

NOTICE OF DATA BREACH

July 20, 2017

Dear Valued Guest:

We recently learned about an incident involving unauthorized access to customer information associated with your hotel reservation(s). The privacy and protection of our customers' information is a matter we take very seriously, and we recommend that you closely review the information provided in this letter for some steps that you may take to protect yourself against potential misuse of your information.

What Happened?

The Sabre Hospitality Solutions SynXis Central Reservations system (CRS) facilitates the booking of hotel reservations made by consumers through hotels, online travel agencies, and similar booking services. Following an examination of forensic evidence, Sabre informed us that an unauthorized party had gained access to account credentials that permitted unauthorized access to unencrypted payment card information, as well as certain reservation information, for a subset of hotel reservations processed through the CRS. Sabre notified our company about the possible breach on or about June 6, 2017 and then sent us the dates of breach by property and the list of the impacted guest records on June 13, 2017.

According to Sabre, the investigation determined that the unauthorized party first obtained access to payment card and other reservation information on August 10, 2016. The last access to payment card information was on March 9, 2017.

Below please find a list of the affected Meritage Collection properties along with the dates of exposure:

Meritage Collection Properties Affected by the Sabre Hospitality Solutions Incident	
Impacted Property	Dates of Exposure
Bacara Resort & Spa	11/10/16 – 3/3/17
Balboa Bay Resort	11/6/16 – 3/3/17
Estancia La Jolla Hotel & Spa	11/7/16 – 3/2/17
Ko'a Kea Hotel & Resort	11/8/16 – 3/8/17
The Meritage Resort and Spa	11/3/16 – 3/2/17
Paséa Hotel & Spa	11/7/16 – 3/9/17

Also according to Sabre, its investigation did not uncover forensic evidence that the unauthorized party actually removed any information from Sabre's system, but it remains a possibility.

What Information was Involved?

According to Sabre, the unauthorized party was able to access payment card information for your

hotel reservation(s), including cardholder name; card number; card expiration date; and, potentially, your card security code. Per Sabre, (1) not all reservations that were viewed by the unauthorized party included the payment card security code, as a large percentage of bookings were made without a security code being provided; (2) others reservations were processed using virtual card numbers in lieu of consumer credit cards; and (3) other sensitive personal information such as social security, passport or driver's license number were not accessed by the unauthorized user. Also, Sabre reports that its systems automatically purge payment card security codes within 24 hours of the creation of a payment record and all payment card information 60 days after guest departure dates, potentially limiting the ability of the unauthorized party to view or remove such information from its system. According to Sabre, the unauthorized party was also able, in some cases, to access certain information such as guest name, email, phone number, address, and other information.

What Are We Doing?

According to Sabre, the unauthorized access was shut off and there is no evidence of continued unauthorized activity. Sabre informed us that it engaged a leading cybersecurity firm to support its investigation. Sabre also notified law enforcement and the payment card brands, such as MasterCard and Visa about this incident. According to Sabre, law enforcement did not request that Sabre delay notification of this incident.

Sabre has also set up a general consumer information site, which is available at <http://sabreconsumernotice.com>, as support for this consumer notice.

What You Can Do?

You should remain vigilant for incidents of fraud and identity theft by regularly reviewing your account statements and monitoring free credit reports for any unauthorized activity. If you discover any suspicious or unusual activity on your accounts, be sure to report it immediately to your financial institutions, as major credit card companies have rules that restrict them from requiring you to pay for fraudulent charges that are timely reported.

In addition, you may contact the Federal Trade Commission (FTC) or law enforcement, such as your state attorney general, to report incidents of identity theft or to learn about steps you can take to protect yourself from identity theft. You can contact the FTC at:

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
(877) IDTHEFT (438-4338)
<https://www.identitytheft.gov/>

If you find that your information has been misused, the FTC encourages you to file a complaint with the FTC and to take these additional steps: (1) close the accounts that you have confirmed or believe have been tampered with or opened fraudulently; and (2) file and keep a copy of a local police report as evidence of the identity theft crime.

Obtain Your Credit Report

You should also monitor your credit reports. You may periodically obtain credit reports from each nationwide credit reporting agency. If you discover inaccurate information or a fraudulent transaction on your credit report, you have the right to request that the credit reporting agency

delete that information from your credit report file.

In addition, under federal law, you are entitled to one free copy of your credit report every 12 months from each of the three nationwide credit reporting agencies. You may obtain a free copy of your credit report by going AnnualCreditReport.com or by calling (877) 322-8228. You also may complete the [Annual Credit Report Request Form](#) available from the FTC at and mail it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281. You may also contact any of the three major credit reporting agencies to request a copy of your credit report.

