

**RLJ LODGING TRUST INTRODUCES ZACHARI DUNES ON MANDALAY BEACH, A CURIO COLLECTION HOTEL BY HILTON**



**Bethesda, MD, September 12, 2022** – [RLJ Lodging Trust](#) (the “Company”) (NYSE: RLJ) today announced the relaunch of Zachari Dunes on Mandalay Beach, a Curio Collection hotel by Hilton (“Zachari Dunes”) in Oxnard, California on October 1, 2022, as a 250-all-suite lifestyle resort, following a transformative renovation and brand conversion.

The property sits on an irreplaceable oceanfront location and is one of only two beachfront Hilton branded properties on the Pacific Coast. The company’s full scale reimagination and rebrand of the resort includes a complete transformation of all the Hotel’s spacious, multi-room suites, the vast majority of which are ocean facing. The grand arrival experience now greets guests with a fully renewed, light-filled lobby that draws on Southern California’s sunny weather that looks out over the new outdoor plaza. As you make your way outside, the enhanced communal public lounge area now features multiple fire pits and seating areas where guests can enjoy stunning ocean views and sunsets. As part of the complete reimagination of the resort, Zachari Dunes boasts the addition of multiple new food and beverage concepts; a gear rental shop; and expanded indoor and outdoor meeting and event spaces.

“We are thrilled with the transformative conversion of this resort into an upscale, lifestyle-oriented destination positioned to attract a wide range of travelers seeking a premium, yet authentic Coastal California experience,” commented Leslie D. Hale, President and Chief Executive Officer. “Zachari Dunes’ irreplaceable beachfront location, in close proximity to significant population centers of Southern California, ideally positions this resort style property to benefit from the growing leisure and group demand. With the strong demand trends we are seeing, we expect to outperform the +40% IRR we had initially underwritten on investment. Generating a very attractive return on our invested capital on this conversion demonstrates our ability to unlock significant underlying real estate value that is embedded in our portfolio.”

**Zachari Dunes Inspiration**

The history of the region played an integral part in Zachari Dunes’ lifestyle design & aesthetics and the renaming of the Hotel. Sugar mogul Henry Oxnard, who in the early 1900’s outlined plans to use land along the Central Coast of California to grow and process sugar beets, had intended to name the settlement after the Greek word for sugar, Zachari. The resort is so named in a nod to Henry and his original vision, as is Henry’s Sundries & Gear rental, a one-stop-shop for outdoor adventure equipment rentals, for guests to explore all that the expansive 25-acre property has to offer.

## Reimagined Coastal California Lifestyle + Accommodations

Inspired by the essence of the ocean and its surrounding sugary sand dunes, Zachari Dunes on Mandalay Beach celebrates a relaxed yet adventurous and active California lifestyle. As one of the only true Hilton affiliated oceanfront resorts on the West Coast, Zachari Dunes offers a relaxing, social atmosphere; distinct dining options; an array of thoughtful amenities; and direct access to surrounding nature for adventure and recreational pursuits.



A reimagined grand resort arrival experience will immediately welcome guests to a quintessential California beach vacation, with a spacious and bright lobby overlooking the outdoor plaza with fireplace, fire pit, pool and ocean beyond. Architecture that embodies a uniquely Californian take on Spanish Revival marries seamlessly with modern yet eclectic design that radiates authenticity, simplicity and unity with the natural world. Manifesting a laid-back

coastal lifestyle, the property draws inspiration from its stunning landscape of sand, sea and sky, with subtle and thought-provoking nods to the surrounding region.

With oceanfront, ocean view, beach view, pool view or garden view options, all suites boast more than 600 square feet of space. Configurations range from one king to two queen suites for up to four guests, most with outdoor balconies or patios and featuring a bedroom with an en-suite bathroom and a separate living area with a full sofa bed, dining area, wet bar and separate bathroom. The presidential suites sleep up to six, offering two bedrooms and separate living areas, relaxing patio spaces and lush lawn space. Design that's bold and upscale yet comfortable, drawing inspiration from the neighboring Pacific Ocean, allows guests to relax and harmonize with nature.



Enhanced public spaces include an expansive heated pool and hot tub, with updated lounge seating and cabanas, that is situated directly at the center of the resort just steps away from the sands of Mandalay Beach; several inviting outdoor gathering hubs, including a large concrete fireplace in the outdoor plaza, evoke a vibrant atmosphere; recreational and well-being facilities, including a fitness center, complete with spaces for cardio workouts, strength training and yoga, tennis and basketball courts and an intimate spa; and a 30% increase in upgraded meeting and outdoor events space to capture groups and weddings with venues set against the stunning backdrop of the Pacific Ocean and the golden dunes on Mandalay Beach.

