

For Immediate Release

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**HEI Hotels & Resorts and Hempel Properties Enters Joint Venture to Purchase
The Hotel Minneapolis**

THM to join Marriott's newly formed Autograph Collection

Minneapolis, Minn., May 27, 2010—HEI Hotels & Resorts (HEI), the nation's fastest growing private owner/operator of hotel real estate, today announced that it has entered into a joint venture with Hempel Properties, a Minneapolis-based real estate developer, to purchase a majority equity interest in The Hotel Minneapolis for an undisclosed amount. The transaction was brokered by CBRE Hotels. The 222-room boutique-style hotel, which opened in August of 2008, will be operated by HEI and transition to Marriott's new Autograph Collection brand.

“With its prime location in the heart of downtown Minneapolis, the newly opened hotel is a strong addition to our growing portfolio of first-class properties in urban markets with high barriers to new entry,” said Steve Mendell, HEI's president, acquisitions and development. “The hotel's transition to Marriott's Autograph Collection is an exciting opportunity for this hotel and our growing portfolio.”

Located at 215 4th Street South, the 10-story hotel is connected to the city's renowned skyway system and links the hotel via indoor walking paths to such destinations as Nicollet Mall, Target Headquarters, Minneapolis Convention Center, Gaviidae Common and numerous art and retail outlets. The property is an historic adaptive reuse of the historic Midland Bank Building, originally built in 1905, and renovated by Hempel in 2007.

“We worked extensively to find the right partner to continue our success at The Hotel Minneapolis,” said Jon Hempel, president of Hempel. “HEI has a proven track record as a top owner and operator of upper-upscale hotels throughout the United States, including The Westin Minneapolis. We look forward to partnering with them as The Hotel Minneapolis and restaurant Max continue to become contemporary cornerstones of the Minneapolis cityscape.”

The hotel features the 250-seat restaurant Max, voted Best New Restaurant of 2009 by Minneapolis-St. Paul Magazine, which focuses on lifestyle cuisine, highlighting the fresh seasonal offerings of the local region. Additional amenities include approximately 6,000 square feet of function space with state-of-the-art A/V equipment and business center, boutique convenience store/gift shop and health club featuring Precor fitness equipment.

“We are excited to partner with the Hempel team to maximize the performance of this visionary hotel property,” said Russell Urban, senior vice president of acquisitions and development. “In addition to its entirely new product and excellent reputation within the community, The Hotel Minneapolis will benefit from the implementation of HEI’s industry leading hotel management team and the added support of Marriott’s Autograph Collection.”

About Hempel

Hempel is a Minneapolis/St.Paul--based developer of retail, hospitality, office, multi-family and industrial properties. Since their opening in 2001, they have been recognized for their innovative and proactive approach to property management, asset acquisition and development.

www.hempelproperties.com.

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.