

Comprehensive Energy Assessment

PROPOSAL

No. 10P12-3



**9 East 71st Street
New York, NY 10021**

Date: December 6, 2010



SourceOne, Inc.
Seven Penn plaza
New York, NY 10001
Ph: [REDACTED]
Fx: [REDACTED]

INTRODUCTION

Energy management requires energy measurement. Assessing 9 East 71st Street's current energy performance and establishing baselines are essential to generate cost savings in any energy management plan. The process starts by conducting a high level Energy Assessment to develop a profile and baseline of energy use for selecting and implementing feasible energy conservation measures.

Typical annual energy cost savings could be as much as forty percent (40%). The implementation costs will also vary depending on the energy conservation measures selected and the desired simple payback. It is impossible to accurately estimate costs and payback without performing a Comprehensive Energy Assessment.

SourceOne proposes to conduct a Comprehensive Energy Assessment of 9 East 71st Street including mechanical spaces, machine rooms, halls, lobbies, elevator and any significant energy consuming equipment. SourceOne's high level energy assessment protocol is focused on:

- *Identifying energy efficiency measures to help increase productivity and economic competitiveness and those that warrant further study.*
- *Minimizing the capital and operating expenditures necessary to utilize the Energy Conservation Measures in a reliable and cost effective manner.*



Typical Variable Speed Drive

OVERVIEW

The Comprehensive Energy Assessment identifies and evaluates potential Energy Conservation Measures (ECM) and accomplishes two important tasks:

- 1 – To provide sufficient information to proceed with implementation of simple Energy Conservation Measures (ECM)
- 2 – To provide enough information about more complicated ECM's so that the customer can select specific ECM's for a targeted detailed evaluation.

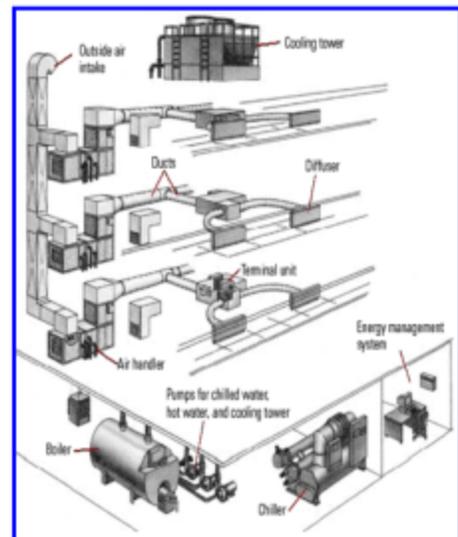
The results of the Assessment will provide a starting point for setting 9 East 71st Street's energy performance goals and establishing key metrics by which to measure the projects success. A baseline assessment also provides a critical management tool for identifying trends and focusing future efficiency efforts.

SourceOne will emphasize site-specific engineering analysis to ensure that all energy conservation recommendations are truly workable and practical at the facility. Equally important will be a thorough cost/benefit analysis to determine the cost-effectiveness of any improvements available.

ENERGY SAVINGS OPPORTUNITIES

Potential energy conservation measures to be evaluated may include:

- ✚ Central chiller plant evaluation and upgrade
- ✚ Distributed Cooling alternatives
- ✚ HVAC equipment evaluation and upgrade
- ✚ Energy Management System evaluation and upgrade
- ✚ Local HVAC controls
- ✚ Condensate heat recovery to pre-heat Domestic Hot Water
- ✚ High efficiency motors for pumps and fans
- ✚ Variable frequency drives for pumps and fans
- ✚ Air-side economizer ("free cooling") during cool weather
- ✚ Insulate steam and condensate piping
- ✚ Convert existing steam traps to high efficiency venturi orifice types
- ✚ Upgrade inefficient lighting as appropriate
- ✚ Lighting occupancy sensors in selected areas to turn off lights at unoccupied times



SCOPE OF WORK

COMPREHENSIVE ENERGY ASSESSMENT

This section describes our proposed methodology for conducting the energy Assessment. In general, we will be making a high level investigation of the energy conservation opportunities available to 9 East 71st Street. Specific phases of work will include:

- *Building Energy Consumption Profile*
- *Building Infrastructure Survey*
- *Engineering and Cost/Benefit Analysis*
- *Comprehensive Energy Assessment Report*

Building Energy Consumption Profile

In order to become familiar with the building and its historical energy consumption, SourceOne must understand the intent of the building design, its current operational procedures, maintenance history and utility consumption in energy and dollars. SourceOne will:

- Examine existing building documentation.
- Conduct interviews with property manager, engineering personnel and ownership to identify actual & expected usage and facility requirements
- Review last two years of utility bills and develop load profiles for gas, steam and electric consumption and demand.
- Analyze available metered utility data including steam, electric and natural gas data.
- Review applicable available site drawings.

