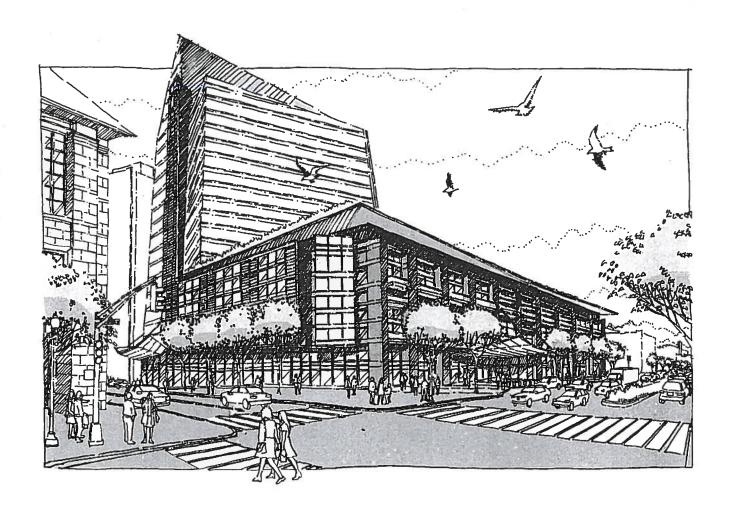
Proposal for:

Air Rights Parcels 14 and 15 Boylston Street, Boston, MA

Component I, Development Proposal

Submitted To: Massachusetts Turnpike Authority



December 5, 2008



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Proposal Form

Proposal Form

Reference is herein made to a certain Request for Proposals dated September, 2008 issued by the Massachusetts Turnpike Authority relating to Air Rights Parcels 12, 13, 14, and 15, Massachusetts Avenue/Boylston Street intersection Area, Boston (together with all figures, appendices and schedules, the "RFP"). Initial capitalized terms, unless otherwise defined herein, shall have the meanings assigned to such terms in the RFP.

The undersigned (the "Proposer") affirms that it has read and fully understands the terms and conditions set forth in the RFP, and hereby agrees to the terms and conditions thereof.

- 1. The Proposer hereby irrevocably submits its Lease Proposal(s) for Air Rights Parcels known as Parcel(s) 14 and 15 to MassPike subject to the lease terms and conditions of the RFP.
- 2. The Proposer herewith submits a Submission Deposit in the amount of one hundred thousand Dollars (\$100,000), which shall be held and disposed of in accordance with Section IV.C(2) of the RFP, except that such Deposit shall become fully earned and non-refundable by MassPike only upon execution of definitive agreements for the leasing of the Parcels to the Proposer.
- 3. The Proposer agrees that all of the Proposer's expenses related to the preparation of this Proposal for the Air Rights Parcel 12, 13, 14, and 15 and (if applicable) the consummation of the transaction contemplated hereby, including any costs related to any third party representation engaged by the Proposer, are the Proposer's sole responsibility.

Executed under seal by the duly authorized Vice President of the Proposer:

Name of Proposer: CARPENTER & COMPANY, INC.

By: Date: December 5, 2008

Print Name: Peter Diana Title: Vice President

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Section 40J Disclosure Statement

Section 40J Disclosure Statement

DISPOSITION OF REAL PROPERTY

For the purposes of disclosure pursuant to the Massachusetts General Laws, Chapter 7, Section 40J, the undersigned (the "<u>Proposer</u>") does hereby provide the following statement giving the true names and addresses of all persons who have or will have direct or indirect beneficial interest in the real property defined as "Air Rights Parcels 12, 13, 14, and 15" in that certain Request for Proposals dated September, 2008, issued by the Massachusetts Turnpike Authority. If there are no such persons, the Proposer has indicated this by inserting the word "NONE" in the space below.

Name

Address

Richard L. Friedman

c/o Carpenter & Company, Inc. Charles Square 20 University Road Cambridge, MA 02138

Note: If necessary, please attach additional names and addresses on a separate sheet of paper referencing this statement.

This Disclosure Statement is signed under the pains and penalties of perjury on this 5th day of December, 2008 by the duly authorized <u>Vice President</u> of the Proposer:

Name of Proposer: CARPENTER & COMPANY, INC.

By:

Date: December 5, 2008

Print Name: Peter Diana

Title: Vice President

Development Team

a. Development Entity: Carpenter & Company, Inc.

In existence since 1898, Carpenter & Company is a highly respected and experienced firm involved in real estate development, ownership and management. Carpenter was incorporated in 1973 by Richard L. Friedman, and since that time has devoted its resources to the development of hotels, mixed-use projects and retail properties. Carpenter has a long and successful history as a developer of hotels and complicated, large-scale urban projects. Carpenter is particularly adept at working closely with governmental, community, neighborhood and political groups to create an inclusive development process that helps to ensure the successful completion of a project. Please see Component III for more detailed information on Carpenter's key personnel.

Carpenter's most recent projects include the Liberty Hotel at the foot of Beacon Hill, and the St. Regis San Francisco. The Liberty, which includes 298 guestrooms, extensive meeting space, two restaurants and two bars, is located on land owned by Massachusetts General Hospital and ground leased to an affiliate of Carpenter. Mass General selected Carpenter to develop the Liberty following a competition that attracted a large number of respondents. The Liberty project required careful coordination with the Federal, State and local historical regulators, who were consulted regularly during the development of the project, and approved the project plans. The Liberty was awarded more than \$19 million in Federal and State historic tax credits, which were instrumental in its financing. It involved careful coordination and cooperation with Mass General and the surrounding community.

