

Sustainable Investment Initiative

Green & Climate Neutral Buildings
Green Mortgages
Green Building Securities
Green Building Underwriting Standards

Reduced Risk & Higher Valued Collateral
Cheaper Cost of Capital / Increased Liquidity
Green Convertible Securities



Capital Markets Partnership (CMP) - Partial List



Capital Markets Partnership

CMP Officers, Chairman, Hon. Gavin Newsom, San Francisco Mayor, USCM

Financial institution leaders are JPMorgan Chase, Citi & Bank of America

Sustainable Investment Protocol Operating Group

Sustainable Protocol & Underwriting Standards

- Due Diligence Framework
 - *Green Building Industry Value Rating System®*
 - \$3.3T Institutional Investor Survey
 - Business Case (Peer Review)
 - Standards Development
 - Executive Briefings (Peer Review)
 - Consensus Standards Approval
-
- Green Building Financing
 - Product Development
 - Market Adoption

Sustainable Investment & Finance Committee

Green Building Underwriting Standards Committee

GHG / Carbon Credit Monetization Sub-Committee

Education Sub-Committee

Standards Equivalency Sub-Committee

Standards Adoption Sub-Committee

Capital Markets Partnership

CMP Officers

Green Building Underwriting Standards Committee Officers

Wade Crowfoot, Director, Climate Change Initiatives, San Francisco Mayor Gavin Newsom
Steve Hoffmann, President, Hoffmann & Associates
Rich Pietrafesa, Managing Director, Destiny USA
Tomek Rondio, President, Mortgage Green
Michael Schneider, Vice President, Marxa Kubo
Mario Silvestri, Vice President, Wells Fargo Wachovia
Ken Willis, Vice President & Director, Federal Home Loan Bank of Boston
Dan Winters, Managing Principal, Evolution Partners

EMERGENCY Consensus Standards Launched in April 2008 by JPMorgan Chase, Wells Fargo Wachovia.

Unanimously Approved September 2, 2008.

Scoring their Buildings Pursuant to the Standard are JPMorgan, Jones Lang LaSalle, CB Richard Ellis, Comerica, Federal Home Loan Bank.

Sustainable Investment Initiative

Capital Markets Briefing Paper: Business Case for Commercializing Sustainable Investment©

Summarizes four years of Wall Street due diligence with investors, investment banks & rating agencies concluding that green buildings and SMaRT certified sustainable products are:

- **More profitable**
- **Less risky**
- **Preferred by investors in Survey initiated with S&P covering over \$3.3 trillion in assets.**



Peer Reviewed Briefing Paper is being released for top management at CMP New York Stock Exchange Press Conference, Aug. 18, 2009

Capital Markets Partnership Green Score

Analyze/Report Answers to Those Questions

	Score	Value Ratio	Adjusted Score
ENERGYSTAR Score	<input type="text"/>	40%	
Green Building Underwriting Standard Score	<input type="text"/>	35%	
LEED Rating (intangible value)	NONE	0%	
	CERTIFIED	2%	
	SILVER	5%	
	GOLD	10%	
	PLATINUM	15%	
Climate Neutral Certified			
	YES	10%	
	NO	0%	
CMP GREEN SCORE		100%	

