

November 10, 2011

Mr. Peter Meade
Director
Boston Redevelopment Authority
Boston City Hall, 9th floor
One City Hall Square
Boston, MA 02201-1007

Re: Copley Place Retail & Residential Redevelopment Project

Dear Director Meade:

In response to your request to provide confirmation of our Affordable Housing Plan in support of the Mayor's Executive Order relative to the City's Inclusionary Development Policy, and in preparation for the Boston Redevelopment Authority Board vote scheduled for November 17, 2011, Simon Property Group proposes the following:

Affordable Housing Proposal:

- Simon Property Group is committed to building 3 one bedroom units and 7 studio units for a total of ten units within the proposed project. Simon is currently under negotiations of a Letter of Intent to purchase a site for 35 residential units in the South End neighborhood all of which will be deed restricted affordable housing units. The remaining 3 units will be constructed in the Back Bay or South End neighborhoods, at a yet to be determined site, or purchased individually and deed restricted as affordable housing units. Prior to the issuance of a building permit Simon Property Group will provide a complete detailed plan.

Alternate On Site Proposal:

- In the event Simon Property Group is unsuccessful in fulfilling the Affordable Housing Proposal set forth above, prior to issuance of a building permit Simon will locate the required affordable housing units within the proposed development based on these units being rental housing.

Affordable Housing Buy-Out Option:

- Simon Property Group will not be seeking the Boston Redevelopment Authority's assent to buy out the Inclusionary Development Obligation that may be allowed under the City's Inclusionary Development Policy.

Mr. Peter Meade
November 10, 2011
Page 2

We look forward to providing more information as the process continues. We are committed to providing a complete detailed Affordable Housing Plan prior to the issuance of a building permit for the Copley Project. We will commit to a full build out of the affordable housing commitment prior to the receipt of an occupancy permit for the Copley Project.

We hope the above, outlined in response to the Affordable Housing, is satisfactory and seek the endorsement of the Boston Redevelopment Authority.

Sincerely,

Simon Property Group

A handwritten signature in cursive script, appearing to read "Michael E. McCarty".

Michael E. McCarty
Executive Vice President
Development Operations