The St. Regis San Francisco, a 42-story luxury hotel and condominium project, was completed by Carpenter in 2005. The sister property to Manhattan's famed St. Regis Hotel, St. Regis San Francisco consists of a 550,000 square-foot, 42-story tower containing a 270-guestroom, five-star hotel and 100 residential condominium units. A portion of the St. Regis project's site is occupied by the historic Williams Building, which was built in 1907 and was abandoned at the time Carpenter began to work on the project. Carpenter devised a plan to save the historic building and preserve its architectural integrity, while integrating the building effectively into the larger project. Carpenter was selected by the San Francisco Redevelopment Agency as the developer of the St. Regis project in a competition that included among its entrants Radisson, Wyndham, Peninsula, Promus, and Tishman International. The Redevelopment Agency's compliance staff regarded the St. Regis project's equal opportunity program as exemplary.

Many of Carpenter's past projects bear striking similarities to the MTA Air Rights project, and make Carpenter uniquely qualified to develop the subject parcels. For example, Carpenter's Charles Square project in Cambridge is a spectacularly successful example of a mixed use urban infill project on a former MBTA site. Like Carpenter's proposal for Parcels 14 and 15, Charles Square includes hotel, office and retail uses totaling approximately 800,000 square feet. The Charles Square project includes the highly successful 293-guestroom luxury Charles Hotel.

In 2003, Carpenter completed the development of the 189-guestroom Courtyard Marriott in Brookline, Massachusetts, after being selected by that municipality as developer. In addition to guestrooms, the Brookline project includes 150 below-grade parking spaces, a café, meeting rooms, an exercise room, and a lap pool. The design challenges of the MTA Parcels are similar to Carpenter's Brookline Courtyard Marriott, which was constructed on a confined parking site



in the middle of a vibrant, pedestrian-oriented Brookline neighborhood. Carpenter worked with its team to formulate a design sensitive to the hotels environs that was both functional and attractive. Many Brookline residents expressed concern that the hotel must appear appropriate in context of the surrounding neighborhood. Carpenter built an 8-story building carefully designed to be compatible with the existing uses and structures in the area. The Brookline Town Meeting overwhelmingly approved Carpenter's plans for the hotel before construction, and the project has won unanimous praise from the community since its completion.

Carpenter was also the developer of the Logan Airport Hilton, located on land ground-leased from a state authority in the middle of Boston's major airport. The Logan Hilton development required attention to an array of issues encountered when infilling in intensively-used sites. Similar issues will be confronted in the development of Parcels 14 and 15.

Carpenter also has extensive experience working in partnership with public entities and not-for-profit institutions. In addition to Carpenter's experience with Massachusetts General Hospital at the Liberty, Carpenter acquired the site of the St. Regis San Francisco project from the San Francisco Redevelopment Agency, with which it worked closely during the development of that project. Carpenter acquired the site of its Charles Square project from the MBTA, and worked closely with the City of Cambridge and Harvard University on the development of that site. The Logan Airport Hilton, which sits in the middle of one of the country's busiest publicly-owned airports, is located on a parcel of land owned by Massport and ground leased for the hotel. Carpenter was also co-developer of the Westin Boston Waterfront and worked closely with the Massachusetts Convention Center Authority and the Boston Redevelopment Authority on that project, which is located on land ground-leased from the Convention Center Authority and connects by bridge directly to Boston's new convention center.

Many of Carpenter's projects have required extensive outreach to the local community and careful coordination with community groups. Carpenter takes pride in its ability to work closely with the local community on the development of its projects. Carpenter believes strongly that a development process that includes all interested constituencies ultimately results in a better project.

b. Key Members of the Development Team:

Carpenter has selected Cambridge Seven Associates (C7A) as architect for the development of Parcels 14 and 15. Carpenter has worked with C7A on numerous projects throughout the firm's history. C7A was instrumental in the successful completion of the Brookline Courtyard Marriott, the Liberty Hotel in Boston and Charles Square in Cambridge.

C7A was founded in Cambridge, Massachusetts in 1962 by a group of designers with varied interests and backgrounds who believed that their collaborative efforts would be far more effective than those of any individual. Since its inception, the firm has been guided by the conviction that each assignment, at any scale, is an opportunity to apply fresh thinking in a search for creative solutions.

Winner of the prestigious American Institute of Architects Firm Award, C7A is internationally acclaimed for its innovative work in architecture, urban design, planning, exhibitions, graphic, and interior design. Cited for its "uncompromising clarity of purpose, design excellence, and an abiding respect for and delight in the human use of their projects," the Firm Award Jury described the firm as "an influential and stimulating example, demonstrating new directions of professional practice." The Jury also commended "the staying power of their approach," noting, "The impact, graphics, and readability of their work continue to serve as landmarks."

In writing about the firm, the architecture critic Robert Campbell stated that "From the start, the Seven set out to combine architecture with the other design arts - with exhibits, with graphics, and signage, with public art, with product design, with film, even with city planning. Most of their work is a collaboration among many disciplines..."

C7A has applied this approach to a diverse range of building types including academic, museum, exhibit, hospitality, transportation, retail, office, and aquarium facilities. The firm has practiced throughout North America, Europe, the Middle East, and the Far East, annually completing work totaling over \$500 million in construction costs.

Since the very first project for the New England Aquarium, and in numerous projects in architecture and exhibit design today, C7A has been designing buildings that teach a respect for our environment and educate the public about conservation, through both example and content. In-house LEED accredited professionals, collaborations with green design leaders, and total building system integration with our engineers is leading to sustainable projects for US agencies, universities, not-for-profits, and businesses alike.

