

June 30, 2004

Mr. Richard Halvorson Energy Management System Solutions 3921 E. LaPalma Avenue, Ste B Anaheim, California 92807

RE:

2000 Standard Performance Contract (SPC) Program

Contract #00L-0069 - Annual Savings Report 1 & 2 (ASR1&2)

Embassy Suites - Brea

Dear Mr. Halvorson:

As requested, this letter confirms approval of the above referenced project and provides a breakdown of the energy savings and corresponding incentive. Review comments were provided to you in a letter dated June 25, 2004. Based upon the information submitted, the energy savings have been calculated as follows:

ASR 1: kWh: 323,809 ASR 2: kWh: 603,699 TOTAL: 987,508

2 YR AVG:

463,754

Accordingly, the incentive payment earned by the Project has been calculated as follows:

Incentive: 463,754 kWh x \$0.08

\$37,100.31

Incentive previous paid:

\$25,461.70

Balance due EMSS:

\$11,638.61

Please provide an invoice for payment. Upon payment of this final incentive installment, all obligations of SPC contract #00-0069 will have been completed.

Sincerely,

Marci Burgdorf

Program Manager, Standard Performance Contract