

For Immediate Release

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**HEI Hotels & Resorts Looks to Deploy
\$1.5 Billion towards Hotel Acquisitions in 2009**

Company Sees More Properties Coming On Market as Year Progresses

NORWALK, Conn., February 5, 2009—Officials of HEI Hotels & Resorts, the nation's fastest growing private owner/operator of hotel real estate, today announced plans to deploy up to \$1.5 billion from its third fund, HEI Hospitality Fund III, L.P., during 2009. The fully discretionary fund has approximately \$500 million in equity, and intends to acquire or develop between \$1.5 billion and \$2 billion in hotels and resorts over the next two years.

“We continue to actively seek hotels for our portfolio of full-service, upper-upscale hotels in areas with high barriers to new development,” said Steve Mendell, HEI's executive vice president of acquisitions and development. “For the first time in about 16 months, we are beginning to see hotel prices come in line with market expectations as the expectation gap narrows between buyers and sellers. We expect this trend to continue, with prices becoming even more attractive as the year progresses. Since we do have dry powder, we expect to be at the forefront of the acquisition wave, which we expect to begin in the near future. Cash always is king in this part of the real estate cycle, which we believe will give us a competitive advantage, coupled with our ability to innovatively structure transactions and our track record of closing quickly at an agreed-upon price.”

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The new fund will target full-service, upper-upscale and luxury hotels, resorts and premium select-service hotels in the U.S., Canada and the Caribbean affiliated with established leading brands. Desired locations include downtown central business districts (CBDs) in urban, premium suburban and airport sites. HEI also remains focused on complementing its property portfolio with independent upper-upscale and resort properties located in strong markets and select “takeout” opportunities to buy hotels upon completion of construction from third-party developers.

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.