

For Immediate Release

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**HEI Hotels & Resorts Acquires
Le Méridien Dallas North in Texas**

NORWALK, Conn., June 7, 2010—HEI Hotels & Resorts, a rapidly growing hotel ownership and operating company, today announced that it has acquired the 258-room Le Méridien Dallas North in Texas for an undisclosed amount. The property becomes HEI's 36th owned hotel, fourth hotel acquisition of 2010, and their fourth hotel under Starwood's growing Le Méridien brand.

“This is a first-class hotel with a prime location in the foremost business center of Dallas and aligns perfectly with our portfolio of upper-upscale and luxury properties in leading US markets,” said Steve Mendell, HEI's president – acquisitions and development. “This is the fourth acquisition of HEI Hospitality Fund III, and we continue to seek out assets that leverage the experience of our acquisitions team and our investment resources.”

Nestled in the heart of Dallas' famous Galleria area, Le Méridien Dallas North is just steps away from a wide variety of shopping, dining and entertainment options and only a 20 minute ride from the Dallas/Ft. Worth airport. Also known for its bustling business district, the Galleria is home to many recognizable blue chip corporations, such as Nordstrom's corporate headquarters and the offices of FedEx/Kinko's, Highland Capital Management, ABC Broadcasting/Disney and Coca Cola.

The hotel concluded a complete renovation in 2009, modernizing each of their oversized 450-plus square foot guestrooms with a 42” HDTV, iPod docking station and Jack Pack, providing guests with the ability to view one’s laptop screen from the TV. All rooms also feature wireless and hardwire internet access and laptop-sized safes with electricity, as well as the new Le Méridien signature beds and full-size sofas and sitting area. Hotel amenities include the upscale Le Méridien restaurant and atrium bar; approximately 3,500 square feet of meeting space for groups ranging in size from five to 300; 24-hour business center; indoor heated pool; Jacuzzi; and fitness center.

“Our knowledge of both the brand and the region made this a particularly attractive deal for us,” said Anthony Rutledge, HEI’s chief financial officer. “As our fourth Le Meridien, we are uniquely positioned to maximize this hotel’s performance through our industry-leading management team’s deep understanding and experience with the brand.”

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 Méridien, Embassy Suites, and Hilton. For more information about HEI, visit the company’s website, www.heihotels.com.