



December 12, 2002

Mr. Roger Snoble
Chief Executive Officer
Metropolitan Transportation Authority
One Gateway Plaza, Mail Stop 99-25-1
Los Angeles, California 90012-2952

Dear Mr. Snoble:

I am writing at the request of Marty Collins of Gatehouse Capital to confirm Starwood's interest in the proposed 300-room W Hotel at the intersection of Hollywood & Vine in Hollywood, California. With much of the area's planned redevelopment already underway, we remain interested in our quest to place the W brand in Hollywood. The Gatehouse project provides an excellent opportunity for us to secure a unique and timeless location. As you may know, in the last 12 months we opened Westin and W flagship hotels in another highly coveted mixed-use location, Times Square in New York.

We understand that Gatehouse and its partner Legacy are in an exclusive negotiation agreement with the MTA and CRA, which will lead to a more formal development agreement when the eminent domain and economic issues are resolved. We look forward to assisting in this process, and to reviewing the third massing model for the entire mixed-use development.

As Marty has probably told you, Gatehouse has developed two W Hotels in the last two years. The 17th and newest W was just completed last week in San Diego. It is a spectacular property and, in the words of our Chairman Barry Sternlicht, is "the best W yet." I would like to invite you to join me and several others of the Starwood executive team at the grand opening of the W San Diego on January 11, 2003. You may expect your invitation shortly.

If you have any questions regarding the W brand or our continued interest in the Hollywood and Vine location, please do not hesitate to contact me directly at (602) 801-9006.

Sincerely,

A handwritten signature in blue ink that reads "Greg O'Stean".

Greg O'Stean
Vice President, Development

cc: Marty Collins