Building Infrastructure Survey

On-site fieldwork will be an important focus of our energy study. SourceOne will evaluate existing & proposed cooling, heating and lighting infrastructure's energy efficiency. SourceOne will perform the following:

- Interview facility personnel most familiar with the operation and maintenance of the building to determine usage patterns, operation methodologies and maintenance requirements.
- Examine building mechanical and electrical infrastructure to determine and evaluate potential ECM improvements.

- Focus on improvements that will concentrate on control and operational changes designed to lower operating costs without affecting the comfort and safety of building occupants.
- Develop operational plan as required to reduce peak consumption and kWh usage.
- Develop infrastructure upgrade plan as required, including conceptual level drawings as needed.

Engineering and Cost/Benefit Analysis

Potential energy conservation measures and other client specified measures would be subjected to intensive engineering and cost/benefit study to confirm payback and cost-effectiveness. SourceOne's general methodology will include the following:

- Perform technical evaluations and discuss improvements with client to determine practicality and effectiveness and where further study is warranted.
- Review potential conservation improvements for consistency with comfort requirements and building operating standards.
- Analyze energy savings of the various improvements based on engineering practice and incremental energy costs; analyze interactive effects of improvements if necessary
- Consult with contractors, manufacturers, and suppliers as appropriate regarding costs associated with implementing improvements
- Review any operation and maintenance savings
- Review recommendations with client and select final list of improvements
- Discuss any implementation options and/or restrictions
- Develop preliminary budget and time-table estimates for cooling, heating and lighting infrastructure upgrades
- Secure preliminary budget and time-table estimates for infrastructure upgrades

Comprehensive Energy Assessment Report

Findings and recommendations will be presented in a written report at the conclusion of the analysis. The final report will include the following elements:

- Executive summary of energy conservation measures, with aggregate costs and savings information for entire program. Offer facility upgrade recommendations.
- Description of each recommended ECM improvement and measures considered but not recommended.

- Implementation cost estimate for each recommended measure, with contractor information or product literature as appropriate.
- Energy savings calculations for each improvement and discussion of other benefits as applicable (greater reliability, improved operating control, maintenance savings, enhanced comfort, etc.).
- Simple payback analysis for each energy conservation measure.
- Outline specifications and other information needed to proceed with implementation.

Presentation

Proposal includes an on-site presentation of the final report to 9 East 71st Street management team.

- Prepare outline of energy conservation options, recommendations and proposed implementation solutions for presentation to owners and management.

PRICING & SCHEDULE:

SourceOne proposes to perform the above scope of work for the fixed lump sum of \$10,000. We estimate the project will take 4-6 weeks from the first kickoff meeting.

The attached Terms and Conditions are an integral part of this proposal

SOURCEONE OVERVIEW

SourceOne is a leading power solutions provider for enterprises that view power and energy as critical to their operations.

SourceOne manages infrastructure and energy for the nation's leading real estate owners/developers, biotech companies, financial data managers, healthcare organizations and public institutions. Additionally, SourceOne represents these entities in managing large and complex energy infrastructure projects.

SourceOne has performed utility master planning projects, due diligence analysis, utility Assessments, monthly utility billing review, and commodity procurement for over 150 million square feet of commercial real estate and mission critical space.

SourceOne's recent meetings with 9 East 71st Street's management revealed significant opportunity to positively influence the future demand side energy management plan for 9 East 71st Street. Any alternate energy options designed to enhance the value of the asset will be best achieved through the employment of an integrated program comprised of technical, financial, regulatory and strategic elements that respond to current and future market conditions.

SourceOne is pleased to have this opportunity to support 9 East 71st Street. We are confident that our offering will bring significant value to your operations.

SAMPLE CUSTOMERS



CUSTOMER REFERENCES

Testimonials

“SourceOne became our strategic business partner. They are forward strategic thinkers and are a pleasure to work with. Their good relationship with the power companies has saved us substantial money. They saved us money in so many ways. We look forward to continuing to work with them.”