CMP Score Distribution

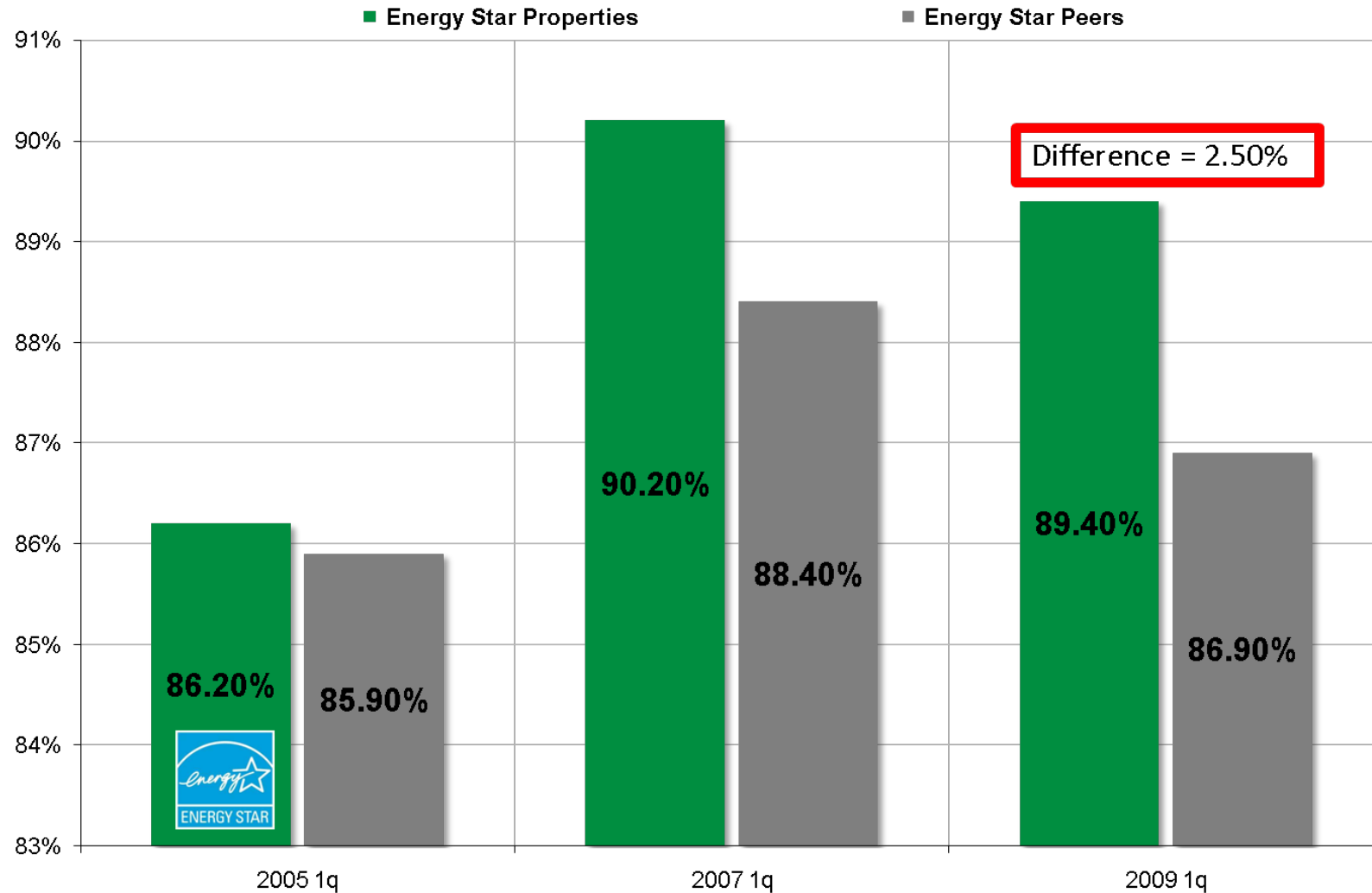
Assets with high CMP scores:

- **Reduced exposure to conventional energy cost volatility**
- **Superior location attributes**
- **Reduced obsolescence risk**
- **Greater leasing prospects upon lease churn**
- **Reduced liability exposure to IAQ issues**

