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Contact: Kellie McCrory, (214) 654-0402
kellie@kmccrory.com
Ariana Hajibashi (214) 654-0402
ariana@kmccrory.com

Kimpton Hotels Announces the Opening of Hotel Palomar Dallas

Opening Marks Kimpton's First Foray into the Texas Market

DALLAS (September 18, 2006) – Kimpton Hotels & Restaurants Group, LLC, the leader in the boutique/lifestyle hotel segment, announced today the opening of **Hotel Palomar Dallas**, a nine-story hotel situated in the heart of Dallas' thriving Park Cities neighborhood. Owned by Realty America Group and Behringer Harvard, Kimpton Hotels was selected to manage and operate the hotel and restaurant and implement its signature style, services and amenities to embody the elements of the Kimpton brand – care, comfort, style, flavor and fun. Opening today, this \$100 million transformation of the Hotel Palomar & Residences marks the first property in the Kimpton portfolio to be redeveloped as a mixed-use complex.

“Kimpton has been aggressively seeking ways to build brand presence in Texas,” said Niki Leondakis, Kimpton's chief operating officer. “The Hotel Palomar Dallas presents a perfect introduction of our brand, and we look forward to showcasing Kimpton's unique signature design, programs and services that will soon become an integral part of the Dallas community.”

Formerly The Mockingbird Hilton, Hotel Palomar went through a complete transformation and renovation including the remodeling of all 198 guest rooms and suites, an addition of a full-service bi-level destination spa, exhale, and the launch of an American regional cuisine concept, Central 214. Development plans also include a new nine-story condominium tower south of the hotel with 72 high-end residential units, luxury penthouse condominiums atop the hotel tower, contemporary loft-style

condominiums facing Mockingbird Lane, and more than 25,000 square feet of ground-level retail space, which is slated for completion in November 2006.

ABOUT BEHRINGER HARVARD

Behringer Harvard is an investment company that leads in creating a diverse selection of strategic real estate opportunities. The company's family of public and private real estate investment securities is made available through the independent broker dealer community. Investment products include publicly registered non-traded REITs and real estate limited partnerships, as well as other real estate investment programs that generally invest in institutional quality commercial real estate. Its finite-life, non-traded funds feature defined holding periods and exit strategies and seek to produce attractive returns for investors through a balance of current yield and capital appreciation. Behringer Harvard is headquartered in the Dallas suburb of Addison, Texas, and is one of the nation's fastest-growing real estate investment firms. For additional company or investment information, call toll-free 866.655.3600 or visit www.behringerharvard.com

ABOUT REALTY AMERICA GROUP

Realty America Group was formed to allow our principals to apply their local expertise on a national scale. Since 2001, Jeff Berry and Kip Sowden have transacted nearly \$3 billion in commercial real estate for many of the nation's largest institutional investors. From office buildings to high-rise urban complexes, the experts at Realty America have successfully used multi-disciplined strategies and uncommon ingenuity, coupled with client input, to capitalize on market opportunities and help produce solid results for hundreds of satisfied clients.

ABOUT KIMPTON

Celebrating its 25th anniversary, San Francisco-based Kimpton Hotels & Restaurants is the first and leading collection of boutique hotels throughout the United States and Canada. Founded by Bill Kimpton in 1981, Kimpton Hotels offers services and design elements focused on care, comfort, style, flavor and fun. Every Kimpton hotel reflects the energy, personality and pulse of its location, history and architectural style. Each property features personalized guest services, comforting in-room amenities, specialty rooms and suites and provides a range of exciting culinary experiences through affiliated top-rated restaurants. Kimpton takes pride in its commitment to social responsibility and leads the hospitality industry in ecological practices through its innovative EarthCare programs. In addition, Kimpton demonstrates a unique dedication to its female guests with the Women InTouch program, offering comfortable and safe environments, in-room fitness and wellness options as well as the company's unique "Forgot It, We've Got It" honor bar, providing essentials that women travelers may have forgotten at home. Among the company's newest properties are the recently acquired Muse Hotel in New York, Nine Zero Hotel in Boston, and the Caleo Resort & Spa in Scottsdale. In Summer 2006, Kimpton will debut the Hotel Palomar Dallas and the Hotel Palomar in Washington D.C. Additional projects are underway in Southern California, Texas, Florida and Virginia. For more information, please visit www.Kimptonhotels.com or call 1-800-KIMPTON.

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