Important projects designed by C7A for other clients include, in addition to the New England Aquarium in Boston, the Scientific Center Aquarium and Museum in Kuwait City, Kuwait; the Orlando Arena in Orlando, Florida (home of the Orlando Magic); the NBC Bank Tower in San Antonio, Texas; Portugal's Lisbon Aquarium; the Osaka Aquarium and Marketplace in Japan; and the Complex System Laboratory for the Department of Aeronautics and Astronautics at the Massachusetts Institute of Technology.



Development Approach



Concept Description and Land Uses

The development site included in Carpenter's proposal offers a unique opportunity to knit together the city in a meaningful and architecturally exciting way. The Carpenter team has chosen to use Parcel 15 in combination with 50 Dalton Street to create a development project that will satisfy a need in the Boston development market for a moderately-priced limited service hotel, create Class A office space, and activate the street edge with retail uses. Our guiding principles on this project have been to achieve the following strategic urban design goals:

- Maintain the Boylston Street edge and respect the corner of Dalton and Boylston
- Preserve the existing 50 Dalton Street Garage
- Alleviate traffic by reworking the Garage entry to Scotia Street
- Create continuous retail and a new office lobby along Dalton Street
- Maintain a 7 story height limit along Boylston Street
- Create a new office tower 16 stories above the existing garage near the Sheraton and Hilton towers
- Create a new valet/drop off along Boylston Street
- Integrate fully sustainable principles into the building design, beginning with smart growth initiative of an urban site through to the final building details of stormwater management and high performance building strategies.

a. Development Program

i. Program areas

Hotel	
200 room limited service	122,900 GSF
Street Level Retail/Restaurant/Café	13,500 GSF
Second Level Hotel Fitness / Spa	3,600 GSF
Office Tower	405,000 GSF
Parking Garage	200,000 GSF
Total Development Square Footage	745,000 GSF

Parking

500 existing spaces

Hotel: .5/key 100 cars
Office: .75/1000 SF 300 cars
Retail or Public Use 100 cars
Total 500 cars



ii. Parking

We see a significant benefit to reusing and incorporating the existing 50 Dalton Street Garage into the project. The existing 500 spaces can be reworked to accommodate the program as shown in the table above. Moving the existing garage entry off Dalton Street and onto Scotia Street will alleviate traffic at peak periods, for example during Red Sox events. We propose changing the one way direction on Scotia Street to two way traffic, thus allowing for easy access via St. Cecilia Street as well as Dalton Street.

b. Community Uses and Benefits

Carpenter's project for Parcels 14 and 15 will knit together an important but underutilized part of Boston. The project will reinvigorate a part of the City that lies near vibrant areas, but is itself largely uninhabited. The hotel proposed for the project, and the accompanying retail uses, will provide activity along the street edge. In addition, the hotel will provide much-needed moderately-priced guest rooms in a part of the City that is underserved at that price point. Residents of the surrounding community will benefit from the availability of reasonably-priced rooms that will be available to their visitors and guests.

The existing garage on Dalton Street will obtain a new "skin" as a result of its incorporation into the new office building, which will substantially improve its appearance. A significant number of construction jobs will be created by the development of the project, and the hotel will employ considerable numbers of permanent workers. The development of the project will also improve the City's real estate tax base, and the hotel will pay rooms tax.

c. Building and Site Description

The massing and urban planning for this project has been carefully considered along with the design guidelines set forth in A Civic Vision for Turnpike Air Rights in Boston. The project is conceived to create a sense of the City's continuum by utilizing the "over the turnpike parcels" and the Dalton Street Garage in a sensitive and compelling urban design methodology. First, the existing garage structure is to remain and be built over. This suggests a location for additional height in the shape of an office tower in keeping with Boston's high rise spine. The sensitive scale of Boylston Street is also accommodated by creating a low rise structure over the turnpike in keeping with the massing and scale of the Back Bay. Together these building elements are conjoined to create a new development that contains a limited service hotel, street front retail activities and an office tower.

Building mass will be low at 7 stories along Boylston Street and wrapping the Dalton Street corner. We see great opportunity in weaving the fabric of the city back together along parcel 15 with an 85' tall limited service hotel, and connecting this with a 300' tower along Dalton Street in keeping with the neighboring Sheraton and Hilton towers. The new hotel building footprint will be a floor plate of 20,000 SF spanning the turnpike roadway below. New structure will be built to work in tandem with the existing roadway system, creating a new substructure to the

Boylston Street elevation. The new hotel structure will take on its own efficient grid system to sit upon the new infrastructure. Additionally, we intend to provide upper story cantilevered truss work to support the hotel floors above the turnpike and to suspend floors below so as to maximize the use of the site. At 50 Dalton Street, the existing garage will remain intact with a new ramp system designed to work off Scotia Street. The 8 story garage will be maintained and a new exoskeleton superstructure will sheath the garage exterior and in turn support the proposed new16 floors of office space. Each floor will contain approximately 25,000 GSF.

Guests to the hotel will arrive either via public transportation, taxi or by car to a drop off area along Boylston Street. Valet service will take cars and drive down Dalton Street and right into the new Scotia Street entry. Upon retrieval, the valet runner would exit the garage onto Cambria Street and coordinate pickup service at the hotel lobby. All hotel and office trash and delivery service will be along Cambria Street to a loading dock located within the existing garage structure. This overall concept works as a terrific urban planning concept to activate the pedestrian experience along the two primary streets, and conceal service and driving activity toward the internal portion of the site. For internal building circulation, please refer to our attached design drawings and diagrams describing internal vertical circulation.

