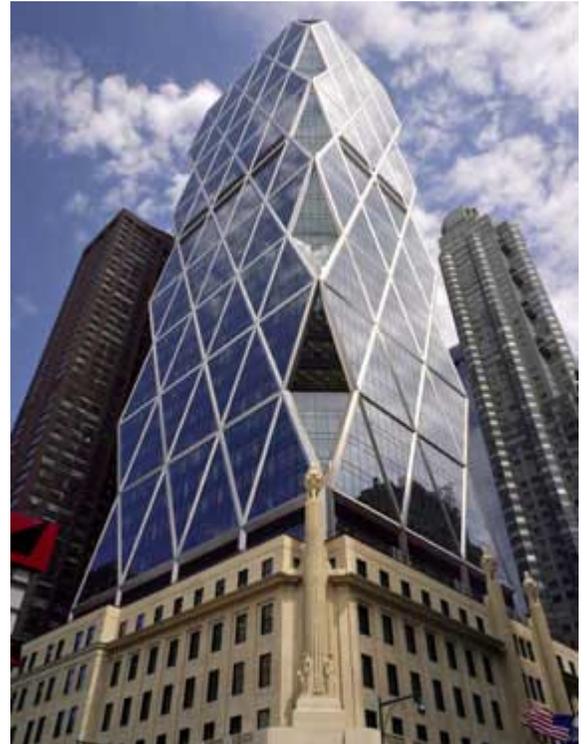


Sustainable Mortgage Backed Securities

Green & Climate Neutral Buildings
Green Mortgages

Reduced Risk & Higher Valued Collateral
Cheaper Cost of Capital



Capital Markets Partnership

Acting Now to Secure a Healthy & Prosperous Tomorrow

1511 Wisconsin Avenue, NW
Washington, DC 20007

Capital Markets Partnership

An unprecedented Partnership of leaders in the capital markets is tackling the critical and immediate priorities of:

- Stimulating the global economy
- Stopping irreversible dangerous climate change
- Greatly enhancing global sustainability

This balanced, nonpartisan and nonprofit Partnership of investment banks, investors, national governments and NGOs has completed the needed due diligence to launch within existing bank operations, sustainable mortgage backed securities (MBS) for the \$4 trillion global MBS market.

Sustainable MBS are bonds backed by green building mortgages, that when aggregated, are expected to add \$1 trillion/yr. to the global economy. Green buildings are energy and environmentally efficient and contain certified sustainable building products that are best for the environment, economy and social equity.

Completed due diligence submitted by investment banks to the Rating Agencies, has generated significant investor interest because green buildings are more valuable and less risky collateral, and provide substantial documented social benefits.