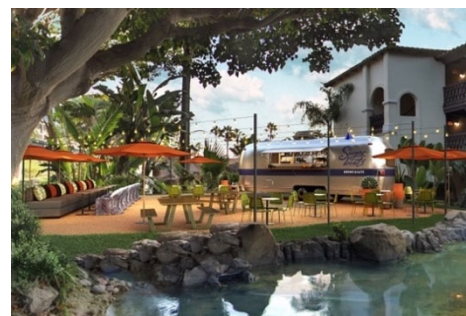


**Epicurean Delights Inspired by Oxnard’s Bounty**

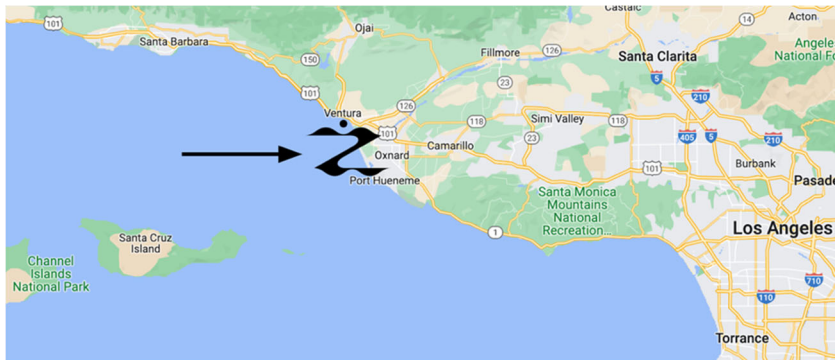
New food and beverage concepts, which showcase the lively and inviting spirit of the resort, are positioned as destinations for both locals and guests alike. Signature restaurant Ox and Ocean, an elevated sit-down venue that marries land, sea and libations, transitions seamlessly from outdoors to in. The restaurant will serve locally sourced produce and fresh seafood, celebrating influence and distinct flavors from American, Hispanic and Asian cuisines in an elegant, yet approachable

fashion. An expansive indoor-outdoor bar sets the scene for the venue’s beverage program, featuring a unique selection of craft cocktails, beers and local wines.

Bringing in an authentic surfside California experience, Sugar Beats – the resort’s outdoor Airstream cafe – will serve locally roasted coffee, on-the-go breakfast sandwiches, and fresh pastries in the morning to kickstart guests’ adventures. In the afternoon, the venue transforms to a seafood shack, serving as a gathering space for guests with relaxed beachside vibes, offering locally brewed beers, canned wines, cocktails and adult popsicles, along with fresh-caught seafood and California-inspired handhelds.



**Unbeatable Beachfront Location**



Situated along the California Coast between Santa Barbara and Malibu, the Hotel’s location at Mandalay Beach positions itself close to major demand drivers. There are 17 million people within driving distance to the region, and drive-in leisure demand is made up of affluent couples, traveling families, and vacationers.

The beaches of Ventura County are a popular destination for inland residents seeking cooler temperatures and ocean-centric activities, and ease of access to nearby Channel Islands National Park. The Hotel is easily accessible from the major hub of Los Angeles International Airport, via a short, picturesque drive along the Pacific Coast Highway.

The transition to an upscale, lifestyle-driven Curio Collection by Hilton property is expected to attract new, premium customers, enhance group and banquet revenue mix with a focus on company meetings, retreats and social business, including weddings. The resort’s extensive indoor and outdoor meeting spaces, which provide groups the ability to conduct self-contained meetings without the need to leave the hotel, and beachfront location ideal for leisure travel, will attract demand seven days a week by business, leisure and ‘bleisure’ travelers.



**About RLJ Lodging Trust:**

RLJ Lodging Trust is a self-advised, publicly traded real estate investment trust that owns primarily premium-branded, high-margin, focused-service and compact full-service hotels. The Company's portfolio currently consists of 96 hotels with approximately 21,200 rooms, located in 23 states and the District of Columbia and an ownership interest in one unconsolidated hotel with 171 rooms. For more information, please visit the website at [www.rjlodgingtrust.com](http://www.rjlodgingtrust.com).

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**RLJ Lodging Trust**

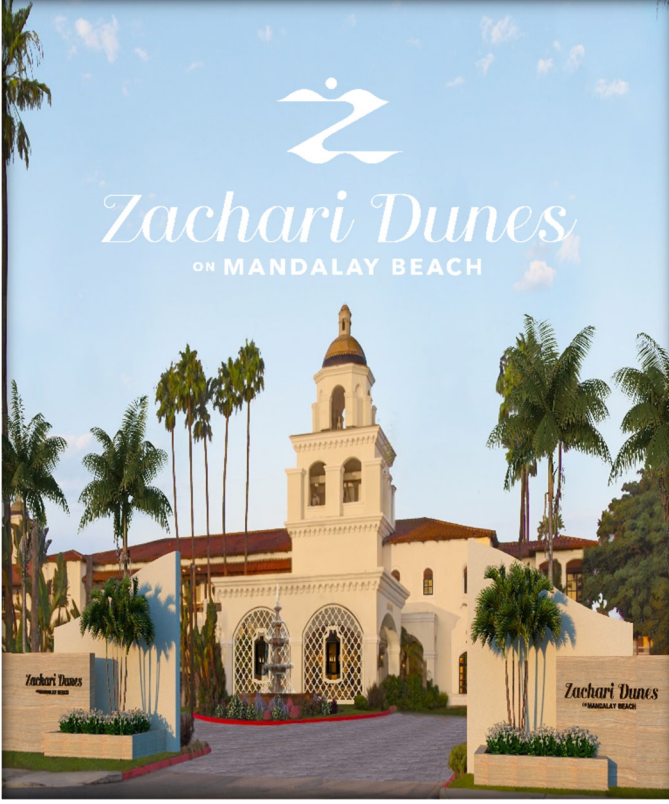
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**Forward Looking Statements**

