

For Immediate Release

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**HEI Hotels & Resorts Completes Acquisition of
Le Méridien Hotel in Center City Philadelphia**

NORWALK, Conn., April 28, 2010—HEI Hotels & Resorts, a rapidly growing hotel ownership and operating company, today announced that it has acquired the 202-room Le Méridien hotel in Center City Philadelphia. The property was developed as an adaptive reuse project by Development Services Group, Inc. of Memphis, TN, utilizing the historic YMCA building that had been closed for several years. HEI also will operate the hotel upon its upcoming opening in May.

“This marks our third Le Méridien and third hotel in downtown Philadelphia, a perfect complement to our portfolio of upper upscale hotels in markets with high barriers to new entry,” said Steve Mendell, HEI’s president – acquisitions and development. “The beautifully constructed adaptive reuse will be a significant addition to the Philadelphia marketplace and a tremendous addition to our growing portfolio.”

Located at 1421 Arch Street, the hotel originally was built as a YMCA in 1912 and designed by famed architect Horace Trumbauer. The 10-story Georgian revival style building underwent an extensive renovation to create an ideal setting for business and leisure travelers.

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The classic, red-brick building is located on the north side of Arch Street, just west of Broad Street and within a block of the under-way expansion of the Pennsylvania Convention Center, in the heart of Philadelphia's Central Business District.

The Le Méridien hotel lobby is located on the ground level, with guest rooms on floors five through 10 of the 10-story building. The hotel will feature 5,330 square feet of meeting space, including a 2,900-square-foot ballroom that can accommodate groups of up to 250. The full-service, boutique-style hotel also houses a cocktail/wine bar and gourmet restaurant, named Amuse, concierge service and a state-of-the-art fitness center.

“Center City is in the midst of a revival, and the Le Méridien is well positioned to benefit from the on-going development in the area, including the expanding convention center,” said Roger Clark, senior vice president, acquisitions and development. “We fully expect the hotel to become the premier destination for travelers seeking the brand's unique amenities and appealing décor.”

About HEI Hotels & Resorts

HEI Hotels & Resorts, headquartered in Norwalk, Conn., is a leading hospitality investment firm that acquires, develops, owns and operates full-service, upper upscale and luxury hotels and resorts throughout the United States under such well-known brand names as Marriott, Sheraton, Westin, Le Meridien, Embassy Suites, and Hilton. For more information about HEI, visit the company's website, www.heihotels.com.