We envision a building that is both contextual and of it's time. Any new building in Boston should be a vision of sustainability as well as a nod to our historic past. We want a vibrant and exciting architectural experience at this important intersection on Boylston Street. The hotel, which sits on the corner of Boylston and Dalton Streets, is envisioned to be dedicated to pedestrians. The ground floor will be open and inviting, its facade elegantly detailed with glass and stone. All uses at this level will be open to the public including retail, the hotel lobby, cafés, and restaurants. Above, the building becomes more private, and the guest rooms themselves open onto the streets creating a dynamic interplay between the public and private realms of the City. Architecturally, we envision terracotta or masonry units on the north face of the building at these upper levels. We will integrate thicker wall mass onto our north and west facing walls, to reinforce our sustainable principals, but also to tie into the architectural character of Boylston Street and the Hynes Convention Center arcade. A strong cornice line will hold the eye at about the 7 story level with a glass attic style roof line containing the hotel suites. Guests will have commanding views of the city from this top floor.

A new public setback will be created on the corner of Dalton and Scotia Streets for entry to the new office tower. The project will create an opportunity for open space and good synergy between the new office entry, the Sheraton and the Hilton front doors.

The existing garage will be wrapped with a new masonry skin to work with the hotel skin. The new tower will emerge in a graceful taper. The North face of the tower will be of a similar terracotta style face with the South and East faces in highly articulated photo voltaic glass. All windows on the building will be operable to allow for internal air movement. The hotel will hold a green roof with xeriscape. The project's architect has successfully built green roofs at the Healing Garden for MGH and the Boston Children's Museum. From here, one could imagine a public room offered by the hotel with gracious views toward Back Bay. This will also provide relief for neighboring towers looking down onto the building.

We anticipate challenges building over the roadway. These will require talented input from consultants for a host of issues including structure, ventilation, vibration and acoustics.

The combination of Parcels 14 and 15 along with 50 Dalton Street will create a new and exciting development parcel within Boston's core. The proposed mixed use Boylston Street/Dalton Street project completes the urban fabric between the Hynes Convention Center and Massachusetts Avenue along Boylston Street. The project also provides a much-needed moderately-priced hotel in an area of the City that is well traveled but lacks price options for downtown visitors. Further, the project provides the scaling devices needed at this point in Boston by creating a landmark tower that is half the height of the nearby Prudential Center, which in turn steps down to the 7 story hotel, thus effectively and beautifully transitioning scale towards the historic Back Bay.

Sustainable Design

The project's architect, Cambridge Seven Associates, is actively practicing sustainable architecture, as are our engineering consultants. Each of their projects is scrutinized to find ways to be ever more creative and "green". Cambridge Seven encourages all of its team members and engineers to "reach beyond" current solutions and to find innovative ways that buildings can reduce energy consumption, use sustainable or recyclable materials and touch the earth more lightly. C7A is committed as a company to only design buildings that have as many sustainable attributes as possible, whether or not they conform to a LEED rating system. Cambridge Seven's current projects which are recently completed or which are in design that are achieving a LEED rating include: The West Cambridge Youth and Community Center (Gold); The Boston Children's Museum (Gold); the University of California Executive Education Center and Hotel in Berkeley (Silver); College of Engineering and Petroleum (Silver). Please see our attached LEED preliminary checklist for this project.

Local Building Codes and Agencies

The design team will use the Massachusetts State Building Code 7th Edition and all local Building agencies to design and implement the requirements for the project. We will work closely with all assigned neighborhood task force groups and the BRA. Carpenter and its team have a longstanding committed working relationship with the BRA and associated government agencies. This team has successfully worked together with the City of Boston throughout the design review process and with the BRA on the Liberty Hotel, MGH Yawkey Center, The Boston Children's Museum addition, and currently on the historic Ames Building.

Summary

The project proposed by Carpenter and its team will employ the highest and best design, development, sustainable building approaches and construction practices to knit together the fabric of the City in an important and underutilized location.



LEED checklist opportunities

Sustainable Sites

- Credit 1: Site Selection
 - o This will be achieved by developing on an environmentally sustainable site and retaining the existing building.
- Credit 2: Development Density and Community Connectivity
 - o This will be achieved with numerous community services in the densely populated site area.
- Credit 4.1: Public Transportation Access
 - o This will be achieved based on proximity to public transportation
- Credit 4.2: Alternative Transportation, Bicycle Storage & Changing Rooms
 - o This is based on occupancy. There will be bicycle racks with required number of bicycles within required distances to showers.
- Credit 6.1: Stormwater Design, Quantity Control
 - O We will design a stormwater capture system which we can use to irrigate green roofs and potentially use for gray water.
- Credit 6.2: Stormwater Design, Quality Control
 - O Quality is assured through a filtration system.
- Credit 7.2: Heat Island Effect: Roof
 - O We are going to design a green roofing system to achieve this credit as well as use white roofing membrane
- Credit 8: Light Pollution Reduction
 - O To achieve credit, we will make sure that exterior lighting will not exceed light trespass requirements.

Water Efficiency

- Credit 1.2: Water Efficient Landscaping, No Potable Use or No Irrigation
 - o This credit will be achieved by designing a low maintainable roofing system
- Credit 2: Innovative Wastewater Technologies
 - o Potential for installing a black water system.
- Credit 3: Water Use Reduction
 - o Reduce water use in the building by installing low-flow fixtures.

Energy & Atmosphere: We will install carbon monoxide sensors in garage to control exhaust.

