closing on the 7.00% senior unsecured notes due 2019 (the "Notes") offered by its operating partnership, Sotherly Hotels LP (the "Operating Partnership"). The aggregate principal amount of the Notes is \$25.3 million. The total net proceeds were approximately \$23.7 million after deducting underwriting discounts and commissions and estimated offering expenses. The Notes are expected to trade on the NASDAQ® Global Market under the symbol "SOHOM" within 30 days.

The Company expects the Operating Partnership to use a portion of the net proceeds from the offering to repay the \$19.0 million secured Bridge Financing with Richmond Hill Capital Partners, LP and Essex Equity Joint Investment Vehicle, LLC which carries a 12.0% yield-to-maturity. The Company expects the Operating Partnership to use the remaining net proceeds from the offering for general corporate purposes.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.



About the Company:

SoTHERLY Hotels Inc. is a self-managed and self-administered lodging REIT focused on the acquisition, renovation, upbranding and repositioning of upscale and upper upscale full-service hotels in the Southern United States. Currently, the Company's portfolio consists of investments in twelve hotel properties, eleven of which are wholly-owned and comprise 2,698 rooms. The Company also has a 25.0 percent interest in the Crowne Plaza Hollywood Beach Resort. Most of the Company's properties operate under the Hilton Worldwide, InterContinental Hotels Group and Starwood Hotels and Resorts brands. SoTHERLY Hotels Inc. was organized in 2004 and is headquartered in Williamsburg, Virginia.

⁽¹⁾ Source: SNL Financial.

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