



Taconic Capital Advisors and HEI Hotels & Resorts partner to acquire hotel from Ares Commercial Real Estate: \$40 million

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Tarrytown, NY According to Taconic Capital Advisors, HEI Hotels & Resorts (HEI) and Ares Commercial Real Estate Corp. (ACRE), Taconic and HEI have partnered to acquire the Westchester Marriott, a 444-key hotel from ACRE for \$40 million. As part of the transaction, ACRE has elected to provide a financing facility in support of the business plan for the hotel property.

The 15-acre property, located at 670 White Plains Rd., has 21 event rooms totaling 26,700 s/f of conference and meeting space, including a 9,000 s/f ballroom with a total capacity of 1,100 people. The property includes a Ruth's Chris Steak House, Cooper Mill American restaurant, a gift shop, fitness center, spa and laundry.

The hotel will continue to operate under the Marriott flag and will be managed by HEI Hotels & Resorts. Taconic and HEI will execute a comprehensive \$30 million case and soft goods renovation focused on all areas of the hotel. The Westchester market has lost nearly 1,200 directly competitive hotel rooms during the last several years, including more than 90,000 s/f of meeting space.

"The Westchester Marriott provides a unique opportunity in a time of continued and permanent market supply reduction," said Andrew Lam, director with Taconic. "A property of this caliber, with a transformative renovation and new best-in-class management, is positioned to excel."

"When sourcing this deal, HEI recognized the opportunity to execute a business plan that will maximize real estate value by relying on the company's proven track record for successful repositioning," said HEI CEO Anthony Rutledge. "We are excited to team with Taconic as we reenergize this asset."

This is Taconic's first acquisition with HEI and marks the company's 12th hotel transaction, encompassing 17 properties and 3,700 keys, in the past year.

HEI Hotels & Resorts is one of the nation's leading privately held hotel investment and third-party management companies, with a portfolio of 90-plus properties in the United States. The company's operating platform is built exclusively for institutional hotel assets in key urban, super-suburban, and resort locations.

"We are very pleased to enter into this agreement in support of Taconic's and HEI's business plans for the Westchester Marriott," said Bryan Donohoe, CEO of ACRE. "We believe the collaboration of

Taconic and HEI and their demonstrated capabilities will enable the property to thrive in the evolving Westchester market.”

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