

For Immediate Release

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HEI Hotels & Resorts Sells Two Philadelphia Hotels to LaSalle Hotel Properties

HEI to Continue Operating Hotels

PHILADELPHIA, Pa., September 1, 2010—HEI Hotels & Resorts (HEI), the nation's fastest growing private owner/operator of hotel real estate, today announced that it has sold two of its Philadelphia hotels, the 294-room Westin Philadelphia and the 288-room Embassy Suites Philadelphia - Center City, to LaSalle Hotel Properties, a leading real estate investment trust (REIT), for an undisclosed amount. Under the terms of the deal, brokered by Hodges Ward Elliott, HEI will continue to operate the hotels on behalf of its new owners.

“The sale of these two properties concludes our investment plans for these assets,” said Steve Mendell, president—acquisitions and development. “We purchased both hotels through earlier funds and have since completed our strategic visions for the properties, including renovating and repositioning. Furthermore, by continuing to manage these hotels that we know so well, we maintain our strong presence in the attractive Philadelphia marketplace.”

Situated in the heart of historic Philadelphia, the 18-story Westin Philadelphia is located at 99 South 17th Street at Liberty Place. Steps away from upscale shopping, award-winning restaurants and conveniently connected to the offices at Liberty Place, the Westin also is convenient to museums and historical attractions, including the Liberty Bell, Independence Hall, and the Constitution Center. Guest rooms are equipped with the Westin Heavenly Bed, a two-line telephone, data port and high-speed Internet access. The hotel also offers unusually spacious Grand Luxury suites, with marble baths and Westin's other special touches. Hotel amenities

include a 24-hour business center, Westin Workout fitness center, indoor pool, sauna, the contemporary cuisine Citygrange restaurant, and seven meeting rooms totaling 17,424 square feet of flexible space.

The Embassy Suites Philadelphia – Center City is nestled in the heart of Philadelphia’s business district, just eight miles from Philadelphia International Airport and near such attractions as the Philadelphia Museum of Art, City Hall and the Philadelphia Zoo. The hotel features a business center, Precor® fitness room, indoor pool, meeting space for up to 120 people, on-site T.G.I. Friday’s, complimentary, cooked-to-order breakfast and nightly manager’s reception.

“HEI prides itself on aligning itself with world-class hoteliers, and we look forward to building upon this new relationship with LaSalle Hotel Properties,” said Anthony Rutledge, HEI chief financial officer. “We see obvious similarities in the way we conduct our respective business, with emphasis on our guests, associates and shareholders.”

About HEI Hotels & Resorts

[HEI Hotels & Resorts](http://www.heihotels.com), 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.