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FOR IMMEDIATE RELEASE:

1401 Elm, a Major Downtown Asset Repositioned for the Future

DALLAS (June 29, 2010) –

Designed in 1960-1961 by George Dahl and Thomas E. Stanley, this historic skyscraper was once the tallest building west of the Mississippi (1965-1974). Built for the First National Bank of Dallas, the hexagonal tower rises to a total of 52 stories from an 8 story base of white marble. Its total gross area is over 1.5M sq. ft., with a total (office) rentable area over 1.3M sq. ft.

As the property has suffered from low office tenant occupancy, it was recently placed on the market. Rees Associates, Inc. (REES) is working with a group of investors led by Jim Nelms (Executive Vice President of Colliers International) who are competing to acquire the property and reposition it as the largest high-rise residential address in the entire City. Well known as a repositioning specialist, the REES design team, led by Gary Pitts, AIA, is designing the (600+ unit) project to encompass a wide array of life-style products, from affordable units that meet HUD standards to ultra-luxury penthouse (condominium) lofts.

This requires completely separate sets of building entries, lobbies, elevators and building amenities. "Not an inexpensive design solution, but the only way to locate that type of diversity in one single property," says Mr. Pitts, the project director for REES. "In effect," he continues, "we will have three separate buildings in one tower with separate, and secure, building entries and elevators. We are strong proponents of this type of separate multiple uses in a premier high-rise setting, and we are pleased that our design will include a large percentage of 'work force housing' that this Central Business District (CBD) so desperately needs."

"Built during an era of cheap energy, the building's operational costs have been a noose around its neck in recent times," says Frank Rees, Ph.D., LEED AP, the firm's Chairman and CEO. "We will reposition this property for the future," he continues. "This building

will go from an energy hog, a constant drain on the grid, to a LEED Gold certified property, a shining example of what is now possible with new sustainable technologies."

"REES will provide wind generation on the 52nd floor, where higher wind speeds will be harnessed to power the lighting for all of the public spaces of the tower. A solar PV array will also be provided on 52 and we will capture rain water from the roofs and use it to irrigate new lush landscaping on the large open plaza deck on the 9th floor. We will use Energy Star appliances, dual-flush toilets, energy efficient LED lighting, and completely update the curtainwall system to reduce heat gain by over 50%," said Mr. Pitts.

"The glass tower was clad in the appropriate material of that era, single-pane (non-insulated) dark gray tinted glass. But the solar (heat) gain through this system is a huge load on the mechanical systems and the dark color contributes to this load via heat transmission to the interior spaces," said Dr. Rees.

Mr. Pitts adds, "And there are new technologies in the market today that can substantially reduce these loads by installing a "low-e" (low emissivity) film to the inside surface of the glass that effectively turns single pane glass to double pane (insulated) glass, energy wise. Just the glass film and the new energy efficient lighting alone will contribute to a 50% reduction in the building's total energy consumption."

Several years ago, REES formed a separate business entity called *REES Earth – The Global Green Initiative*, that has a mission to develop and deploy all green design methods and new sustainable technologies into all of the firm's ongoing design work. "This sends a message to our clients about how serious we are in this regard," says Dr. Rees, "but more than that, *REES Earth* is a think tank, an incubator if you will, that continually studies all of the new sustainability technologies that continue to evolve that we then combine with our own professional design insight that we have refined over 30 years of our practice. The resulting design solution is a marriage of successful sustainable solutions and well-reasoned experience."

Dwayne Robinett, Managing Director for REES Earth states, "REES Earth is proud to have consulted with Mr. Pitts and his team on advancing state-of-the-art sustainable design solutions, but that's just one side of the equation. The other is to have the end user reduce their consumption as much as possible. One creative way to do that is with "bonuses" for tenants that keep their energy use under a pre-set threshold. This also helps attract green-minded tenants, an emerging trend in the market."

Mr. Pitts says, "This repositioned property will be the greenest high-rise in the history of Dallas. Our preliminary studies indicate that the total energy usage of the repositioned tower will be less than 50% of its original incarnation and more than that, with over 1000 residents now calling this property home, their close proximity to work coupled with their

heightened use of public transit in general will go a long way to achieving carbon neutrality in 2030, a stated goal for the City."

As the newly repositioned tower will provide separate residential addresses for a wide cross-section of urban city dwellers, this property will be the new example for the development industry to follow on several fronts, from sustainability to affordability, from high tech to high awareness of current social challenges."

"This tower will symbolize how we as a City are actively dealing with a completely new set of rules," said Jim Nelms, leader of the project's investor group. "The [real estate development] ground has shifted dramatically under our feet and we need to respond quickly with real solutions that are completely in sync with this new reality. The REES team understands these issues thoroughly and is on the leading edge of many of these design-related initiatives already. I understand that REES is the only national architecture firm that has 100% of its officers LEED accredited. They are also incredibly imaginative and "plugged-into" this new financial environment that we all live and work in today. The 1401 Elm property will live again through their careful and creative repositioning efforts."

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