- Credit 1: Optimize Energy Performance
 - O Review energy model to optimize energy efficiency. Potential strategies include installing a micro turbine and occupancy sensors for common area lighting. Points achievable will vary depending on systems designs.
- Credit 2: On-site Renewable Energy
 - o Use photovoltaic solar panels
- Credit 4: Enhanced Refrigerant Management
 - o Credit will be achieved because no CFC or HCFC refrigerants will be used.
- Credit 5: Measurement & Verification
 - O This credit can be achieved through implementing a 1 to 5 year regiment plan outlining energy use. Both metering and sub metering will be analyzed.



- Credit 6: Green Power
 - The developer may establish procurement contract with energy provider to meet credit requirements.

Materials & Resources

- Prerequisite: Storage & Collection Recyclables
 - o This credit can be achieved by establishing a recycling plan and program space for occupants use.
- Credit 1: Building Reuse
 - o This credit can be achieved for reusing the existing Dalton Street Parking Garage
- Credit 2.1/2.2Construction Waste Management
 - o This credit can be achieved by establishing a construction waste management plan to reduce recyclables to landfill and also monitor waste stream manifests.
- Credit 4.2: Recycled Content
 - O Contract documents to specify recycled content requirements where applicable.
- Credit 5.2: Regional Materials
 - O Contract documents to specify regional material requirements where applicable.
- Credit 6: Rapidly Renewable Materials
 - o This credit is achieved through consideration of building materials
- Credit 7: Certified Wood
 - o This credit is achieved through consideration of building materials

Indoor Environmental Quality

- Credit 1: Outdoor Air Delivery Monitoring
 - o Monitor ventilation air into common areas through BMS.
- Credit 3.1: Construction IAQ Management Plan
 - o Must include requirements in contract documents
- Credit 3.2: Construction IAQ Management Plan
 - o This credit will be achieved by building flush out prior to occupancy.
- Credit 4.1-4.4: Low-Emitting Materials
 - o This will be included in specifications for VOC requirements to meet credit.
- Credit 5: Indoor Chemical & Pollutant Source Control
 - o This credit will be achieved by the design of walk off mats at all entrances.
- Credit 6: Controllability of Systems, Thermal and Lighting
 - o Provide building users with a high level of personal control over lighting and HVAC.
- Credit 8: Daylight and Views
 - o Plentiful amounts of daylight and glass area for views will be provided to achieve this point.

