



PACIFIC HOSPITALITY GROUP®

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**PACIFIC HOSPITALITY GROUP ANNOUNCES THE ACQUISITION OF TWO NEW
AC HOTELS BY MARRIOTT® PROPERTIES IN ARIZONA AND CALIFORNIA**

IRVINE, Calif. (June 27, 2016) PHG Hotel Fund I, LLC, an affiliate of [Pacific Hospitality Group](#) (PHG), has announced the purchase of **AC Hotel® Phoenix Tempe/Downtown in Tempe, Ariz.** and **AC Hotel® Irvine in Irvine, Calif.** from [Woodbine Development Corporation](#) and USAA.

“We are excited to welcome AC Tempe as our company’s first hotel in the Phoenix area, and eager to unveil AC Irvine as a terrific addition to our existing significant presence in Orange County,” said Tim Busch, chief executive officer of Pacific Hospitality Group. “These two AC Hotels are on the cutting edge of new boutique hotel development and appeal to the next generation of business and leisure travelers who demand a discerning lifestyle experience.”

The recently opened AC Hotel Tempe is situated at Hayden Ferry Lakeside, an urban mixed-use development consisting of restaurants, shopping, outdoor recreation, residential, office space and condominiums. This hotel features a rooftop pool with a terrace, 1,000 square feet of meeting space, AC Kitchen and Lounge, and a fitness facility.

Guests have convenient access to the city’s cultural and recreational activities, and an array of nearby diverse demand drivers for visitors, including Arizona State University’s Campus, Sun Devil Stadium, and the Mill Avenue District restaurants and shopping.

“Our investment strategy is opportunistic and seeks high-end boutique select service hotel assets in urban top-tier markets that have excellent locations and long-term growth potential generating strong and consistent returns,” said Kory Kramer, chief investment officer of Pacific Hospitality Group. “Both AC Tempe and Irvine serve as the foundation for our PHG Hotel Fund I. We couldn’t be more thrilled given the quality of assets and investment potential.”

AC Hotel Irvine is a new-build development located in the heart of Orange County in a premium urban project known as Park Place, a 105-acre mixed-use master development consisting of office space, restaurants, retail, residential and on-site fitness center. This modern, design-driven hotel features a second story pool with terrace, 1,500 square feet of meeting space, an AC Kitchen and Lounge and a fitness facility. The first floor will also feature a leased Mexican street food style restaurant to be announced soon.

Conveniently located less than two miles from John Wayne International Airport, the hotel also offers guests access to many different art offerings, shopping venues, theme parks, and several recreational activities from hiking and biking to surfing at one of the many nearby beaches.

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About Pacific Hospitality Group

Established in 1987, Pacific Hospitality Group (PHG) is a growing hospitality company with 12 hotels, resorts and club assets across the United States. Based in Irvine, Calif., the company finances, manages and owns a portfolio of lifestyle and luxury properties known as the Meritage Collection. Bacara Resort & Spa in Santa Barbara, Balboa Bay Resort in Newport Beach, Estancia La Jolla Hotel & Spa, The Meritage Resort and Spa in Napa Valley, Ko'a Kea Hotel & Resort in Kauai and the recently opened Paséa Hotel & Spa in Huntington Beach comprise the Collection. PHG also serves as the owner-franchisee for the following properties: Wyndham Anaheim Garden Grove, AC Hotel Phoenix Tempe/Downtown, AC Hotel Irvine, AC Hotel New Orleans Bourbon/French Quarter Area, DoubleTree by Hilton Irvine Spectrum, and DoubleTree by Hilton Santa Ana/Orange County Airport. The company attributes its success to maximizing the net operating income of its properties through consistent revenue growth and effective cost management. Other PHG affiliated assets include Trinitas Cellars, Balboa Bay Club and Newport Beach Country Club. For more information, visit www.pacifichospitality.com or www.linkedin.com/company/pacific-hospitality-group.

AC Hotels by Marriott

AC Hotels by Marriott®, a lifestyle brand that celebrates a new modern aesthetic complemented by a European soul and Spanish roots boasts design-led hotels in Spain, Italy, Portugal, Denmark, Turkey, France and the United States. Design-driven AC Hotels edit away the unnecessary to remove friction, providing thoughtfully designed moments of beauty, allowing guests to focus on what's important to them. Property highlights include design-savvy guest rooms with sleek furnishings and intuitive technology features. For more information, visit ac-hotels.com.

Marriott International, Inc. (NASDAQ: MAR) is a global leading lodging company based in Bethesda, Maryland, USA, with nearly 4,500 properties in 87 countries and territories. Marriott International reported revenues of more than \$14 billion in fiscal year 2015. The company operates and franchises hotels and licenses vacation ownership resorts under 19 brands, including: *The Ritz-Carlton®*, *BVlgari®*, *EDITION®*, *JW Marriott®*, *Autograph Collection® Hotels*, *Renaissance® Hotels*, *Marriott Hotels®*, *Delta Hotels and Resorts®*, *Marriott Executive Apartments®*, *Marriott Vacation Club®*, *Gaylord Hotels®*, *AC Hotels by Marriott®*, *Courtyard®*, *Residence Inn®*, *SpringHill Suites®*, *Fairfield Inn & Suites®*, *TownePlace Suites®*, *Protea Hotels®* and *Moxy Hotels®*. Marriott has been consistently recognized as a top employer and for its superior business ethics. The company also

manages the award-winning guest loyalty program, Marriott Rewards® and The Ritz-Carlton Rewards® program, which together comprise nearly 56 million members. For more information or reservations, please visit our website at www.marriott.com, and for the latest company news, visit www.marriottnewscenter.com.

About Woodbine Development Corporation

Woodbine Development Corporation is a full-service real estate company with over 40 years of development, investment/acquisition and asset management experience. With offices in Dallas, Phoenix and Los Angeles, Woodbine specializes in hotels, resorts and mixed-use developments throughout the United States. Since 1973, the company has been involved in more than \$7 billion in commercial real estate projects, among them the development, ownership and/or asset management of more than 7,000 hotel rooms with a portfolio that features major hospitality brands and independent hotels alike. To learn more, visit www.woodbinedevelopment.com.