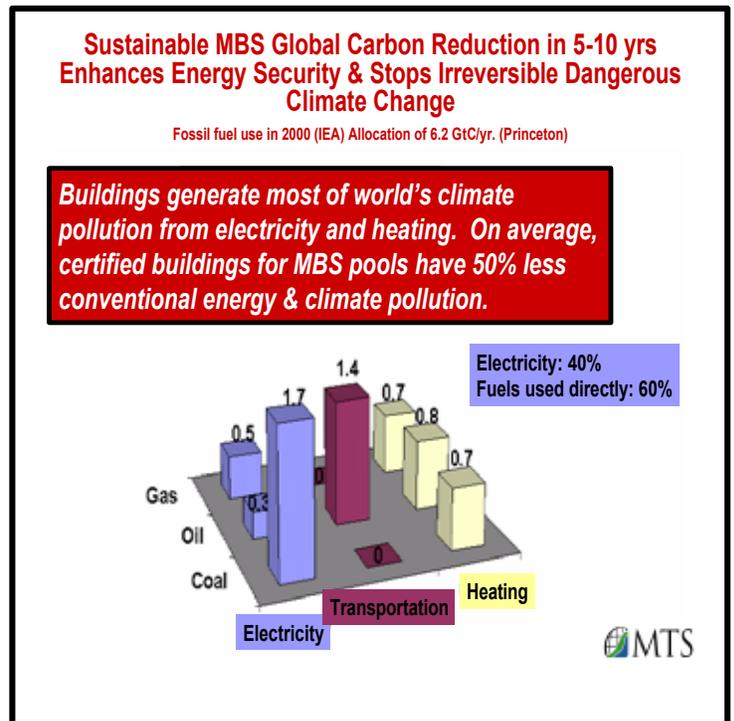
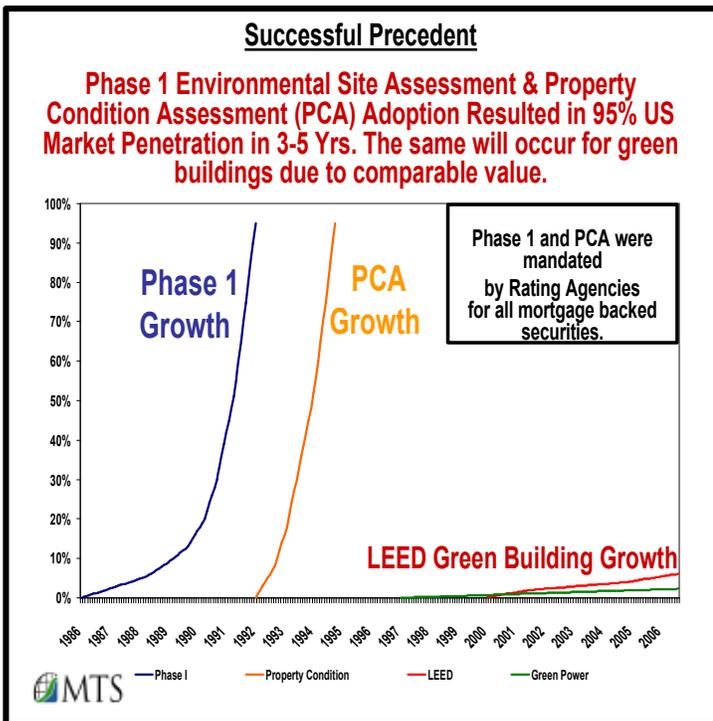
These benefits will stimulate the global economy, improve energy security, and stop irreversible dangerous climate change based on quantified benefits and successful precedent.

In addition to providing an important counterbalance to the adverse effects of risky collateral in the subprime market, Sustainable MBS pollution reductions are expected to stop dangerous climate change within the next 5-10 year Window before it becomes irreversible as documented by NASA, the United Kingdom and EU.

Insurers testified before the UK's *Stern Review* that insurance damages alone will be \$30 trillion from this runaway dangerous climate change. This includes more intense and frequent Katrinas, floods, fires, droughts, tornados, storms & disease. Global GDP is only \$33 trillion. *Stern* projects a potential maximum 20% reduction in Global GDP. The Reinsurers Chief Risk Officer's warned that the end of private insurance is near if damages don't curtail. Property and casualty coverage is not available for most coastal areas. Insurance is 10% of the economy and affects all of it.



Sustainable MBS is expected to penetrate the US, Canadian, Western European & Australian building stock rapidly just like the Phase 1 & PCA because the substantial risk reduction and value enhancement will stimulate Wall Street to ensure this value is quickly achieved in all MBS reducing default.



All Sustainable MBS due diligence has been completed. The Partnership spent \$500,000 and four years allowing Sustainable MBS launch now within existing bank operations. Sustainable MBS Launch helps the global capital markets fulfill its legal obligation to accurately reflect climate risk.

Sustainable MBS Can Take Green Building Market Penetration to 70-90% in five years based on successful precedent initiated by Partnership leaders.

Green & ENERGY STAR Building Finance Summit with over \$100B in real estate investment represented, concluded that green buildings are more valuable based on debt and equity sessions and case studies. Briefed the Rating Agencies before and after the Summit securing their support for Green MBS

Prepared Green Building Value Rating System© with Wells Fargo showing with best available data, that green buildings substantially reduce risk and add value for MBS pools.