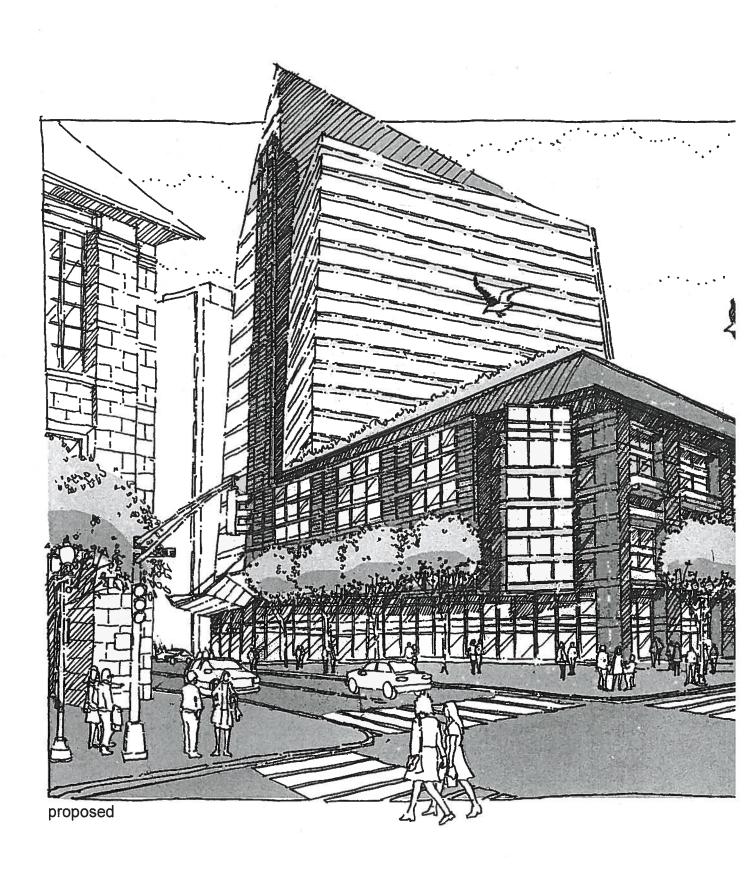


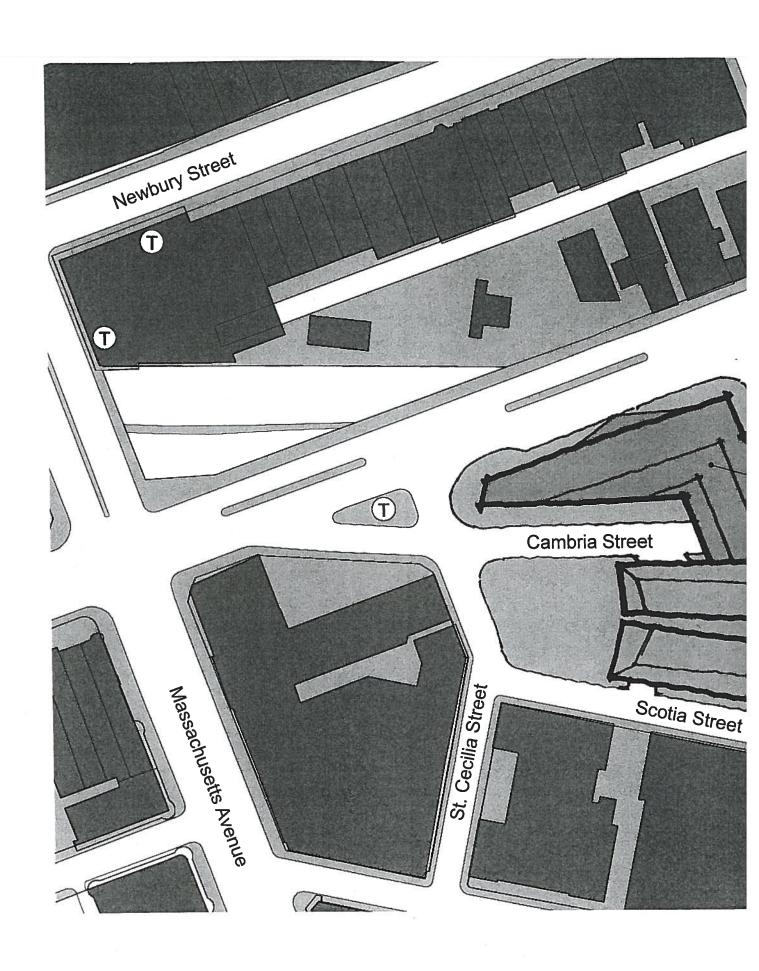
d. Permits and Approvals

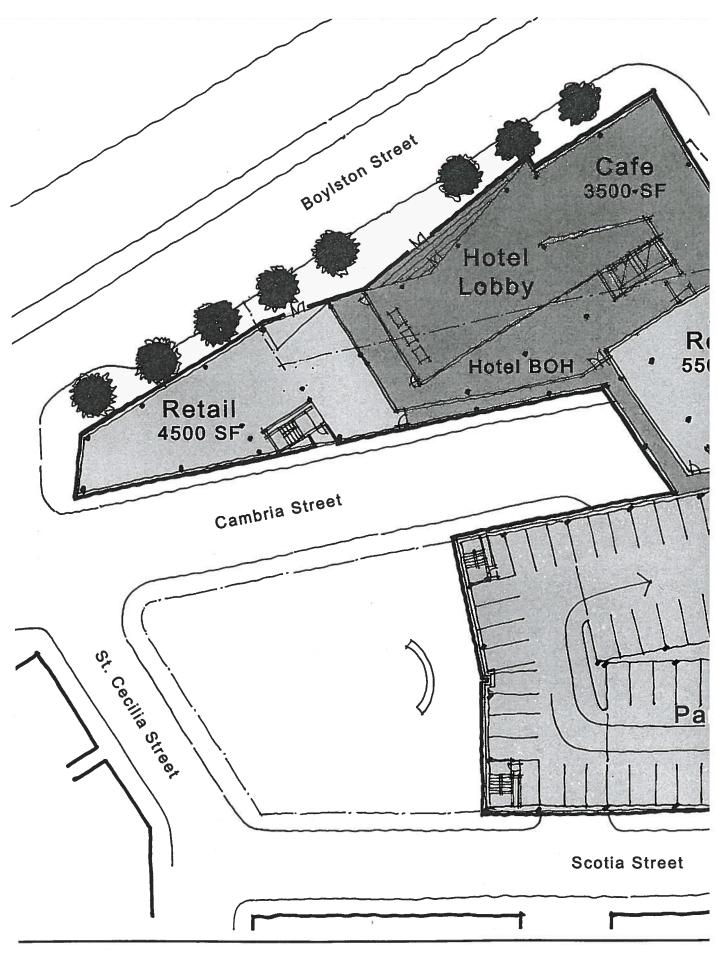
Carpenter & Company's proposal would require zoning relief with regard to height and massing, and large project review under Article 80. It is likely that MEPA review would also be required. Carpenter has extensive experience permitting development projects in Boston, including most recently Carpenter's Liberty Hotel project at Charles Circle. At the City level, the permitting process for the Liberty project included, among others, Planned Development Area and Article 80 approvals. In addition, Carpenter has experience with MEPA and other state approval processes.

