

TrizecHahn

OFFICE PROPERTIES

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March 14, 2002

Ms. Marolyn Davenport
Senior Vice President
Real Estate Board of New York
570 Lexington Avenue
New York, New York 10022

Re: **One New York Plaza Explosion - December 1, 2001**

Dear Marolyn:

The following is a brief summary of the explosion that took place at One New York Plaza on December 1, 2001. It is being provided for informational purposes only and represents, to the best of our knowledge, all available information on the incident.

- As a result of the steam turbine failure of August 11, 2001, a decision was made to dismantle the 6,000-ton steam driven refrigeration machine at One New York Plaza.
- Demolition of the equipment began in mid November.
- Towards the end of November, the removal of the condenser commenced.
- On December 1, 2001, during the actual demolition process, the titanium tube bundle ignited.
- Efforts were made to extinguish the fire, but initial attempts were unsuccessful.
- The NYFD arrived on the scene and the effort to extinguish the fire continued.
- At that time the fire was contained within the shell of the partially demolished condenser.
- At some point in time during the process water was introduced and the explosion ensued.
- To the best of our knowledge there were no serious injuries.
- The force of the blast knocked over several lengths of block walls in adjacent areas.
- Equipment damage in the mechanical room was minimal.

Based upon your initial inquiry, I realize that there may be interest among the REBNY membership to learn from the events at One New York Plaza. Extensive tests have been

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performed on the turbine and to date, no one has been able to determine the cause of the August 11th failure.

With respect to the titanium tube explosion, it is my opinion that the chance for a similar event in another commercial office building is slight. The central plant at One New York Plaza utilizes river water in lieu of cooling towers. Titanium tubes were utilized because river water is typically more corrosive than properly treated tower water, and the titanium tubes are better able to resist corrosion. To the best of my knowledge, there are very few properties in this area that utilize titanium tubes. To take it a step further, there would be even less of a chance that another property would experience similar events since tube replacement would be the norm, rather than a total demolition of the equipment.

I hope this information addresses the concerns of any interested parties. Please give me a call if you would like any additional information or clarification of any of the information contained in this letter.

Sincerely,


Gerard V. Schumm

GVS:rc