STARWOOD
HOTELS & RESORTS WORLDWIDE, INC.

A VISION OF W HOTELS

project esw
extended stay by westin

BEALS AND THOMAS, INC.
Consultants Supporting the Development and Conservation of Land and Water Resources

COSTAS KONDYLIS AND PARTNERS
Starwood Owns 140 Hotels; Manages 79 Hotels; and Franchises 225 Hotels in North America

Starwood is a Publicly Traded Company on the New York Stock Exchange (HOT)

Starwood Owns, Manages, and Franchises Upscale Brands
- St. Regis
- Le Meridien
- Four Points
- The Luxury Collection
- W
- Westin
- Sheraton

The aloft Hotel is a New Product in the Select-Service Hotel Segment – a Brand that Reflects the Needs and Desires of Today’s Travelers. aloft offers a Differentiated Alternative to Commodity Lodging, with its Intelligent Design, Style, Accessible Technology and above all, Focus on Comfort, Convenience and Social Environment

The Extended Stay by Westin Hotel is a Refreshing Traveler’s Haven for Guests Who are Away from Home for Days or even Weeks at a Time – a Personal Refuge with all the Space and Amenities: State-of-the-art Fitness Facilities, Healthy Food Options, the Heavenly Bed and Bath and Elevating Public Areas Allow Guests to Relax, Rejuvenate, Socialize and Renew

Guest Profile:
- Mid-week Guest is Technically Savvy, Price Sensitive, Highly Educated, Well-Traveled and Sophisticated between 25-48 Years of Age
- Weekend Guest is a Family on a Get-A-Way – Visiting with other Family, Playing in Kid’s Sports Tournaments, and looking for Cultural Events
- 2 stair bulkheads 11'-0" above roof
- Elevator over-run 4'-0" above roof
- Roof and all roof elements will be dark neutral color

- Stair hatch 2'-0" above roof
- Elevator over-run 3'-0" above roof
- Roof and all roof elements will be dark neutral color
BENEFITS TO LEXINGTON

- Replaces a declining tax revenue with a consistent and increasing tax revenue
- Addresses Lexington’s need for new hotels in the appropriate location for hotel use
- Employment
- Thoughtful and forward looking design meets present and future hotel customer needs
- Donation of land for intersection improvements
- Trail connection to Minute Man National Historical Park
- Mitigation of traffic impacts
- Transportation Demand Management Plan and contribution of $232,500
- New hotels sensitive to surroundings, substitute for 1954 building beyond its useful life
- Reduced impact on rocky knoll from 1989 site plan approval
- Land donation for wetlands replication and storm water management associated with intersection improvements
- Separating a single large structure into two smaller structures allows for a more intelligent use of site topography
REFINEMENTS TO PROJECT DESIGN
Based on meetings with the Lexington Planning Board & Staff and comments from various town committees

- Creation of Town Common / Green Space as a reference to the Town and Minute Man National Historical Park (MMNHP)
- Upgraded architectural finishes on building facades
- Response to height concerns by reducing actual building height and revising site plan to set buildings into the site
- Eliminated aloft rooftop signature element
- Minimized extent of rock excavation at knoll
- Reduced number of parking spaces
- Created a pedestrian walkway to MMNHP
- Reduced visibility of structures
- Increased landscape and screening
- Revised building colors and materials to better blend into landscape
- Revised design to meet underlying zoning setbacks
- Integration of town feedback into architecture and site
- Design incorporates transportation alternatives
## Comparative Analysis of 2000 CD Zoning Approval Versus the 2006 Amendment

<table>
<thead>
<tr>
<th></th>
<th>2000 Approval</th>
<th>2006 Proposed Amendment</th>
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</thead>
<tbody>
<tr>
<td>Lot Area</td>
<td>12.66 +/- Acres</td>
<td>12.768 +/- Acres</td>
</tr>
<tr>
<td>Developable Site Area</td>
<td>526,820 +/- SF</td>
<td>495,893 +/- SF*</td>
</tr>
<tr>
<td>Building Height</td>
<td>3-story</td>
<td>4-story</td>
</tr>
<tr>
<td></td>
<td>45 feet (allowed)</td>
<td>47 feet (by zoning definition)</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>197,401 +/- GSF</td>
<td>151,234 +/- GSF</td>
</tr>
<tr>
<td>FAR</td>
<td>0.30</td>
<td>0.24</td>
</tr>
<tr>
<td>Number of Rooms</td>
<td>220 Rooms</td>
<td>260 Rooms</td>
</tr>
<tr>
<td>Parking</td>
<td>296 Spaces</td>
<td>282 Spaces</td>
</tr>
</tbody>
</table>

* Developable Site Area was reduced by the installation of a stormwater basin and wetland replication on the parcel performed by MassHighway for the Route 2A traffic improvements.
**aloft Lexington, MA**  
*Summary Projected Statement of Operations - aloft only*