*This information contains certain statements, other than purely historical information, including estimates, projections, statements relating to the Company's business plans, objectives and expected operating results, measures being taken in response to the COVID-19 pandemic, and the impact of the COVID-19 pandemic on our business, and the assumptions upon which those statements are based, that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the use of the words "believe," "project," "expect," "anticipate," "estimate," "plan," "may," "will," "will continue," "intend," "should," or similar expressions. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, beliefs and expectations, such forward-looking statements are not predictions of future events or guarantees of future performance and the Company's actual results could differ materially from those set forth in the forward-looking statements. Some factors that might cause such a difference include the following: the current global economic uncertainty and a worsening of global economic conditions or low levels of economic growth; the duration and scope of the COVID-19 pandemic and its impact on the demand for travel and on levels of consumer confidence; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel; the impact of the pandemic on global and regional economies, travel, and economic activity; the speed and effectiveness of vaccine and treatment developments and their deployment, including public adoption rates of COVID-19 vaccines; the pace of recovery when the COVID-19 pandemic subsides; the effects of steps we and our third party management partners take to reduce operating costs; increased direct competition, changes in government regulations or accounting rules; changes in local, national and global real estate conditions; declines in the lodging industry, including as a result of the COVID-19 pandemic; seasonality of the lodging industry; risks related to natural disasters, such as earthquakes and hurricanes; hostilities, including future terrorist attacks or fear of hostilities that affect travel and epidemics and/or pandemics, including COVID-19; the Company's ability to obtain lines of credit or permanent financing on satisfactory terms; changes in interest rates; access to capital through offerings of the Company's common and preferred shares of beneficial interest, or debt; the Company's ability to identify suitable acquisitions; the Company's ability to close on identified acquisitions and integrate those businesses; and inaccuracies of the Company's accounting estimates. Moreover, investors are cautioned to interpret many of the risks identified under the section entitled "Risk Factors" in the Company's Form 10-K for the year ended December 31, 2020 as being heightened as a result of the ongoing and numerous adverse impacts of the COVID-19 pandemic. Given these uncertainties, undue reliance should not be placed on such statements. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance on these forward-looking statements and urges investors to carefully review the disclosures the Company makes concerning risks and uncertainties in the sections entitled "Risk Factors," "Forward- Looking Statements," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report, as well as risks, uncertainties and other factors discussed in other documents filed by the Company with the Securities and Exchange Commission.*

**2022 Conversion | Zachari Dunes on Mandalay Beach**

**Location:** Mandalay Beach, CA  
**Incremental Investment:** \$12.0 -13.0M  
**Conversion Relaunch:** October 1, 2022  
**Rooms:** 250 Suites  
**Value Creation Summary:** Reimagined arrival experience including fully renovated lobby, addition of multiple F&B concepts, complete guestroom renovation, enhanced public space, and meeting space expansion and renovation



**Bullseye Asset**

- Rooms-oriented
- High margins
- High growth market
- Heart of demand location
- High RevPAR

**Conversion Thesis**

- **High-quality lifestyle resort**
- **Irreplaceable beach front location**
- **Significant Update:**
  - +800 bps RevPAR index
  - +20% incremental ADR
  - 40%+ Unlevered IRR



**Market Highlights | Mandalay Beach**

- **Mandalay Beach is an attractive beachfront location**
  - Attracts experiential travelers looking for a Coastal California experience
- **Located within drive-to distance of two major cities and a short scenic drive to / from LAX**
  - Mandalay Beach is optimally located between Los Angeles and Santa Barbara
  - 17 million people within driving distance of the resort
- **Growing high-end Leisure and Group demand**
  - Demand driven by inland residents, traveling families, out of state travelers as well as social and corporate group events



**Conversion Highlights | Zachari Dunes on Mandalay Beach**

- **Reinvented as a “curated” lifestyle resort**
  - Enhances RLJ’s exposure to the experiential, lifestyle segment
- **Affiliation with Curio Collection by Hilton**
  - Attract higher rated guests and top Hilton Honors members
  - Resort is one of only two beachfront Hilton affiliated hotels on the Pacific coast
- **Positioned to capture higher rated demand and profitability**
  - Consists of premium suites with ocean / beach views
  - Re-imagined outdoor space and added indoor meeting space to drive events
  - Re-concepted F&B and elimination of complimentary services to drive profitability
- **Conversion expected to unlock significant value**
  - Increase ADR by 20% and market share by 800 bps
  - Cap rate compression with up-branding
  - 40%+ Unlevered IRR

