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Kimpton Hospitality Partners Acquires Philadelphia's Historic Lafayette Building for Planned Conversion to a Hotel Monaco
Second Philadelphia Hotel for San Francisco-based Kimpton Hotels & Restaurants

SAN FRANCISCO (Oct. 19, 2010) – Kimpton Hospitality Partners II, a \$202 million fully discretionary equity fund, announced today it has acquired Philadelphia's historic Lafayette Building with plans to convert the 11-story office building across from the Liberty Bell into a 271-room, four-star Hotel Monaco.

Built in 1906, the Lafayette Building is located directly across from Independence Hall and the Liberty Bell. Construction is slated to begin in spring 2011, with a projected opening in Q3 2012. The Hotel Monaco Philadelphia will be Kimpton Hotels & Restaurants' second property in Philadelphia; Hotel Palomar and adjacent restaurant Square 1682 near Rittenhouse Square opened in October 2009 and is also owned by the company's KHP II Fund.

A pioneer in the hospitality industry for adaptive reuse of historic buildings, Kimpton's plans call for the renovation and refurbishment of the distinctive building in the prestigious Old City section of Center City. Upon completion, the new Hotel Monaco Philadelphia will feature a chef-driven, 120-seat restaurant and bar and approximately 12,000 square feet of meeting space, including a 3,200 square foot ballroom located on the ground floor with windows facing Independence Square. The hotel's 271 guestrooms will include 23 suites and 25 King Spa rooms.

"Philadelphia continues to grow as a leading tourist destination as well as a hub for local and national business, which makes it a perfect place to invest and expand the Kimpton brand," said Kimpton CEO Michael Depatie. "As with Hotel Palomar here, we're also thrilled with the opportunity to revitalize such an iconic, landmark building as the Lafayette."

Hotel Monaco Philadelphia will be Kimpton's 12th adaptive reuse development, and the 10th Hotel Monaco in the Kimpton collection of boutique hotels. The largest, most established player in the boutique hotel segment, Kimpton currently operates 51 artfully designed hotels and 54 distinctive restaurants and lounges in the United States and Canada.

Kimpton is looking to add more deals like this as opportunities continue to arise in these steadily improving economic times. According to Depatie, "We're well poised at this point to move quickly on attractive deals, either to work with developers looking for equity partners or to rescue distressed properties. We are confident we can improve returns through better management of existing properties and the growing strength of the Kimpton brand."

ABOUT KIMPTON

San Francisco-based Kimpton Hotels & Restaurants, a collection of boutique hotels and chef-driven restaurants in the US, is an acknowledged industry pioneer and was the first to bring the boutique hotel concept to America. Founded in 1981 by Bill Kimpton, the company is well-known for making travelers feel welcomed and comfortable while away from home through intuitive and unscripted customer care, stylish ambience and having a certain playfulness in its approach to programs and amenities. Each hotel provides a range of exciting culinary experiences through locally-loved, top-rated, destination, chef-driven restaurants. Kimpton leads the hospitality industry in ecological practices through its innovative EarthCare program that spans all hotels and restaurants. Market Metrix, a recognized authority and leader in feedback solutions, consistently ranks Kimpton above other hotel companies in luxury and upper upscale segments for customer satisfaction. Privately held Kimpton operates 51 hotels and 54 restaurants in 16 states. For more information, visit www.KimptonHotels.com or call 1-800-KIMPTON.

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