



PACIFIC HOSPITALITY GROUP®

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**PACIFIC HOSPITALITY GROUP ANNOUNCES ACQUISITION OF AC HOTEL NEW ORLEANS
BOURBON/FRENCH QUARTER AREA**

IRVINE, Calif. (September 17, 2015) Cotton Exchange Investment Properties, LLC, an affiliate of [Pacific Hospitality Group](#) (PHG), has announced the purchase of [AC Hotel New Orleans Bourbon/French Quarter Area](#) from an affiliate of Dallas-based NewcrestImage, LLC.

“We continually look to complement our expanding hospitality portfolio with exceptional properties that deliver unique experiences for both leisure and group travelers,” said Tim Busch, CEO of Pacific Hospitality Group. “We are excited to be the owners of the first AC Hotel by Marriott in North America and look forward to being an integral part of the New Orleans community.”

AC Hotel New Orleans, which opened November 2014, is located in the Bourbon/French Quarter area of New Orleans, an ideal location to seamlessly blend business with pleasure. The hotel’s location and proximity to many dining and shopping options allows guests to immerse in the authenticity of New Orleans’ most iconic neighborhood.

“AC New Orleans is our first of many acquisitions into the high-end select service space whose new leader is AC Hotel by Marriott. This new lifestyle brand nicely complements our luxury hotels within the Meritage Collection and provides us the opportunity to diversify into new growth markets,” said Kory Kramer, chief investment officer of Pacific Hospitality Group.

Located in the historic Cotton Exchange building in downtown New Orleans, the hotel’s chic accommodations include 220 comfortable guest rooms, some of which include sweeping city views.

The neo-classical building was originally constructed in 1921 and has been transformed into an institutional quality asset having undergone a major state of art conversion into a sleek, European-inspired boutique hotel. The hotel has an enviable pedigree as the first AC Hotel by Marriott to open in the Americas. The 8-story hotel building includes the AC Kitchen serving the signature AC breakfast, the AC Lounge, serving cocktails, beer, wine, and small plates, the AC Market offering unique local sundry items, fitness center, business center, laundry facility, and over 2,200 sf of meeting space including the 1,901 sf ballroom ideal for hosting a small get-together for as few as 10 people or a larger scale event for as many as 168.

Advisory services on the transaction were provided by Bill Hodges and Michael DiPrima of Hodges Ward Elliott. Buyer legal counsel was The Busch Firm and Stone Pigman. Seller legal counsel was Akin Gump.

About Pacific Hospitality Group

Since 1987, Pacific Hospitality Group (PHG) has maintained a strategic vision and strong sense of core values as guiding principles for business success. With luxury hotel properties from Napa Valley to Southern California, PHG's growing portfolio of hotel and resort investments reinforces the company's cohesive vision. PHG manages, develops, finances, and owns hotel assets in California including its Meritage Collection properties such as Bacara Resort & Spa in Santa Barbara, Balboa Bay Resort in Newport Beach, Estancia La Jolla Hotel & Spa, and The Meritage Resort and Spa in Napa Valley along with Paséa Hotel & Spa in Huntington Beach opening in early 2016. In addition, the company owns and operates the Wyndham Anaheim Garden Grove, AC Hotel New Orleans Bourbon/French Quarter Area, DoubleTree by Hilton Irvine Spectrum, and DoubleTree by Hilton Santa Ana / Orange County Airport. PHG successfully operates its hotels by consistently growing revenue while effectively managing costs, thereby maximizing each hotel's NOI. By using a cluster strategy, PHG is committed to growing its market share and adding value to its portfolio through renovations, repositioning, and expansion. www.pacifichospitality.com

About AC Hotels by Marriott

AC Hotels by Marriott is a lifestyle brand within the Marriott International global portfolio of 19 brands. The brand currently offers a portfolio of more than 80 hotels in Spain, Italy, Portugal, Denmark, Turkey, France and the United States. Growth plans include more than 60 hotels set to open within the next three years throughout the U.S., Canada and Latin America. AC Hotels by Marriott debuted its first U.S. location in November 2014 in the iconic Cotton Exchange Building in New Orleans, followed by AC Kansas City in March 2015, AC Hotel Washington D.C. at National Harbor in April 2015, AC Chicago in May 2015, and AC Hotel Miami Beach in June 2015. For more information, visit <http://achotels.marriott.com>.

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Media Contact:

Kristal McKanders
Pacific Hospitality Group
Office 949-861-4700, ex. 350
kmckanders@pacifichospitality.com