

Carey Watermark Investors Acquires Remaining Interest in Fairmont Sonoma Mission Inn & Spa *Brings ownership of AAA Four Diamond resort to 100 percent*

NEW YORK, Feb. 17, 2016 /PRNewswire/ -- Carey Watermark Investors Incorporated (CWI 1) announced that it has acquired from Fairmont Hotels & Resorts the remaining 25 percent interest in the Fairmont Sonoma Mission Inn & Spa, bringing its ownership of the property to 100 percent. CWI 1 acquired its original 75 percent joint venture interest from Fairmont in July 2013. Fairmont will continue to manage the luxury resort under a long-term management agreement.

The 226-room resort is located in idyllic Sonoma Valley in the heart of Northern California's wine country, 15 miles west of Napa and 35 miles north of San Francisco. The hotel was built in 1927 on the 13 acre site of the former Boyes Hot Springs Hotel, which was developed in 1895.

Key Facts:

- **Recent Renovations:** The renovation completed in July 2013 for approximately \$10.7 million included a guestroom update, a redesign of the lobby and fine dining room, Santé, as well as the creation of a new lobby bar. Since then, additional work has been done on the spa and other areas of the property to further enhance this ultimate wine country retreat.
- **Management:** Fairmont will continue to manage the hotel. With more than 70 hotels globally, and many more in development, the Fairmont collection boasts some of the most iconic hotels in the world, including The Plaza in New York, The Savoy in London, Fairmont Peace Hotel in Shanghai and Fairmont Le Château Frontenac in Québec City. Fairmont is owned by FRHI Hotels & Resorts, a leading global hotel company that operates more than 130 hotels and branded residential properties under the Raffles, Fairmont and Swissôtel brands.
- **Property and amenities:**
 - 226 rooms encompassing 60 suites and 166 guestrooms
 - 12,000 square feet of interior meeting and banquet space
 - Recently renovated 40,000-square-foot spa located atop a thermal mineral spring
 - Fitness center
 - Business center
 - Access to the Sonoma Golf Club and 18-hole championship course
 - Access to tennis courts
 - Outdoor pool
 - Five on-site lounges and restaurants, including Santé, a Michelin-rated fine dining restaurant



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Management Commentary

Michael Medzigian, Chief Executive Officer of the Carey Watermark Investors 1, said:

"We are delighted to acquire Fairmont's interest in this world-renowned luxury resort and look forward to our continued relationship with them as manager of the property. The recent renovations have enhanced the resort, solidifying its position as one of the best luxury properties in the Sonoma/Napa market. Given the strong market and the high barriers to entry, we believe that our full ownership of the property will further enhance its current value within our portfolio, and allow us to make additional strategic investments to maximize its value over the longer term."

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.



Carey Watermark
I N V E S T O R S 1

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