**--Paul Pariser
Taconic Investments – 111 8th Avenue**

“SourceOne continues to provide superior service in the field of utility management. SourceOne has proactively managed the electrical service agreements for our commercial assets, optimizing on the economies of quantity and schedules. In our technical assets, SourceOne has insured capacity and flexibility for the significant demand requirements.”

**--David Bell
Archon Group {NYSE:GS}**

“My building is one of the most complicated buildings in the country with an increase in tenants having many different feeds. SourceOne took all the data (every 15 minutes) and compared it against the bills. They reviewed all the leases and made sure that everything worked well. It was easy to justify lease changes. Lefrak has changed their lease language based on SourceOne’s recommendations.”

**--Jim Lavin
General Manager
Newport Financial Center - Lefrak**

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G R O U P

FOR IMMEDIATE RELEASE

*For More Information, Contact:
Amy Sandling Crawford
C. Pharr & Company*

**ARCHON GROUP ACCOLADE AWARD PRESENTED TO
Brian Casey of Source One**

The Accolade Award is presented for extraordinary service provided to Archon Group

IRVING, TEXAS – April 1, 2003 – Brian Casey recently received an Accolade Award from Archon Group, L.P., one of the nation's largest real estate and loan management organizations. The Accolade Award is presented to only a few individuals nationally in recognition of an outstanding achievement or excellent performance with respect to a particular Archon project.

As president of Source One, Casey received the award in recognition of the superior service provided by Source One in the field of utility management for both technical and commercial assets.

“Source One continues to provide superior service in the field of utility management,” said David Bell of Archon Group, who nominated Casey for the award. “Source One has proactively managed the electrical service agreements for our commercial assets, optimizing on the economies of quantity and schedules. In our technical assets, Source One has insured capacity and flexibility for the significant demand requirements. In particular, Brian Casey played an instrumental role in negotiating the buyout of our electrical service agreement with PECO Energy.”

ABOUT ARCHON GROUP

Archon Group is a diversified international real estate services and advisory company founded by The Goldman Sachs Group, Inc. (NYSE:GS). In addition to acquisition and development advisory services, Archon Group provides asset management, due diligence, environmental and structural analysis, structured finance, information technology, accounting, loan servicing and risk management. Archon Group is headquartered in Irving, Texas, with regional offices in Washington, D. C., Houston, Los Angeles, Taipei, Tokyo, Bangkok, Mexico City, Milan, Paris and Seoul.

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600 E. Las Colinas Blvd. Suite 400 Irving, TX 75039 972.368.2200 F. 972.368.2290

SOURCEONE TERMS AND CONDITIONS

The following Terms and Conditions ("Terms and Conditions") are an integral part of the accompanying proposal ("Proposal") to perform the services described therein ("Services") as submitted by SourceOne to the customer named in the Proposal ("Customer"). A contract between SourceOne and Customer for the performance of the Services ("Agreement") shall be effective as of the earliest date that Customer executes and delivers the Proposal, issues a purchase order or other notice to proceed to SourceOne with reference to the Proposal, or permits SourceOne to commence performance of any Services in accordance with the Proposal; provided, however, that these Terms and Conditions shall apply to the performance of Services by SourceOne notwithstanding any preprinted terms or conditions contained in Customer's purchase order. In the event of any conflict between these Terms and Conditions and any other portion of the Agreement, these Terms and Conditions shall control.

Payment. Payment for Services shall be for the amount set forth on the invoice as provided by SourceOne, and due no later than thirty (30) days from receipt of invoice unless otherwise specified. Customer shall reimburse SourceOne for all expenses incurred in connection with the provision of the Services pursuant to this Agreement if mutually agreed to in writing. SourceOne shall itemize and submit such expenses to Customer from time to time, and Customer shall reimburse SourceOne within seven (7) days of such submission. In the event Customer fails to timely or completely pay any amount under this Agreement: (i) such failure shall be a material breach; (ii) interest at the rate of one percent (1.0%) per month shall accrue on all past due amounts until such amounts, including accrued interest, are paid in full; (iii) SourceOne shall have the right to immediately cease providing Customer with the Services; and, (iv) SourceOne shall have the right to pursue all other legal and equitable remedies available to it. All fees set forth in this Agreement are exclusive of all sales, use, value-added, excise, property, withholding, and other taxes and duties. Customer shall pay or promptly reimburse SourceOne for all taxes and duties assessed by any authority in connection with this Agreement.