<table>
<thead>
<tr>
<th>OPENING 1/1/2008</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Rooms</td>
<td>137</td>
<td>137</td>
<td>137</td>
<td>137</td>
<td>137</td>
</tr>
<tr>
<td>Occupancy</td>
<td>69.0%</td>
<td>70.0%</td>
<td>75.0%</td>
<td>75.0%</td>
<td>75.0%</td>
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<tr>
<td>ADR</td>
<td>$129.00</td>
<td>$134.00</td>
<td>$149.00</td>
<td>$153.00</td>
<td>$158.00</td>
</tr>
<tr>
<td>RevPAR</td>
<td>$89.01</td>
<td>$93.80</td>
<td>$108.75</td>
<td>$114.75</td>
<td>$118.50</td>
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<tr>
<td>Room Tax - Town</td>
<td>0</td>
<td>222,670</td>
<td>257,454</td>
<td>264,556</td>
<td>271,658</td>
</tr>
<tr>
<td>Room Tax - State</td>
<td>0</td>
<td>236,883</td>
<td>273,887</td>
<td>281,442</td>
<td>288,998</td>
</tr>
<tr>
<td>Total Room Tax</td>
<td>0</td>
<td>459,552</td>
<td>531,341</td>
<td>545,998</td>
<td>560,656</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>0</td>
<td>296,482</td>
<td>305,376</td>
<td>314,537</td>
<td>323,973</td>
</tr>
</tbody>
</table>

**ESW Lexington, MA**  
*Summary Projected Statement of Operations - Extended Stay only*

<table>
<thead>
<tr>
<th>OPENING 1/1/2008</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Rooms</td>
<td>123</td>
<td>123</td>
<td>123</td>
<td>123</td>
<td>123</td>
</tr>
<tr>
<td>Number of Days</td>
<td>153</td>
<td>365</td>
<td>365</td>
<td>365</td>
<td>365</td>
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<tr>
<td>Number of Available Room</td>
<td>18,819</td>
<td>44,895</td>
<td>44,895</td>
<td>44,895</td>
<td>44,895</td>
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<tr>
<td>Occupancy</td>
<td>74.0%</td>
<td>75.0%</td>
<td>80.0%</td>
<td>80.0%</td>
<td>80.0%</td>
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<tr>
<td>ADR</td>
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<td>$127.92</td>
<td>$138.15</td>
<td>$142.30</td>
<td>$146.57</td>
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<tr>
<td>RevPAR</td>
<td>$91.02</td>
<td>$95.94</td>
<td>$110.52</td>
<td>$113.84</td>
<td>$117.25</td>
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<td>Room Tax - Town</td>
<td>0</td>
<td>202,440</td>
<td>233,210</td>
<td>240,207</td>
<td>247,413</td>
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<tr>
<td>Room Tax - State</td>
<td>0</td>
<td>215,361</td>
<td>248,096</td>
<td>255,539</td>
<td>263,205</td>
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<tr>
<td>Total Room Tax</td>
<td>0</td>
<td>417,801</td>
<td>481,307</td>
<td>495,746</td>
<td>510,618</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>0</td>
<td>273,646</td>
<td>282,518</td>
<td>290,994</td>
<td>299,723</td>
</tr>
</tbody>
</table>

**Projected Total Both Properties**

| Total Room Tax   | 0        | 877,353  | 1,012,647 | 1,041,744 | 1,071,274 | 1,106,501 |
| Total Property Tax | 0        | 570,128  | 587,894   | 605,531   | 623,697   | 642,408   |

**Notes:**
(1) Property Tax Projections for aloft improvements and land. No ESW improvements included.
(2) Sheraton Lexington in 2004 generated $99,408 Town, $141,657 State, in Room Tax and $184,415 in Property Tax

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**DISCLAIMER:** This analysis does not take into account nor make provision for any possible rise or decline in local or general economic conditions. The projections have been prepared based on information made available to Starwood and/or Starwood's general experience in the hotel industry. However, neither Starwood nor any of its affiliates or subsidiaries warrants, guarantees, or makes any representation with respect to any of the projections set forth in this analysis. Projections are subject to uncertainty and variation and therefore are not represented as results that will be actually achieved. The projections are for information only and are not intended as inducement for action or investment. There is no obligation to revise or update the projections to reflect subsequent changes in the information or assumptions on which they were made. Neither the Starwood name nor this analysis may be reproduced in whole or in part or included in any prospectus, newspaper publicity, in any printed material or part of any other study or report or used in offerings or representations in connection with the sale of real estate, securities, memberships, or participation interests to the public unless such use is consented to in writing by Starwood.
PSDUP, CD-13 Planned Commercial District, 727 Marrett Road

Petitioner's Transportation Demand Management Plan is as follows:

1. The Petitioner will designate a Transportation Coordinator for the property, who will be responsible for implementation of a Transportation Demand Management (TDM) program. The Transportation Coordinator shall encourage alternatives to the use of single-occupant vehicles for commuting by employees and hotel guests. Such measures shall include:
   a. Maintaining and promoting information about public fixed route transit services such as the MBTA bus and rail system, the LEXPRESS bus service and the Liberty Ride tour bus. The information will include bus routes and schedules. Public transportation service information shall be provided in an office and on informational bulletin boards for employees, as well as in a kiosk or other acceptable informational display for hotel guests.
   b. Continue organizing ride sharing and carpooling by employees, including maintaining a data center to assist employees seeking such options. The ride sharing program will also include providing shuttle services to transport employees to and from the hotel facility at their request.
   c. Providing subsidized passes for transit service for employees who request them in order to encourage use of fixed bus service to the site.
   d. The Transportation Coordinator will work with the Town's Transportation Coordinator to determine membership in an existing Transportation Management Association (TMA), in the formation of a new TMA, and/or coordination of transportation interests in the Starwood/Minuteman area.

2. Petitioner will provide bike racks in a secure location for employees who choose to bicycle to work. Petitioner also will make the pool shower facilities available to any employee who elects to bicycle to work.

3. Petitioner will provide a daily van service to employees and guests from 5:30 AM to 11:00 PM, said times subject to demand adjustment. Petitioner may consider operation of additional van(s) at its own discretion.

4. As a revision to Special Conditions, Item 6 of the March 29, 2006 PSDUP, Petitioner will make a one time payment of $200,000.00 to be held and administered by the appropriate Town entity for the benefit of the Lexpress transportation system. Said payment will be made to the entity designated by the Town at the time of the issuance of certificates of occupancy for both hotel buildings. The TMG may elect to allocate some portion of this amount to the other mitigation measures proposed herein.

At the end of the fifth full year of operation, and annually each year thereafter, the Petitioner and Lexpress shall review the rider ship level for Lexpress at Petitioner's site at 727 Marrett Road. If both Petitioner and the Town agree, Lexpress service may be discontinued to the hotel.

Should Lexpress cease operations, the remaining amount of said payment of said one time payment, may be used by the Town to implement other transportation system improvements. Specific uses may include, but not be limited to, an alternative transportation system, organization and operations of a new or existing Transportation Management Association service, or transportation infrastructure improvements within the project area.

5. Petitioner, through its engineers, will work with the Mass Highway Department and fund improvements to computerize and coordinate the two new traffic signals in front of the Petitioner's site on Marrett Road, specifically the traffic signals in front of Petitioner's entryway and at Marrett Road and Massachusetts Avenue. Special Conditions, Item 7 in the March 29, 2006 PSDUP is amended as follows: Petitioner will prepare a design, of up to the 25% detail level, for improvements to the intersection that include geometric improvements for crosswalks and a pedestrian activated signal. The Petitioner's cost for these items shall be limited to a maximum of $25,000.00.
6. Petitioner has identified a connection between its site and the Minuteman National Park and commits to continue working with the National Park Service and to fund said identified trail connection. Sufficient funds will be escrowed by the Petitioner with the Town to insure completion of said construction if said trail connection is not completed before issuance of a certificate of occupancy. The location of the pedestrian crossing on Massachusetts to the Minuteman National Park will be reviewed by the Town.

7. Petitioner and the Town have identified certain areas on Massachusetts Avenue between Marrett Road and Wood Street where pedestrian and bicycle accommodations would be enhanced, and traffic safety would be improved, by providing striping, signage, and lane identification and designated pedestrian crossings. The Petitioner will prepare designs and install the improvements in a manner that complies with the new Design Guidelines by the Massachusetts Highway Department for context sensitive local streets with multi-modal accommodations for pedestrians and bicycles. Petitioner will pay to construct said striping and signage. Special Conditions, Item 7 is amended to delete reference to maintenance costs. The total costs for the Massachusetts Avenue improvements provided by the Petitioner will not exceed an aggregate amount of $7,500.00.

Along with the pedestrian and bicycle improvements along Massachusetts Avenue, the Petitioner agrees to consider at time of application for a Special Permit with Site Plan Review before the Board of Appeals, the discontinuance of the access to the site from Massachusetts Avenue, except for use by emergency vehicles or buses, which will have access to the site via use of a transponder.

8. The on site Traffic Coordinator will be responsible for monitoring implementation of all mitigations committed to. It will be the responsibility of the Transportation Coordinator on the site to prepare an annual report to the TMG that shows compliance with the TDM Plan. In the annual report, the following items shall be provided:
   • The number of persons regularly employed on the site, and the zip code of the home of each such employee
   • A survey of the mode of travel of each person regularly employed on the site, including single occupant vehicle, carpool/vanpool, public transportation (MBTA or LEXPRESS), private transit service, employer shuttle, TMA service, bicycling or walking.
   • A survey of the time of arrival and departure of employees, grouped by the work shift and the employee's home zip code.
   • The number of employees utilizing employer subsidized passes for fixed route transportation services.
   • The number, and percentage, of guests who utilized hotel shuttle services and the Lexpress bus service.

The annual reporting will be prepared by the on-site Transportation Coordinator by January 31 of each year, and will be submitted to the Town's Transportation Coordinator.