Occupancy Rates

Energy Star Buildings vs Market Comparables

Occupancy Rates – Office

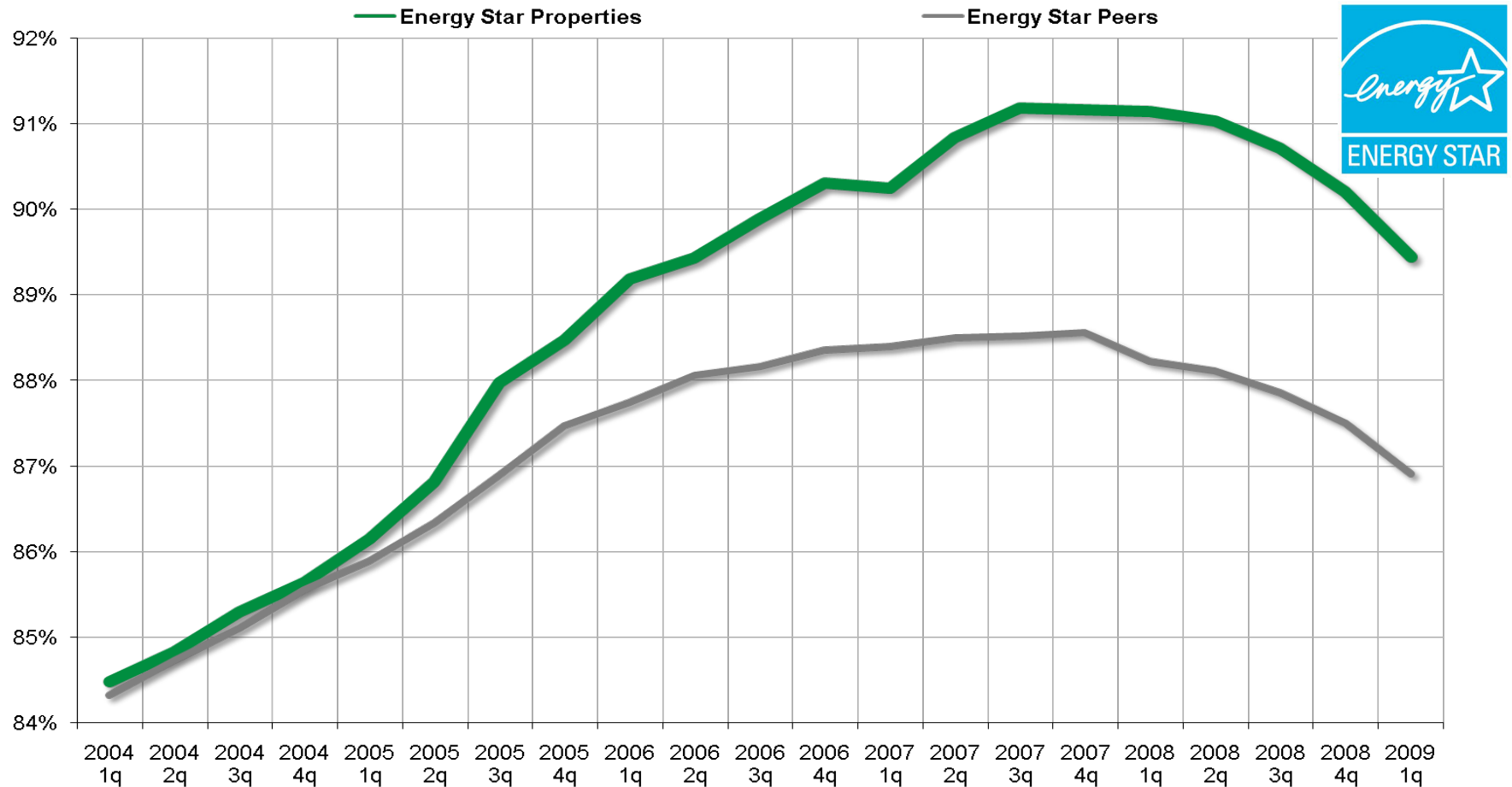