LIMITED WARRANTY AND DISCLAIMER. Notwithstanding any other provision of the Agreement, until the first anniversary of the Completion Date (as hereinafter defined), SourceOne warrants that the Services shall have been performed in a professional manner consistent with the level of care and skill ordinarily exercised by other providers of such services performing under similar circumstances. Customer's sole remedy for any breach of such warranty shall be a refund of the portion of the fees paid to SourceOne for the deficient Services. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, SOURCEONE HAS NOT AND SHALL NOT BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Indemnification. Each party ("Indemnifying Party") shall indemnify, defend, and hold harmless the other party

("Indemnified Party") against and from any and all actions, causes of action, claims, demands, costs, liabilities, expenses (including reasonable attorneys' fees and court costs) and damages arising out of any and all third party claims to the extent caused by the Indemnifying Party's negligent or willful acts or omissions or any material breach by the Indemnifying Party of this Agreement. In connection with any claim or action described in this paragraph, the Indemnified Party (i) will give the Indemnifying Party prompt written notice of the claim, (ii) will cooperate with the Indemnifying Party (at the Indemnifying Party's expense) in connection with the defense and settlement of the claim, (iii) will permit the Indemnifying Party to control the defense and settlement of the claim, provided that the Indemnifying Party may not settle the claim without the Indemnified Party's prior written consent (which will not be unreasonably withheld) unless the claim involves only the payment of money damages, and (iv) the Indemnified Party (at its cost) may participate in the defense and settlement of the claim.

Insurance. Until the first anniversary of the Completion Date (as hereinafter defined), SourceOne shall maintain insurance against liabilities caused by the Services as follows: Statutory limits required by applicable Workers' Compensation law; Commercial General Liability -- \$1,000,000 combined single limits per occurrence of bodily injury and property damage and \$2,000,000 annual aggregate; Comprehensive Auto Liability -- \$1,000,000 per accident for Bodily Injury and Property Damage Liability (Combined Single Limit); and Professional Liability (Errors & Omissions) -- \$1,000,000 each claim and per project aggregate. SourceOne shall cause Customer to be named as additional insured under the Commercial General Liability and Comprehensive Auto Liability policies required by this paragraph in respect of liability caused by the Services.

LIMITATION OF LIABILITY. IN NO EVENT SHALL SOURCEONE BE LIABLE TO CUSTOMER FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL, RELIANCE, OR PUNITIVE DAMAGES, OR FOR LOST PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM FIRST ASSERTED AFTER THE FIRST ANNIVERSARY OF THE COMPLETION DATE (AS HEREINAFTER DEFINED). IN ANY EVENT, THE AGGREGATE LIABILITY OF SOURCEONE FOR ANY LOSS OR DAMAGES OF ANY TYPE DIRECTLY OR INDIRECTLY SUFFERED BY CUSTOMER ARISING FROM THE SERVICES PERFORMED BY SOURCEONE OR ANY FAILURE, ACT, OMISSION OR BREACH OF THE AGREEMENT BY SOURCEONE SHALL NOT EXCEED THE AGGREGATE FEES PAID BY CUSTOMER TO SOURCEONE PURSUANT TO THE AGREEMENT.

Site Conditions. Customer shall provide a safe working environment for SourceOne personnel performing Services at the site(s) referenced in the Proposal, including providing reasonable notice of and training with respect to site-specific environmental, health and safety policies and procedures. Customer shall fully disclose to SourceOne information pertaining to any existing conditions at such site(s) or that may affect SourceOne's ability to perform the Services and

SOURCEONE TERMS AND CONDITIONS

shall be responsible for any additional costs attendant to such conditions.

Use of Drawings, Specifications and Reports. Drawings, specifications and reports prepared by SourceOne are instruments of professional services to be used only in connection with the Services and are not suitable for any other purpose. Customer shall indemnify, defend and hold harmless SourceOne against and from any and all actions, causes of action, claims, demands, costs, liabilities, expenses (including reasonable attorneys' fees and court costs) and damages arising out of any reuse of drawings, specifications or reports without SourceOne's prior written authorization.