Place a Fraud Alert or Security Freeze on Your Credit Report File

In addition, you may obtain information from the FTC and the credit reporting agencies about fraud alerts and security freezes. A fraud alert can make it more difficult for someone to get credit in your name because it tells creditors to follow certain procedures to protect you, but it also may delay your ability to obtain credit. If you suspect you may be a victim of identity theft, you may place a fraud alert in your file by calling just one of the three nationwide credit reporting agencies listed below. As soon as that agency processes your fraud alert, it will notify the other two agencies, which then must also place fraud alerts in your file. An initial fraud alert will last 90 days. An extended alert stays on your file for seven years. To place either of these alerts, a consumer reporting agency will require you to provide appropriate proof of your identity, which may include your Social Security number. If you ask for an extended alert, you must provide an identity theft report.

Also, you can contact the nationwide credit reporting agencies regarding if and how you may place a security freeze on your credit report. A security freeze prohibits a credit reporting agency from releasing information from your credit report without your prior written authorization, which makes it more difficult for unauthorized parties to open new accounts in your name. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing, or other services. The credit reporting agencies have three business days after receiving a request to place a security freeze on a consumer's credit report. You may be charged to place or lift a security freeze. Unlike a fraud alert, you must separately place a credit freeze on your credit file at each credit reporting company.

You may contact the nationwide credit reporting agencies at:

Equifax
P.O. Box 105788
Atlanta, GA 30348
(800) 525-6285
www.equifax.com

Experian
P.O. Box 9554
Allen, TX 75013
(888) 397-3742
www.experian.com

TransUnion
P.O. Box 2000
Chester, PA 19016
(800) 680-7289
www.transunion.com

Please see the following page for certain state-specific information.

For More Information

We apologize for any inconvenience caused by this incident. For additional information or further assistance, please call the dedicated toll-free response line at 800-442-8960 (U.S. and Canada) and 503-520-4461 (international) or visit www.sabreconsumernotice.com.

Sincerely,

Robb Walker, Chief Operating Officer
Pacific Hospitality Group

ADDITIONAL INFORMATION TO HELP REDUCE IDENTITY THEFT

PLACE A 90-DAY FRAUD ALERT ON YOUR CREDIT FILE

An **initial 90-day fraud alert** indicates to anyone requesting your credit file that you suspect you are a victim of fraud or identity theft. When you or someone else attempts to open a credit account in your name, increase the credit limit on an existing account, or obtain a new card on an existing account, the lender should take steps to verify that you have authorized the request. If the creditor cannot verify this, the request should not be satisfied. You may contact one of the credit reporting companies below for assistance.

Equifax (888) 766-0008 www.equifax.com	Experian (888) 397-3742 www.experian.com	TransUnion (888) 909-8872 www.transunion.com
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PLACE A SECURITY FREEZE ON YOUR CREDIT FILE

If you are very concerned about becoming a victim of fraud or identity theft, a security freeze might be right for you. Placing a freeze on your credit report will prevent lenders and others from accessing your credit report in connection with a new credit application, which will prevent them from extending credit. A security freeze generally does not apply to circumstances in which you have an existing account relationship and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control or similar activities. With a security freeze in place, you will be required to take special steps when you wish to apply for any type of credit. Security freezes must be placed separately for each of the credit reporting companies, who may charge a fee to place, temporarily lift, or permanently remove a security freeze. Such fees may vary from state to state.

ORDER YOUR FREE ANNUAL CREDIT REPORTS

Visit www.annualcreditreport.com or call (877) 322-8228. Once you receive your credit reports, review them for discrepancies. Identify any accounts you did not open or inquiries from creditors that you did not authorize. Verify all information is correct. If you have questions or notice incorrect information, contact the credit reporting company.

MANAGE YOUR PERSONAL INFORMATION

Take steps such as: carrying only essential documents with you; being aware with whom you are sharing your personal information; and shredding receipts, statements, and other sensitive information.

USE TOOLS FROM CREDIT PROVIDERS

We recommend you remain vigilant for instances of fraud and identity theft. Carefully review your credit reports and bank, credit card, and other account statements. Be proactive and create alerts on credit cards and bank accounts to notify you of activity. If you discover unauthorized or suspicious activity on your credit report or by any other means, file an identity theft report with your local police and contact a credit reporting company.