Source: CoStar Analytics

Down Market – Flight to Quality

Energy Star Buildings vs Market Comparables

Occupancy Rates – Office

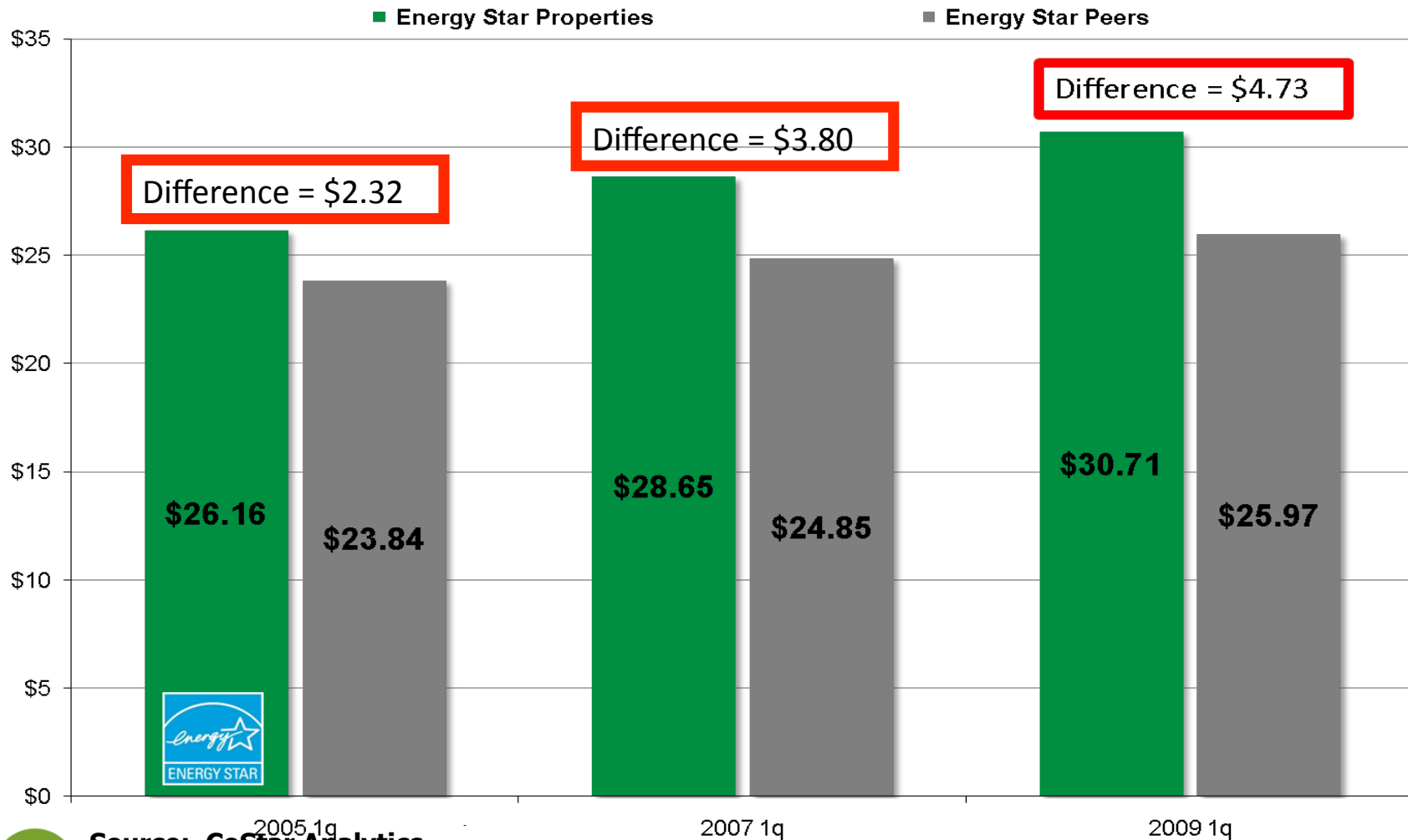


Source: CoStar Analytics

Rental Rates

Energy Star vs. Market Comparables

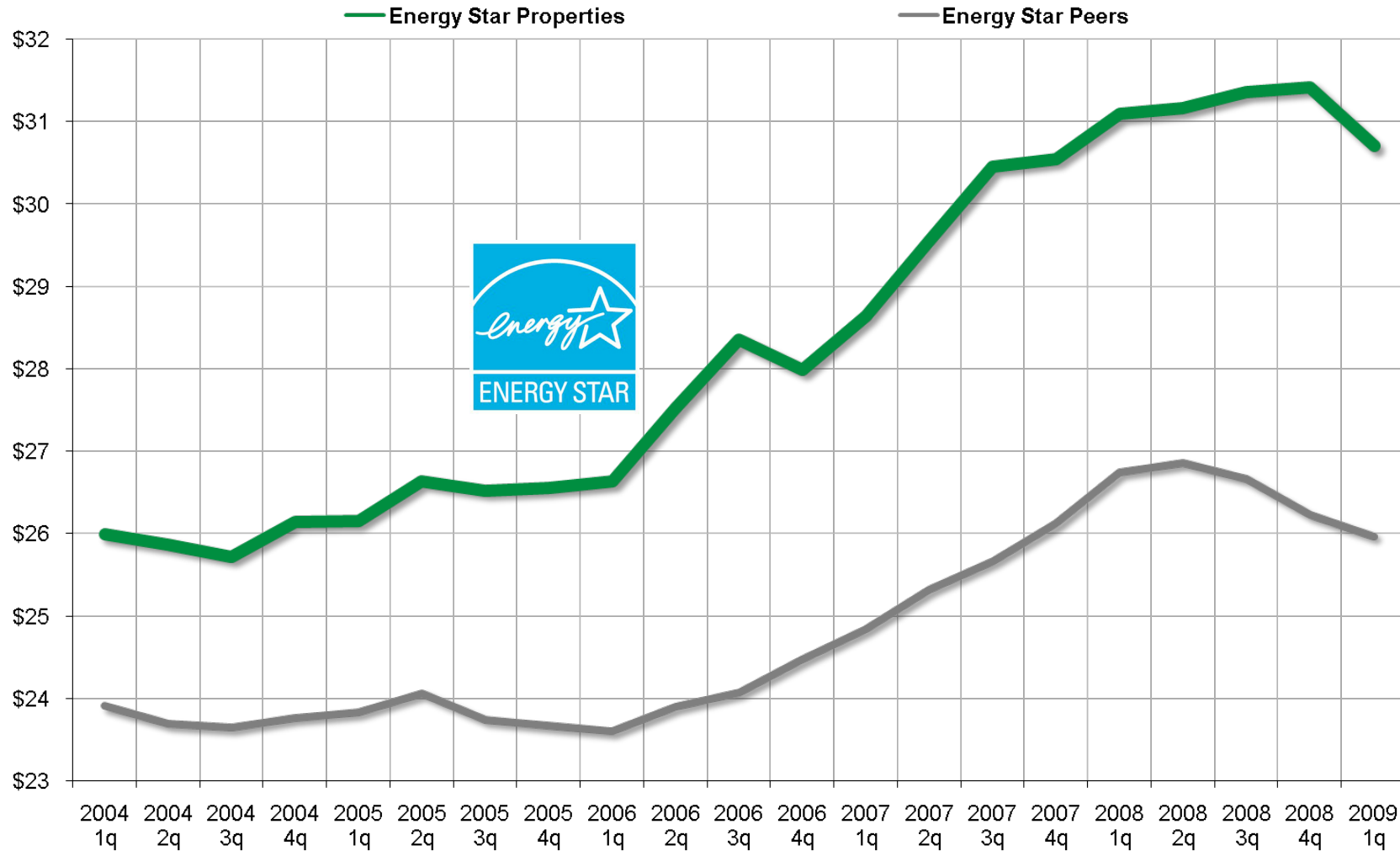
