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South Boston Convention Center Hotel Development Team Forms Equity Partnership with Starwood Hotels & Resorts Worldwide, Inc.

Additional funds are committed by both parties to move 800-room hotel project forward, confirmed to carry Westin flag

Boston, Mass – June 3, 2003 – International hotel company Starwood Hotels & Resorts Worldwide, Inc. and its local development partners – Stephen Karp, Steven Fischman, Joseph Fallon, Joseph O’Donnell, and Richard Friedman - announced today that Starwood Hotels has committed \$35 million in financing for the convention center hotel project and that both parties have committed an additional \$1 million to pre-development activities. The development team also confirmed that the new hotel will carry the Westin flag and that Boston-based Suffolk Construction has been selected as the project’s general contractor.

“Our team in partnership with Starwood Hotels has now committed significant additional funding to move this project forward,” said development partner Joseph Fallon. “This allows us to work towards completing this development.” With both parties committing additional capital, the development team will forge ahead to finalize design drawings. Construction of the 800-room Westin hotel tower will commence in the first quarter of 2004. An additional 320 rooms are planned in a second phase of construction.

“By working with our local development partners to increase our joint investment, Starwood continues to strengthen its commitment to this project,” said Ted Darnall, President of the Real Estate Group for Starwood Hotels & Resorts Worldwide, Inc. “Boston is the ideal market for this type of project. The Westin brand’s upscale services and amenities, coupled with the hotel’s premier waterfront location, will result in a world-class convention complex.”

Demolition at the site of the planned South Boston Convention Center Hotel has already begun and is expected to be completed in the next couple of weeks.

"The South Boston waterfront is now one step closer to becoming a vibrant, 24-hour neighborhood," said Mayor Thomas M. Menino. "This partnership recognizes Boston's strong economy, and realizes an important vision in the development of the waterfront district."

(more)

South Boston Convention Center Hotel, 2.

Boston-based Suffolk Construction has been named the project's general contractor. According to John F. Fish, President & CEO of Suffolk Construction, "Suffolk is thrilled to take part in such an important project for the city of Boston. The hotel's impact on the city's tourism and economic vibrancy presents an exciting challenge. Our passion and experience in delivering the expertise, personal attention and commitment to schedule and budget positions Suffolk to make this project a success."

The hotel is critical to the success of the new \$800 million convention center. "Next spring, when we cut the ribbon and open the doors to the Boston Convention & Exhibition Center, we will be able to look next door and see the headquarters hotel coming out of the ground," said Gloria Larson, Chairman of the Massachusetts Convention Center Authority [MCCA]. "The construction of the hotel will add to the convention center's appeal but more importantly, it will help us keep up the momentum in the development of the South Boston Waterfront."

"The BCEC will be a convention center like no other, and the city of Boston and the Commonwealth of Massachusetts will be able to compete and win in the conventions and meetings marketplace," said James Rooney, MCCA Interim Executive Director and Director of Development and Construction. "With a headquarters hotel completion in the early years of our ramp-up phase, we will have an even greater advantage."

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