



Carey Watermark Investors Acquires The Equinox, A Luxury Collection Golf Resort & Spa

Adds iconic, high-quality Vermont mountain resort to portfolio



NEW YORK – February 18, 2016 – Carey Watermark Investors Incorporated (CWI 1) announced that it has acquired The Equinox Golf Resort & Spa, part of Starwood's The Luxury Collection brand. The expansive, historic resort is located on 1,300 acres between the Green and Taconic Mountains in Manchester, Vermont, and includes 195 guestrooms, 18,500 square feet of flexible meeting and event space, an 18-hole championship golf course, a 13,000-square-foot spa, five food and beverage outlets and a range of unique guest amenities and experiences.

Key Facts

- **Newly renovated, historic asset:** Originally built in 1796, the resort, which is listed on the National Register of Historic Places, has hosted four different American Presidents and has expanded over the centuries. In 2008, the property was converted to a resort and became part of The Luxury Collection brand. Since 2007, over \$20 million in capital expenditure projects were completed, including a full guestroom and public area renovation, as well as significant investment into the mechanical, electrical, plumbing and building façade.
- **Planned property enhancements:** CWI 1 plans to spend in excess of \$6 million on additional property enhancements, including a soft goods guestroom renovation, public/meeting space and food and beverage outlet improvements and other building/mechanical upgrades.
- **Strong lodging market:** Situated within driving distance of Boston and New York, The Equinox benefits from strong demand from these feeder markets. Popular seasonal activities and sports include golfing, fly fishing, hiking, boating, mountain biking and horseback riding. The resort

also benefits from significant downhill and cross-country ski demand due to its proximity to Bromley and Stratton, two award-winning ski mountains located within a 20-minute drive.

- **Attractive location in Manchester Village:** Manchester Village is a high-end New England town that is well-known for both the iconic Equinox Resort as well as its retail offerings, including antique shops in the historic downtown and the Manchester Designer Outlets, featuring retailers such as Michael Kors, Coach, Vineyard Vines and Ralph Lauren. The village is also a famous destination for fall foliage seekers.
- **Strong brand affiliation and management:** Starwood is a global hotel company with a portfolio of over 1,270 properties in more than 100 countries worldwide. Specifically, The Luxury Collection, part of Starwood Hotels & Resorts, has a portfolio of over 100 luxury hotels in more than 30 countries. The property represents the only The Luxury Collection hotel in Vermont and only one of two Starwood hotels in the state. The hotel will continue to be managed by HEI Hotels & Resorts, a hospitality owner and operator that operates 54 full-service, upper-upscale, luxury and premium select-service hotels and resorts throughout the United States, including nine properties owned by CWI 1 and Carey Watermark Investors 2.
- **Property and amenities:**
 - 195 hotel rooms comprising 150 branded hotel rooms and 45 non-Starwood affiliated townhomes and other guestroom offerings
 - 18,500 square feet of meeting and event space
 - Five food and beverage outlets
 - 13,000-square-foot spa with indoor swimming pool, yoga studio and fitness center
 - The Golf Club at Equinox, an 18-hole championship golf course managed by Troon Golf
 - Land Rover Experience Driving School
 - Green Mountain Falconry School
 - Orvis Fly Fishing School
 - Orvis Shooting School

Management Commentary

Michael Medzigian, Chief Executive Officer of CWI 1, said: "The Equinox transaction allowed us to acquire an iconic Northeastern resort that significantly benefits from its proximity to both Boston and New York City. The investment represents a further expansion of our portfolio of irreplaceable resort and urban lodging properties, as well as the expansion of our already important relationships with Starwood Hotels & Resorts and HEI Hotels & Resorts. The addition of this high-yielding and stable cash flow generating asset is consistent with our strategy of acquiring assets that are positioned to generate attractive near-term cash flow and increase in value over time by maintaining their competitive advantage."

Carey Watermark Investors

Carey Watermark Investors Incorporated (CWI 1) is a publicly registered real estate investment trust (REIT) that was formed to make investments primarily in the lodging and lodging-related sectors. Affiliates of W. P. Carey Inc. and Watermark Capital Partners advise CWI 1 and manage its overall portfolio. www.careywatermark.com

This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Medzigian are examples of forward looking statements. A number of factors could cause actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for hotels; interest rate levels; the availability of financing; and other risks associated with the acquisition and ownership of hotels. For further information on factors that could impact CWI 1, reference is made to its filings with the Securities and Exchange Commission.

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