Direct Rental Rates – Office



Rental Rate Separation

Doubled in Two Years From \$2.30 to \$4.60

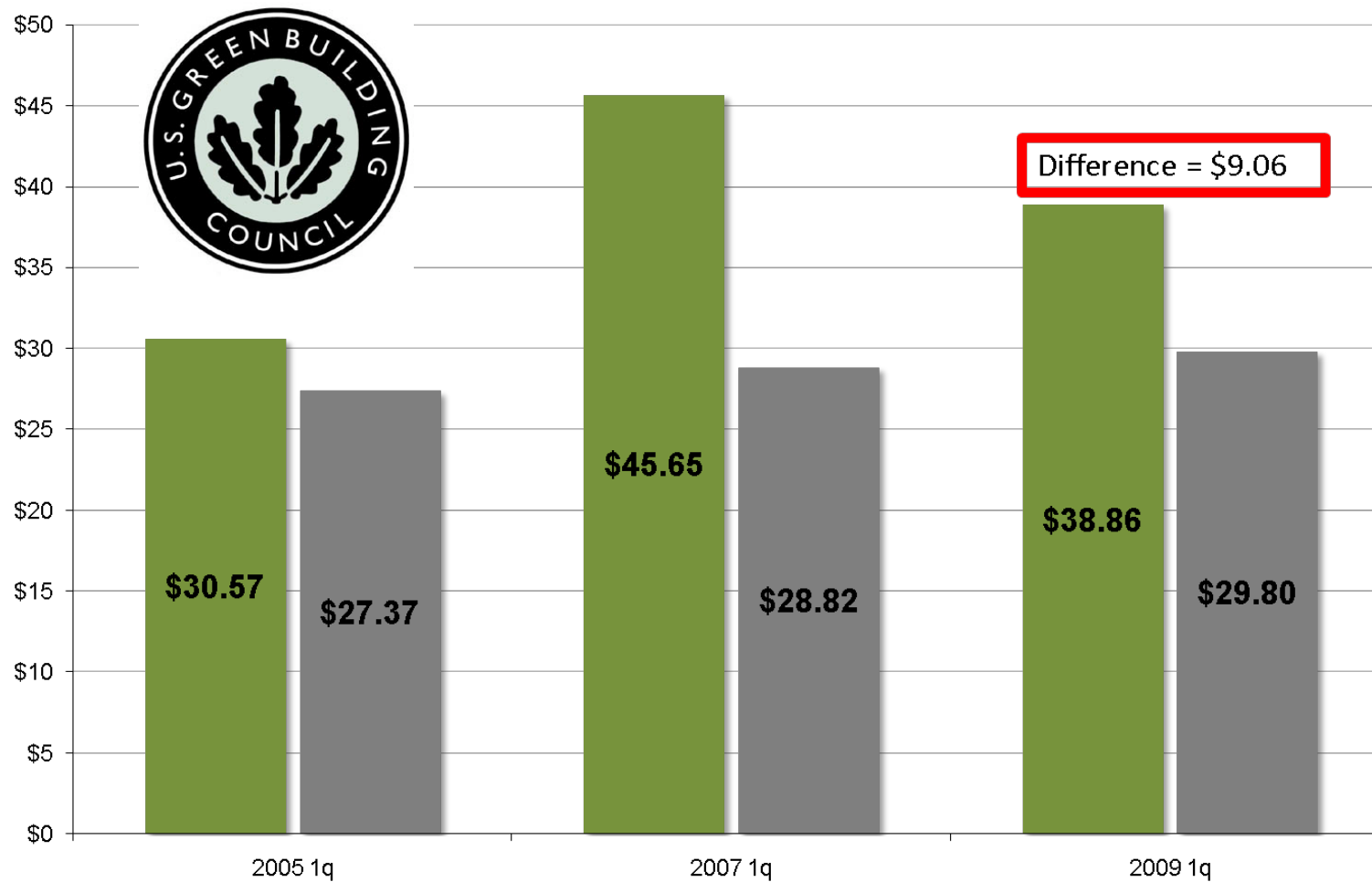
