

# Harbor Group Management Company

## Energy Management Policy

January 1, 2004

Harbor Group Management Company has a reputation for excellence in customer service and taking a leadership role in the industry. As part of our commitment to excellence, Harbor Group will identify and implement improved financial and operation efficiencies in how we purchase and use energy, striving toward world-class status in energy management.

### Commitment to Energy Management

Energy Management will continually play a role in achieving our strategic objectives. Specifically, the Harbor Group's Energy Management Strategy is to:

Support the organization's strategic plan to maximize value and provide customers with the highest quality of service, by reducing operating costs and increasing competitiveness.

Support our commitment to our employees, environment and community in which we conduct business through active efforts to reduce energy use and prevent pollution.

Maintain world-class status by striving to maximize opportunities for sustained energy efficiency.

### Energy Management Objectives—Year 2004

- Achieve targeted improvements at existing facilities by 12/31/2004 which include:
  - An overall reduction of 7% in energy consumption.
  - A total annual savings of 4% in energy costs
- Identify and implement highly attractive capital investments that provide superior financial returns.
- Develop awareness programs designed to educate tenants, employees and associates about opportunities to save money and protect the environment through improved energy efficiency.
- Create and continually foster a business environment that will support sustainable efforts and best management practices in energy efficiency by identifying alternate energy providers or other rate schedules to provide the lowest cost for energy in all markets.

Buddy J. Green CPM

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Vice President of Operations  
Commercial Division



## Harbor Group Management Company– Energy Management Plan 2004

Harbor Group's BUSINESS ACTIVITY		STRATEGY	CORPORATE RESPONSIBILITY GOAL	FACILITY RESPONSIBILITY
1	Commitment to Energy Management	<ul style="list-style-type: none"> <li>Recognize importance of energy management at all levels of organization.</li> </ul>	<ul style="list-style-type: none"> <li>Implement corporate energy management plan and outline targets and milestones.</li> <li>Develop plan to offer recognition incentives for achieved energy savings.</li> <li>Designate or appoint primary energy efficiency specialist(s).</li> </ul>	<ul style="list-style-type: none"> <li>Utilize corporate resources and energy efficiency specialist to meet the 5% Usage Reduction Goal.</li> <li>Make energy performance a subject of discussion at facility meetings.</li> </ul>
2	Data Collection and Review	<ul style="list-style-type: none"> <li>Have a thorough understanding of energy usage.</li> <li>Apply knowledge to supply- and demand-side management to identify opportunities for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that all properties are tracked through energy tracking system.</li> <li>Establish ongoing system of usage report generation and review.</li> </ul>	<ul style="list-style-type: none"> <li>Post monthly usage reports and share annual percent change with staff.</li> <li>Provide energy usage information to corporate energy managers as needed.</li> </ul>
3	Benchmarking	<ul style="list-style-type: none"> <li>Better understand Harbor Group's energy performance against other industry averages and top performers.</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark with ENERGY STAR, both internally and against industry averages, to identify greatest opportunities for savings.</li> <li>Conduct energy audits for the highest energy use buildings.</li> <li>Establish internal standards/incentives/competition among properties.</li> </ul>	<ul style="list-style-type: none"> <li>Provide benchmarking data to corporate energy manager as needed.</li> </ul>
4	Operating & Maintenance Procedures	<ul style="list-style-type: none"> <li>Maximize low-cost opportunities to reduce energy usage through improved operating and maintenance procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Develop O&amp;M best practices.</li> <li>Continue to screen technologies for O&amp;M benefits.</li> <li>Expand use of internal informational bulletins with increased emphasis on use of Internet.</li> <li>Further develop preventive maintenance program.</li> </ul>	<ul style="list-style-type: none"> <li>Post energy-savings tips for employees.</li> </ul>
5	New Construction Planning	<ul style="list-style-type: none"> <li>Maximize opportunities to ensure energy efficiency at time of new construction planning and design.</li> <li>Highly efficient new buildings will set the standard for existing facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Work with architects, engineers, and other contractors to develop and apply energy-efficient standards for new construction.</li> <li>Use ENERGY STAR New Building Design tools and resources to set and test energy efficiency building design.</li> </ul>	N/A

Harbor Group's ACTIVITY		STRATEGY	CORPORATE RESPONSIBILITY	FACILITY RESPONSIBILITY
6	Existing Facility Remodel/Upgrades	<ul style="list-style-type: none"> <li>Maximize savings opportunities through upgrades and ensure that energy efficiency is improved at time of buildout.</li> </ul>	<ul style="list-style-type: none"> <li>Identify and apply energy-efficiency opportunities</li> <li>Apply findings to remaining buildings as applicable.</li> </ul>	N/A
7	Technology Review	<ul style="list-style-type: none"> <li>Maintain awareness of new technologies and perform assessments for potential application.</li> </ul>	<ul style="list-style-type: none"> <li>Annually identify 1-3 promising opportunities (e.g. lighting sensors).</li> <li>Track energy savings and perform cost analysis for implementation across portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Work with facility managers in other parts of the country to cooperate in the testing of new technologies.</li> </ul>
8	Energy Procurement	<ul style="list-style-type: none"> <li>Capitalize on opportunities in states where deregulation offers lower potential energy costs.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve an overall reduction in average energy costs of 4% by year-end 2004.</li> </ul>	N/A
9	Product and Equipment Purchasing	<ul style="list-style-type: none"> <li>Ensure that purchased equipment at the time of new construction, buildouts, and end of life replacement has the lowest overall life cycle cost without sacrificing required functionality.</li> </ul>	<ul style="list-style-type: none"> <li>Develop minimum efficiency guidelines and negotiate annual procurement contracts for identified materials and equipment.</li> <li>Specify Energy Star labeled products* when applicable.</li> <li>Evaluate downsizing opportunities at time of replacement.</li> </ul>	<ul style="list-style-type: none"> <li>Follow corporate purchasing policy to ensure that purchased products and equipment meet the established efficiency guidelines.</li> </ul>
10	Leasing	<ul style="list-style-type: none"> <li>Negotiate leases to ensure high-efficiency buildings.</li> </ul>	<ul style="list-style-type: none"> <li>Develop guidelines for preferred equipment in buildings at the time of leasing.</li> <li>Ensure that Harbor Group capitalizes on energy-efficiency retrofits.</li> <li>Investigate opportunities for shared savings with landlord.</li> </ul>	<ul style="list-style-type: none"> <li>Provide companies leasing space in your buildings with copies of efficiency checklists and tips used for Harbor Group's employees.</li> </ul>
11	Outreach & Training	<ul style="list-style-type: none"> <li>Promote energy and environmental savings efforts and achievements to employees.</li> </ul>	<ul style="list-style-type: none"> <li>Develop awareness and outreach programs for all Employees.</li> <li>Develop training for employees.</li> </ul>	<ul style="list-style-type: none"> <li>Use corporate resources to train employees and to promote energy savings.</li> <li>Document and share energy-saving ideas with the rest of the company to be included in Best Practices materials.</li> </ul>

\* Energy Star labeled products include:

- Office equipment - copiers, fax machines, computers, monitors, printers
- Building equipment - light fixtures, exit signs, transformers, roof products, heating/cooling products