CitiGroup / MTS Recommendation to Standard & Poors (S&P) to initiate Sustainable MBS based on the Value Rating System.

Completing at the Request of S&P, Sustainable MBS Investor Surveys showing substantial interest in purchasing Sustainable MBS.

Completed Sustainable MBS Standards Requirements 2.0© specifying how LEED, ENERGY STAR, & Climate Neutral Certified Buildings can be aggregated into MBS Pools now with sufficient buildings to meet diversification and quantity needs for MBS pools.

Secured Discounted Sustainable MBS Insurance Coverage that may be mandated for Sustainable MBS pools.

Sustainable MBS is expected to add an estimated \$1 trillion/yr. to the global economy after five years based on quantified benefits and successful precedent.



Economic Benefits

Projected* 70% US Commercial Green Building Market Penetration*

| | |
|--|--------------------------------------|
| Energy Savings & Daylighting: | \$36 Billion/yr |
| Construction Waste Reduction: | \$6.7 B/yr |
| Water Pollution Savings from Water Conservation: | \$20 B/yr |
| Energy Savings from appliances & Lighting: | \$24 B/yr |
| Added Value from Increased Occupant Productivity (5%), IAQ & Reduced Absenteeism: | \$632 B/yr |
| Health Care Savings | \$75 B/yr |
| Emission Reductions' Market Value: | \$ 1.1 B/yr |
| Total | \$795 Billion/yr. value added |

- * 1. Leonardo Academy / MTS Projections 2003, Surgeon General 2006 (certified bdgs).
 2. Green retail buildings will also accrue increased retail sales.
 3. Excludes overwhelming benefits from avoided climate damages, & originator profits.
 4. Dollar benefits are \$200B/yr. for UK, \$200B/yr. for rest of Western Europe, \$87B/yr. for Canada & \$80B/yr. for Australia. MBS is \$4 trillion global industry (SEC 2003).



Green Building Value Rating System©

Real estate value is a combination of cash flow, timing and risk. Green buildings positively affect all three of these metrics.

Basis of Capital Markets Partnership Initiation of Sustainable MBS

The Greatest Qualitative & Quantitative Value Exists for:

1. Mold protection (VERY HIGH: 26, adjusted total score)
2. Reduced energy use and exposure to future energy pricing volatility (VERY HIGH: 25)
3. Reduced climate risk (VERY HIGH: 24)
4. Commissioning/Operational risk (HIGH: 17)
5. Improved indoor air quality and health (HIGH: 17)
6. Lower operating costs and default risk (HIGH: 17)
7. Improved tenant productivity, comfort & a corresponding increase in rents (MEDIUM: 11)



Sustainable MBS will Increase Good Will, Share Value, & Value of MBS Pools.

Sustainable Flooring Case Study – Forbo Linoleum: A Culture of Long Term Commitment to Optimized Environmental Performance.

Forbo Linoleum manufactures and sells linoleum floorcovering, wallcovering and finishing for office furniture. The company attributes the following superior economic performance to its sustainable practices (Forbo internal data 2001):

- EBIT (Operating Result) performance as a percentage of sales that is, at a minimum, 25% better than any of its competitors.
- Internal profitability shows its sustainable products' EBIT level performance more than double, as a percent of sales, those of traditional products.
- Five year share price performance is 100% greater on average than its three largest competitors.

Forbo Linoleum is a Platinum Certified Sustainable Product eligible for credit for certified green buildings comprising Sustainable MBS pools.

Conclusion. The capital markets can work fast and effectively to stimulate the economy and stop irreversible dangerous climate change within the next 5-10 years. Successful precedent and quantified benefits show this to be true.

Partners have initiated \$70B in climate change investments and are expeditiously identifying sustainable MBS pools and pricing considerations in our critical, unprecedented race against runaway dangerous climate change to save the global economy.



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