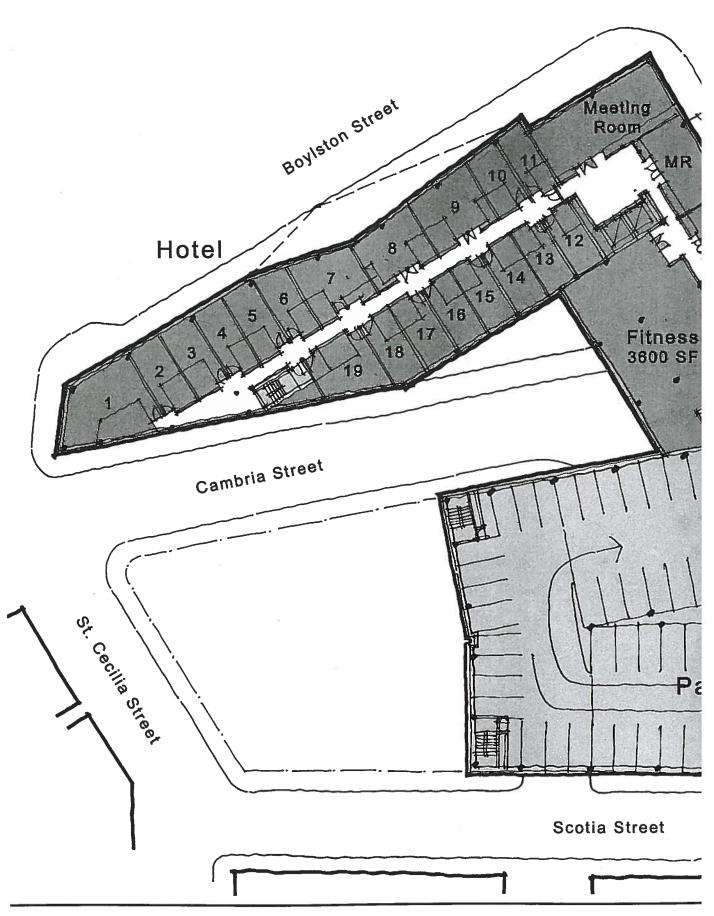
e. Schedule

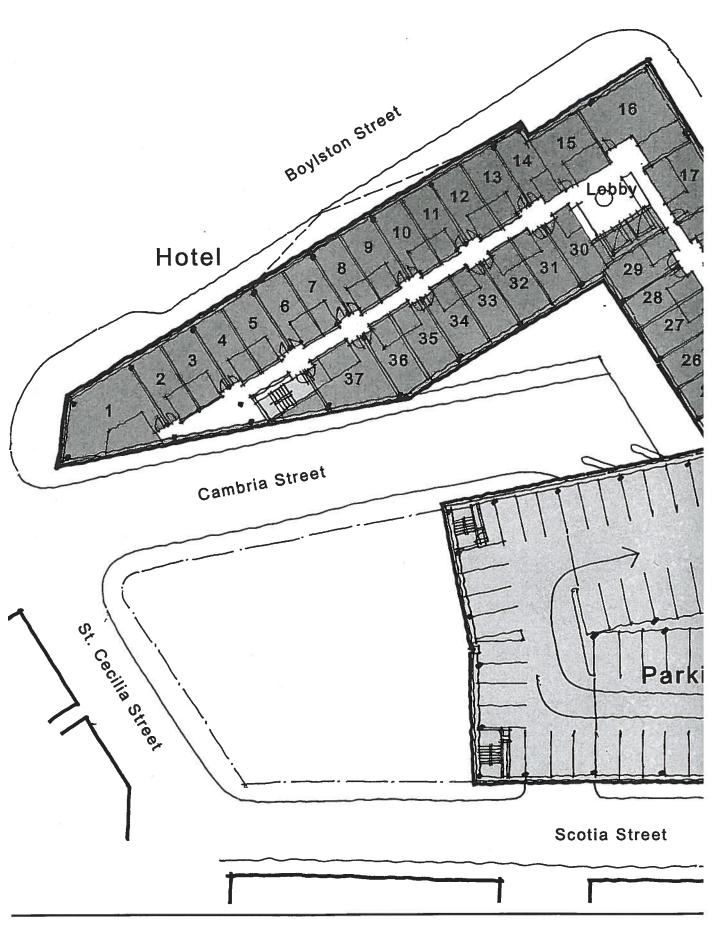
Carpenter & Company anticipates a 36-month construction schedule once final approvals have been obtained.