OBTAIN MORE INFORMATION ABOUT IDENTITY THEFT AND WAYS TO PROTECT YOURSELF

You may obtain more information from the Federal Trade Commission (FTC) about steps you can take to avoid identity theft, including how to place a fraud alert or security freeze on your credit

file. The FTC may be reached at:
Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue NW
Washington, DC 20580
ID Theft hotline: (877) IDTHEFT (438-4338)
www.ftc.gov
www.identitytheft.gov

IF YOU ARE AN IOWA RESIDENT:

You may contact law enforcement or the Iowa Attorney General's Office to report suspected incidents of identity theft. This office can be reached at:

Office of the Attorney General of Iowa
Hoover State Office Building
1305 E. Walnut Street
Des Moines, IA 50319
(888) 777-4590 (toll-free in Iowa)
(515) 281-5164
consumer@iowa.gov
www.iowaattorneygeneral.gov

IF YOU ARE MASSACHUSETTS RESIDENT:

Under Massachusetts law, you have a right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it.

Massachusetts law also allows consumers to place a security freeze on their credit reports. A security freeze prohibits a credit reporting agency from releasing any information from a consumer's credit report without written authorization. However, please be aware that placing a security freeze on your credit report may delay, interfere with, or prevent the timely approval of any requests you make for new loans, credit mortgages, employment, housing, or other services.

If you have been a victim of identity theft, and you provide the credit reporting agency with a valid police report, that credit reporting agency cannot charge you to place, lift, or remove a security freeze. In all other cases, a credit reporting agency may charge you up to \$5.00 each to place, temporarily lift, or permanently remove a security freeze.

To place a security freeze on your credit report, you must send a written request to each of the three major consumer credit reporting agencies:

Equifax (www.equifax.com); Experian (www.experian.com); and TransUnion (www.transunion.com) by regular, certified or overnight mail at the addresses below:

Equifax Security Freeze P.O. Box 105788 Atlanta, GA 30348

Experian Security Freeze P.O. Box 9554 Allen, TX 75013

TransUnion Security Freeze, Fraud Victim Assistance Department, P.O. Box 2000, Chester, PA 19022-2000

In order to request a security freeze, you will need to provide the following information:

1. Your full name (including middle initial as well as Jr., Sr., II, III, etc.);

2. Social security number;
 3. Date of birth;
 4. If you have moved in the past five (5) years, provide the addresses where you have lived over the prior five years;
 5. Proof of current address, such as a current utility bill or telephone bill;
 6. A legible photocopy of a government-issued identification card (state driver's license or ID card, military identification, etc.);
- and
7. If you are a victim of identity theft, include a copy of either the police report, investigative report, or complaint to a law enforcement agency concerning identity theft; or
 8. If you are not a victim of identity theft, include payment by check, money order, or credit card (Visa, MasterCard, American Express or Discover only). Do not send cash through the mail.

The credit reporting agencies have three (3) business days after receiving your request to place a security freeze on your credit report. The credit bureaus must also send written confirmation to you within five (5) business days and provide you with a unique personal identification number (PIN), password, or both that can be used by you to authorize the removal or lifting of the security freeze.

To lift the security freeze in order to allow a specific entity or individual access to your credit report, you must call or send a written request to the credit reporting agencies by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze as well as the identities of those entities or individuals you would like to receive your credit report or the specific period of time you want the credit report available. The credit reporting agencies have three (3) business days after receiving your request to lift the security freeze for those identified entities or for the specified period of time.

To remove the security freeze, you must send a written request to each of the three credit bureaus by mail and include proper identification (name, address, and social security number) and the PIN number or password provided to you when you placed the security freeze. The credit bureaus have three (3) business days after receiving your request to remove the security freeze.

IF YOU ARE A MARYLAND RESIDENT:

You may obtain information about avoiding identity theft from the Maryland Attorney General's Office. This office can be reached at:

Office of the Attorney
General Consumer
Protection Division 200 St.
Paul Place
Baltimore, MD 21202
(888) 743-0023
www.marylandattorneygeneral.gov

IF YOU ARE A NEW MEXICO RESIDENT:

You have rights under the federal Fair Credit Reporting Act (FCRA). These include, among

others, the right to know what is in your file; to dispute incomplete or inaccurate information; and to have consumer reporting agencies correct or delete inaccurate, incomplete, or unverifiable information. For more information about the FCRA, please visit <https://www.consumer.ftc.gov/articles/pdf-0096-fair-credit-reporting-act.pdf> or www.ftc.gov.

In Addition, New Mexico Consumers Have the Right to Obtain a Security Freeze or Submit a Declaration of Removal

You may obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You may submit a declaration of removal to remove information placed in your credit report as a result of being a victim of identity theft. You have a right to place a security freeze on your credit report or submit a declaration of removal pursuant to the Fair Credit Reporting and Identity Security Act.