Publicity. Customer acknowledges and agrees that SourceOne shall have the right to use Customer's corporate name and logo in SourceOne's client roster, marketing materials and press releases unless otherwise directed by Customer not to do so.

Independent Contractor. Customer acknowledges that SourceOne is acting solely as an independent contractor and shall not have any authority to bind Customer as agent or in any other capacity.

Force Majeure. SourceOne shall be excused from delays in performing or from any failure to perform hereunder to the extent that such delay or failure results from any one or more of the following: acts of God; abnormal weather conditions or natural catastrophes; strikes, lock-outs or other industrial disturbances; acts of public enemies; war, whether or not declared; sabotage; terrorist acts; riots; civil disturbances; explosions; acts or omissions of governmental authorities; unavailability of or curtailment of fuel supplies; any interruption of electric or other utility service, or any change, interference, disruption or other defect in the supply or character of the electric energy or other utility service utilized by Customer; equipment failure arising from a manufacturing or design defect or the failure of the manufacturer or others to timely implement necessary repairs or replacements; or any other cause or event not reasonably within the control of SourceOne.

Termination. Either party may terminate the Agreement prior to completion of the Services ("Completion Date") in the event of a material breach of its terms by the other party, if such party fails to cure such breach within seven days after notice from the other party of such breach.

Assignment. Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other, except to a third party pursuant to a merger, sale of all or substantially all assets, or other corporate reorganization.

Notice. All notices and other communications given or made pursuant to the Agreement shall be deemed to have been duly given or made (a) upon delivery, if sent by hand or by prepaid overnight courier service, with a record of receipt, or (b) the second business day after the date of mailing, if delivered by registered or certified mail, postage prepaid, in

each case to the parties at the respective addresses set forth for them in the Proposal. Either party may change the address to which notice to it shall be addressed by giving notice thereof to the other party in conformity with the foregoing.

Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of Delaware, without giving effect to any conflict or choice of law provision that would result in the imposition of the laws of another jurisdiction.

Disputes. In the event of a dispute between the parties arising out of this Agreement, the parties agree to attempt in good faith to resolve such dispute through discussions between their respective senior executives for a period not exceeding fifteen days and thereafter to submit to non-binding mediation. If such dispute cannot then be resolved through mediation, either party may file a lawsuit. The parties consent to the exclusive jurisdiction of the federal and state courts of the State of Delaware in any action related to or arising out of the Agreement. Each of the parties hereby waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in any jurisdiction specified in this paragraph, it being the intention of the parties to preclude the possibility of litigation between them with respect to this Agreement in any jurisdiction other than as specified in this paragraph. Each of the parties hereby agrees to waive all its rights to a jury trial of any claim or cause of action related to or arising out of this Agreement. The prevailing party in any such action shall be entitled to recover its reasonable attorney's fees and other costs incurred in such action, in addition to any other relief to which such party may be entitled.

Miscellaneous. If any provision of this Agreement should be held invalid or unenforceable, the remainder of the Agreement shall be enforced to the fullest extent permitted by law. The Terms and Conditions shall survive the termination of the Agreement in accordance with their terms. This Agreement represents the entire agreement between SourceOne and Customer with respect to the subject matter hereof, and supersedes any and all prior negotiations, proposals, purchase orders, representations or agreements between them, whether written or oral. Paragraph headings in the Agreement are for convenience of reference only and shall not be utilized in interpreting the Agreement. This Agreement may be executed by the parties hereto in counterparts (including by facsimile transmission), each of which shall be deemed an original but all of which together shall be deemed one and the same instrument. This Agreement may not be modified or amended except by a writing signed by an officer of SourceOne and an officer of Customer.

ACCEPTANCE

The enclosed SourceOne Terms and Conditions are an integral part of this Proposal. A Contract between SourceOne, Inc. (DE) and 9 East 71st Street shall be effective as of the date the proposal is executed and delivered, issuance of a purchase order or other notice to proceed with reference to the Proposal, or permit for SourceOne to commence performance of any services in accordance with the Proposal, whichever first occurs. The enclosed SourceOne Terms and Conditions shall apply to the performance of services by SourceOne notwithstanding any preprinted terms or conditions contained in a purchase order that may be issued by 9 East 71st Street and shall control in the event of any conflict with any other portion of the Contract.

SourceOne, Inc. (DE)

9 East 71st Street

Signature

Signature

Name

Name

Title

Title

Date

Date