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Carey Watermark Investors Announces Lease With Hard Rock Cafe At Chateau Bourbon

Completion of Hotel Rebranding as "Hyatt French Quarter" On Schedule for Mid-May

NEW YORK, NY--(Marketwire - Apr 30, 2012) - [Carey Watermark Investors Incorporated](#) (CWI) announced today that its joint venture with New Orleans-based real estate development company HRI Properties, has completed an agreement with Hard Rock International, owner of the Hard Rock Cafe brand, to lease an approximately 10,000 square foot location on the corner of Bourbon and Iberville Streets in New Orleans, in the Chateau Bourbon Hotel owned by the CWI-HRI joint venture. The addition of Hard Rock Cafe New Orleans to the project is the latest development in the CWI-HRI joint venture's transformation of the original D.H. Holmes Department Store into what will be a pre-eminent lodging and entertainment facility located in one of the most popular entertainment districts in the United States. Hard Rock Cafe New Orleans will move into the space before the end of the calendar year. The new location will feature authentic American fare and iconic memorabilia from local artists and international legends.

Following an approximately \$18 million renovation that began in 2011, the hotel component of the project will be renamed the Hyatt French Quarter Hotel in May of this year through a franchise agreement with an affiliate of Hyatt Hotels Corporation. An affiliate of HRI will continue to manage the property. Guests will benefit from renovations to all of its 254 guestrooms, public areas, meetings spaces, pool, courtyards and mechanical systems. Hard Rock Cafe New Orleans will join the popular and award-winning Red Fish Grill, owned and operated by Ralph Brennan Restaurant Group, as well as newly designed proprietary food and beverage outlets that will include Powdered Sugar, a bodega-inspired market, and Batch, an upscale lounge that will feature high-quality bourbons, fresh accompaniments, and flask service.

Commenting on the Hard Rock Cafe New Orleans lease and the progress of the renovation, Michael Medzigian, Chief Executive Officer of CWI, said, "Given our focus on making investments where there is a significant 'value add' opportunity, we are pleased that the rebranding is on schedule and on budget and that we have been able to add Hard Rock Cafe New Orleans as a keystone tenant. We anticipate that the renovation and the Hyatt rebranding will enable us to capitalize on the full market potential for the property, with its unique physical characteristics and history and its Bourbon Street location, and that Hard Rock's decision to join us further solidifies the project as a leading lodging and entertainment facility in one of the great entertainment districts in the country. Working with HRI Properties to achieve our mutual investment goals and to increase the contribution the property can make to the New Orleans economy has already been a rewarding experience for us."

"We are very excited and proud to welcome Hyatt into the French Quarter," said Gary Gutierrez, President of HRI Lodging, Inc. "The brand is admired internationally for its customer service, valuable amenities and for creating unique guest experiences, and we look forward to bringing the Hyatt way to the French Quarter."

"Since opening its doors in 1987, Hard Rock has enjoyed a rich history in the Crescent City," said Michael Kneidinger, Vice President of Company Operations for Hard Rock International. "The relocation of our cafe to this incredible site at 125 Bourbon Street will allow the Hard Rock Cafe New Orleans to thrive in this amazing city."

Carey Watermark Investors

Carey Watermark Investors Incorporated is a publicly registered non-traded real estate investment trust (REIT) that was formed to make investments primarily in the lodging and lodging-related sectors. Affiliates of [W. P. Carey & Co. LLC](#) (NYSE: [WPC](#)) and [Watermark Capital Partners, LLC](#) advise the REIT and manage its overall portfolio. www.careywatermark.com

HRI Properties

HRI Properties is a New Orleans based full-service real estate development company and a national leader in the adaptive reuse of historic structures. HRI has completed over 50 large scale projects, 30 in New Orleans, including 4,500 apartment units, 3,500 hotel rooms, and 500,000 SF of office and

retail space. www.hriproperties.com

Hard Rock International

With a total of 173 venues in 53 countries, including 138 cafes and 15 Hotels/Casinos, Hard Rock International is one of the world's most globally recognized brands. Beginning with an Eric Clapton guitar, Hard Rock owns the world's greatest collection of music memorabilia, which is displayed at its locations around the globe. Hard Rock is also known for its collectible fashion and music-related merchandise, Hard Rock Live performance venues and an award-winning website. In addition to the two flagship Seminole Hard Rock Hotels and Casinos in Tampa and Hollywood, Fla., Hard Rock Hotels/Casinos are located in Las Vegas, Biloxi, Orlando, Chicago, San Diego, Pattaya, Bali, Macau, Penang, Singapore and Punta Cana. Additional hotel and casino projects have been announced including Panama Megapolis, scheduled to open in 2012; Cancun and Vallarta scheduled to open in 2012; and Riviera Maya, Hungary, Dubai and Abu Dhabi, scheduled to open in 2013. Hard Rock International is owned by Seminole Hard Rock Entertainment, Inc. For further details on Hard Rock Hotels and Casinos, visit www.hardrockhotels.com. For more information on Hard Rock International, visit www.hardrock.com.

Forward-Looking Statements

Certain statements contained herein may be deemed to be forward-looking statements under federal securities laws and the company intends that such forward-looking statements be subject to the safe-harbor provisions created thereby. All forward-looking statements are qualified in their entirety by this cautionary statement and Carey Watermark Investors Incorporated and its related and affiliated companies assume no, and hereby disclaim any, obligation to update the forward-looking statements contained herein. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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