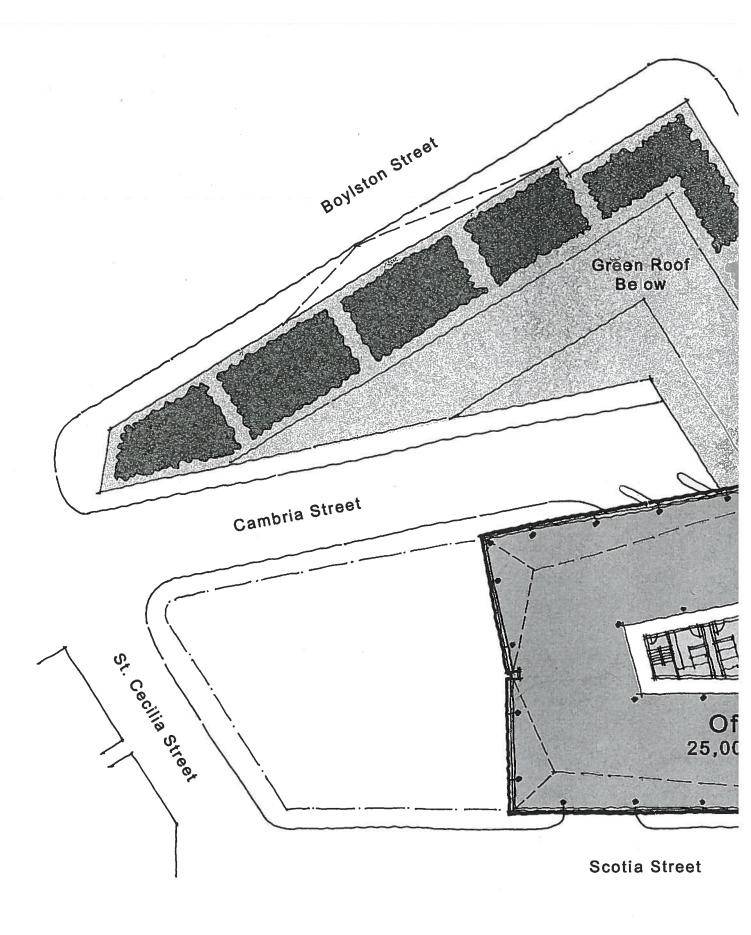


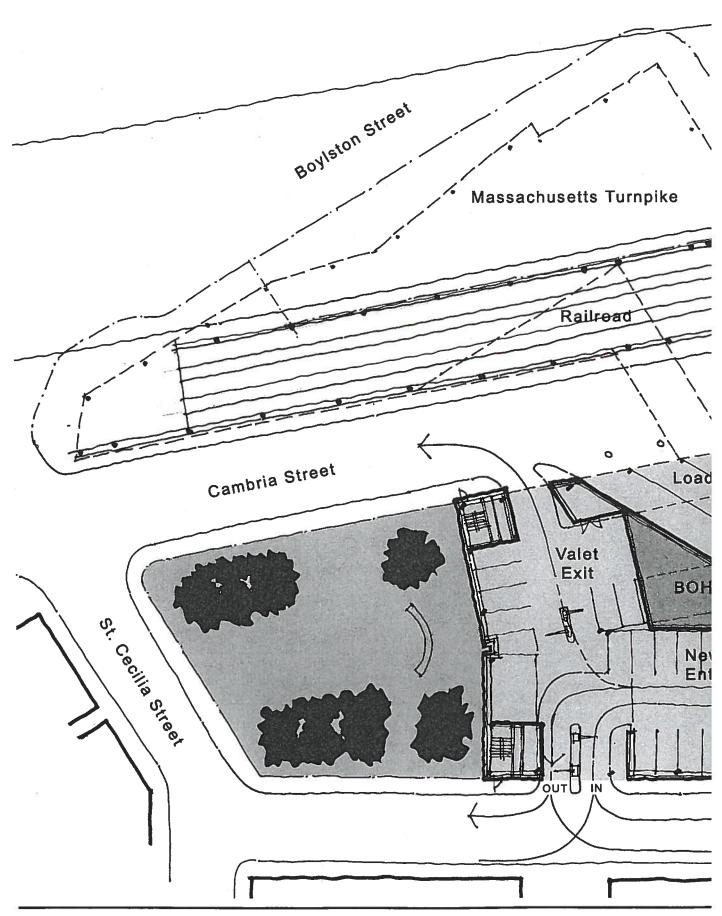


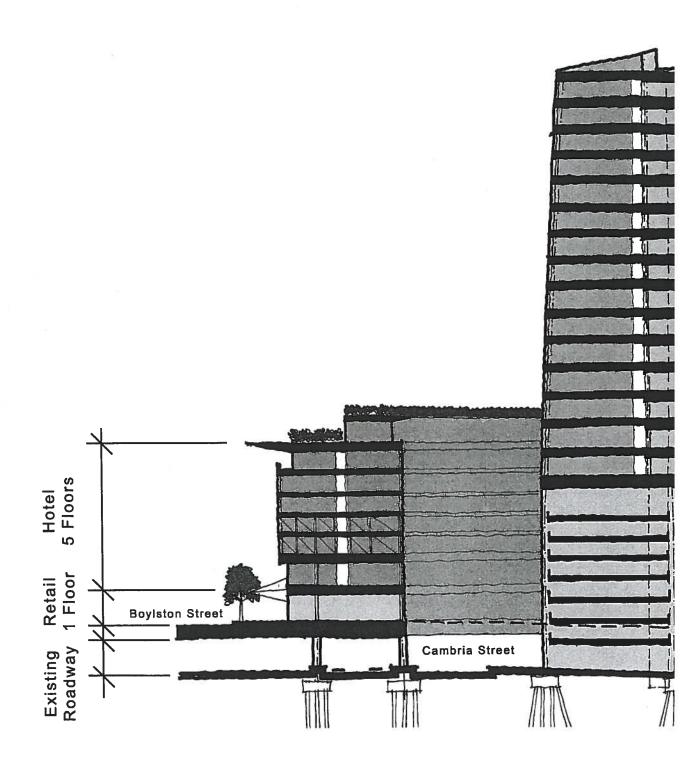


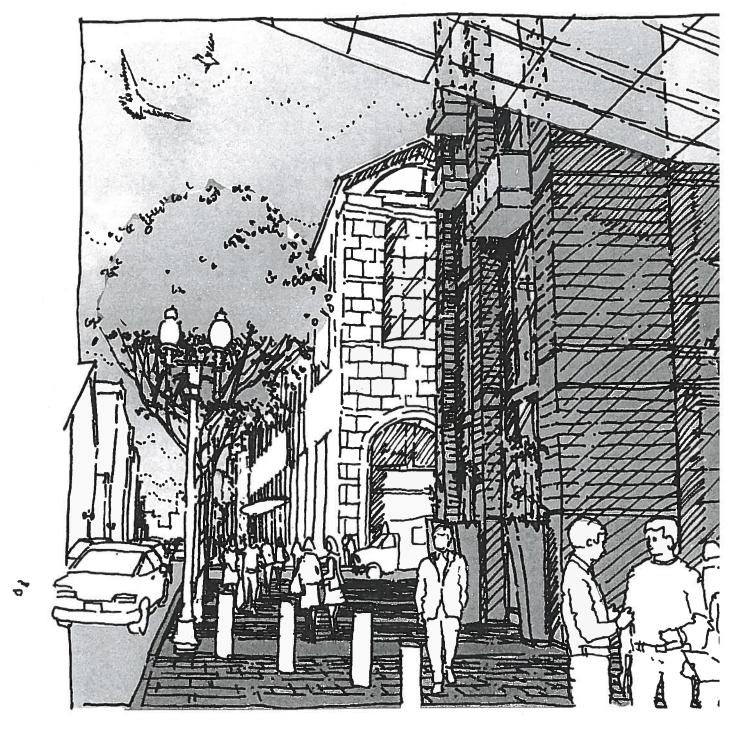












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