Direct Rental Rates – Office



Source: CoStar Analytics

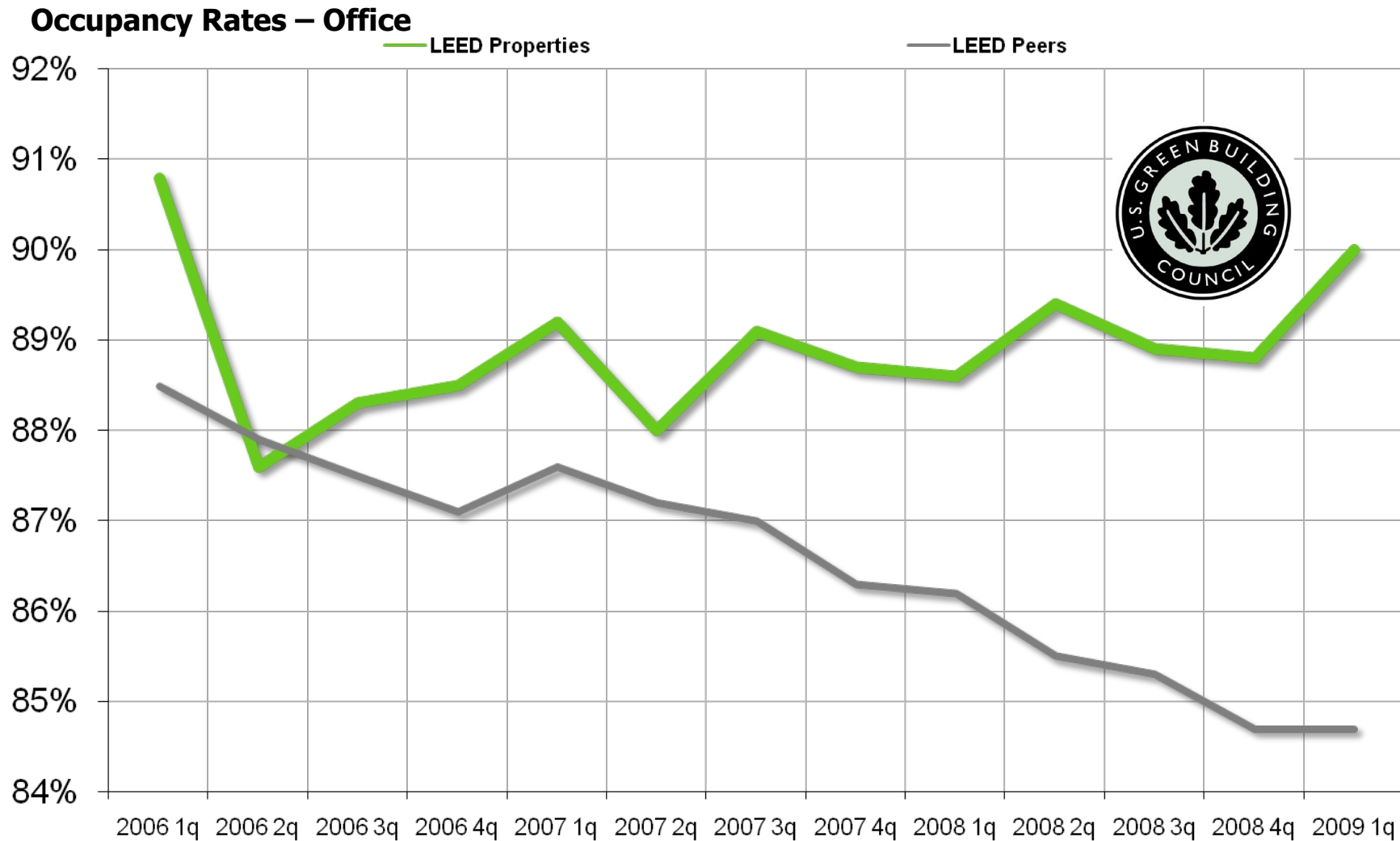
LEED Certified Rental Rates vs Peer Group

