

*For Immediate Release*

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### **HEI Hotels & Resorts' Fund III Acquires San Diego Marriott La Jolla**

NORWALK, Conn., July 25, 2011—HEI Hotels & Resorts (HEI), the nation's fastest growing private owner/operator of hotel real estate, today announced that the company has purchased the 360-room San Diego Marriott La Jolla in La Jolla, California, for an undisclosed amount. The hotel is the ninth acquisition by HEI's Fund III and is the 41st hotel in the company's portfolio.

The hotel is located in the Golden Triangle, La Jolla's pre-eminent business district, and convenient to local attractions and downtown San Diego. La Jolla is considered one of the best San Diego locations because of its 4 million square feet of Class A office, R&D space, upscale retail, industrial product, multi-family and hospitality.

The hotel offers 23 meeting rooms and more than 16,000 square feet of total function space. Additional amenities include four food and beverage outlets, indoor and outdoor swimming pool and whirlpool, and a business center. HEI plans to execute a \$20 million renovation beginning in 2012, to include guest rooms, lobby, meeting space, and expanded fitness facilities.

"As our second San Diego MSA hotel, the La Jolla property fits well with HEI's core investment program on multiple fronts," said Steve Mendell, president, acquisitions and development. "We were particularly attracted to this asset by the depth and diversity of the pharmaceutical and telecommunication businesses in La Jolla and the opportunity presented from our comprehensive planned renovation."

"The Marriott La Jolla transaction was largely the result of our strong relationship with the seller, which we have transacted with several times over the preceding 12 months," said Anthony Rutledge, chief financial officer. "We are excited about the investment profile of this transaction and expanding our strategic relationships for future transactions with other key investment partners in the near future."

"This is our 12<sup>th</sup> hotel in the Marriott brand family," said Russ Urban, HEI's SVP, acquisitions and development. "HEI looks forward to continued expansion of its Marriott portfolio."

#### **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](http://www.heihotels.com).