The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

1. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your credit report, you will be provided with a personal identification number, password, or similar device to use if you choose to remove the freeze on your credit report or to temporarily authorize the release of your credit report to a specific party or parties or for a specific period of time after the freeze is in place. To remove the freeze or to provide authorization for the temporary release of your credit report, you must contact the consumer reporting agency and provide all the following: The unique personal identification number, password, or similar device provided by the consumer reporting agency;
2. Proper identification to verify your identity;
3. Information regarding the third party or parties who are to receive the credit report or the period of time for which the credit report may be released to users of the credit report;
4. Payment of a fee, if applicable.

A consumer reporting agency that receives a request from a consumer to lift temporarily a freeze on a credit report shall comply with the request no later than three business days after receiving the request. As of September 1, 2008, a consumer reporting agency shall comply with the request within fifteen minutes of receiving the request by a secure electronic method or by telephone.

A security freeze does not apply in all circumstances, such as where you have an existing account relationship and a copy of your credit report is requested by your existing creditor or its agents for certain types of account review, collection, fraud control, or similar activities; for use in setting or adjusting an insurance rate or claim or insurance underwriting; for certain governmental purposes; and for purposes of prescreening as defined in the federal Fair Credit Reporting Act.

If you are actively seeking a new credit, loan, utility, telephone, or insurance account, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around or specifically for a certain creditor, with enough advance notice before you

apply for new credit for the lifting to take effect. You should contact a consumer reporting agency and request it to lift the freeze at least three business days before applying. As of September 1, 2008, if you contact a consumer reporting agency by a secure electronic method or by telephone, the consumer reporting agency should lift the freeze within fifteen minutes. You have a right to bring a civil action against a consumer reporting agency that violates your rights under the Fair Credit Reporting and Identity Security Act.

To place a security freeze on your credit report, you must send a request to each of the three major consumer reporting agencies: Equifax, Experian, and TransUnion. These agencies using the contact information provided in the enclosed letter.

IF YOU ARE A NORTH CAROLINA RESIDENT:

You may obtain information about preventing identity theft from the North Carolina Attorney General's Office. This office can be reached at:

North Carolina Department of
Justice Attorney General's Office
9001 Mail Service Center
Raleigh, NC 27699-9001
(877) 566-7226
<http://www.ncdoj.gov>

IF YOU ARE AN OREGON RESIDENT:

You may obtain information about preventing identity theft from the Oregon Attorney General's Office. This office can be reached at:

Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 378-4400
<http://www.doj.state.or.us/>

Oregon Consumer Protection Hotlines
Salem: (503) 378-4320
Portland: (503) 229-5576
Toll-Free: (877) 877-9392
help@oregonconsumer.gov

IF YOU ARE A RHODE ISLAND RESIDENT:

Under Rhode Island law, you have the right to obtain any police report filed in regard to this incident. If you are the victim of identity theft, you also have the right to file a police report and obtain a copy of it. Contact your local police department to file a report. The report may be filed in the location in which the offense occurred, or the city or county in which you reside. When you file the report, provide as much documentation as possible, including copies of debt collection letters, credit reports, and your notarized ID Theft Affidavit.

You can also contact law enforcement, such as the Rhode Island Attorney General, to report instances of identity theft or to learn about steps you can take to protect yourself from identity

theft. You can contact the Rhode Island Office of the Attorney General at:

Rhode Island Office of the Attorney General
150 South Main Street
Providence, RI 02093
(401) 274-4400
www.riag.ri.gov

Consumers have the right to obtain a security freeze

You may obtain a security freeze on your credit report to protect your privacy and ensure that credit is not granted in your name without your knowledge. You have a right to place a "security freeze" on your credit report pursuant to the R.I.G.L. chapter 6-48 to the Identity Theft Prevention Act of 2006.

The security freeze will prohibit a consumer reporting agency from releasing any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. When you place a security freeze on your credit report, within five (5) business days you will be provided a personal identification number or password to use if you choose to remove the freeze on your credit report or to temporarily authorize the release of your credit report for a specific period of time after the freeze is in place. To provide that authorization, you must contact the consumer reporting agency and provide all of the following:

1. The unique personal identification number or password provided by the consumer reporting agency.
2. Proper identification to verify your identity.
3. The proper information regarding the period of time for which the report shall be available to users of the credit report.

A consumer reporting agency that receives a request from a consumer to temporarily lift a freeze on a credit report shall comply with the request no later than three (3) business days after receiving the request.

A security freeze does not apply to circumstances where you have an existing account relationship and a copy of your report is requested by your existing creditor or its agents or affiliates for certain types of an account review, collection, fraud control or similar activities.

If you are actively seeking a new credit, loan, utility, telephone, or insurance account, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze – either completely if you are shopping around, or specifically for a certain creditor – with enough advance notice before you apply for new credit for the lifting to take effect.

You have a right to bring a civil action against someone who violates your rights under the credit reporting laws. The action can be brought against a consumer reporting agency or a user of your credit report.