Early Returns on Minimal Data Points



Occupancy Rate Superiority

Significant Outperformance in Down Market



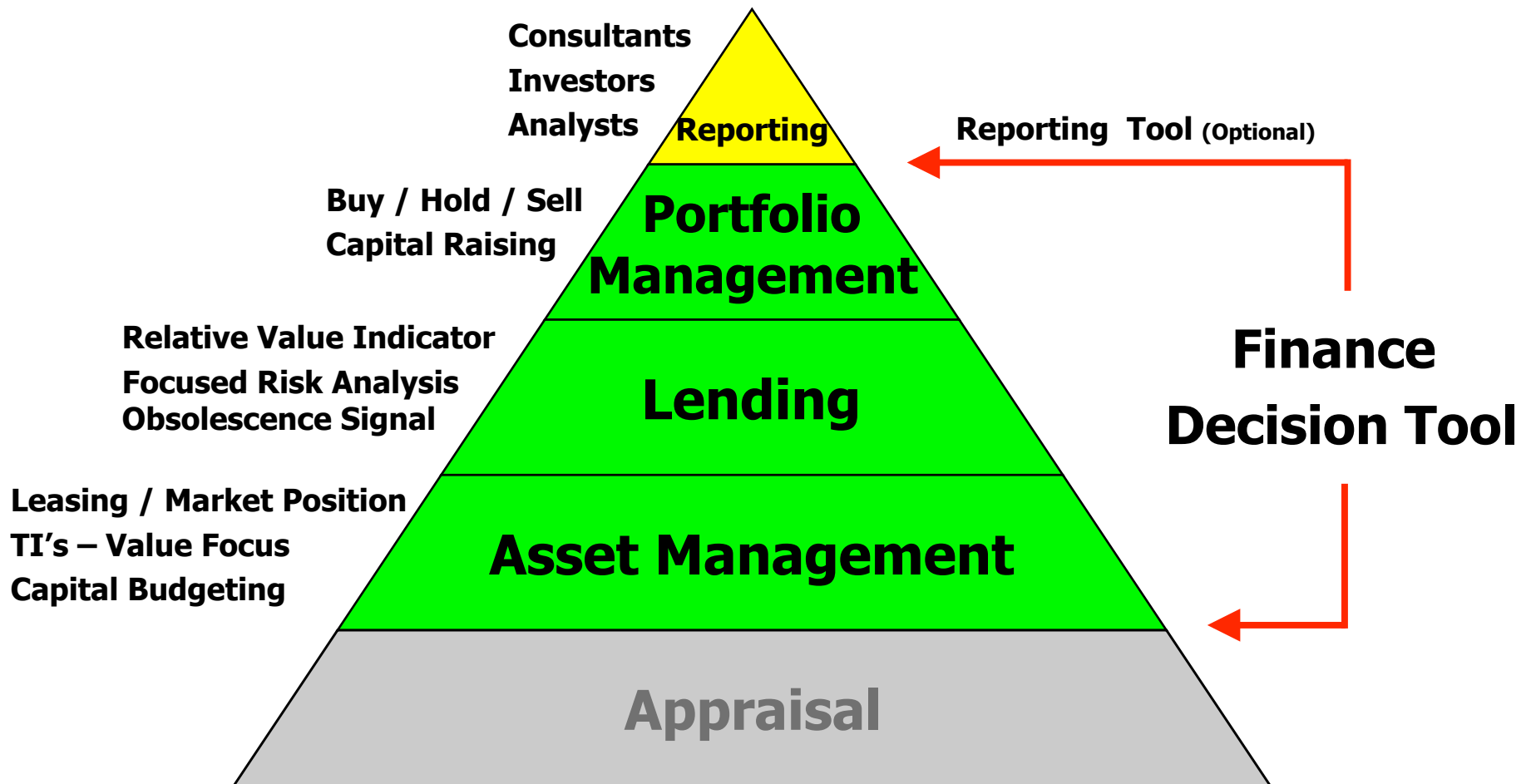
Academic Studies – Similar Results

over 3,000 green buildings compared to their peers - statistically validated

- **CoStar Building Peering Study (2007)**
- **Miller, Spivey, Florance (2008)**
 - EPA Energy Star Partner of the Year
 - American Real Estate Society Best Paper 2008
- **CoStar Building Peering Study – Update 1 (2008)**
- **Fuerst and McAllister (2008)**
- **Eicholtz, Kok & Quigley (2008)**
- **CoStar Building Peering Study – Update 2 (2009)**
- **Pivo & Fisher (2009)**

Note: CoStar continues to make its data set available to academic researchers for further analysis

CMP Green Value Score



CMP Green Score – Implementation Example

2000 Tower Oaks Blvd – Washington DC Suburban Office

Washington DC Suburbs

Super Class A Office

LEED Rating

LEED Points

Height

Gross SF

Floorplate SF

Rockville

2008

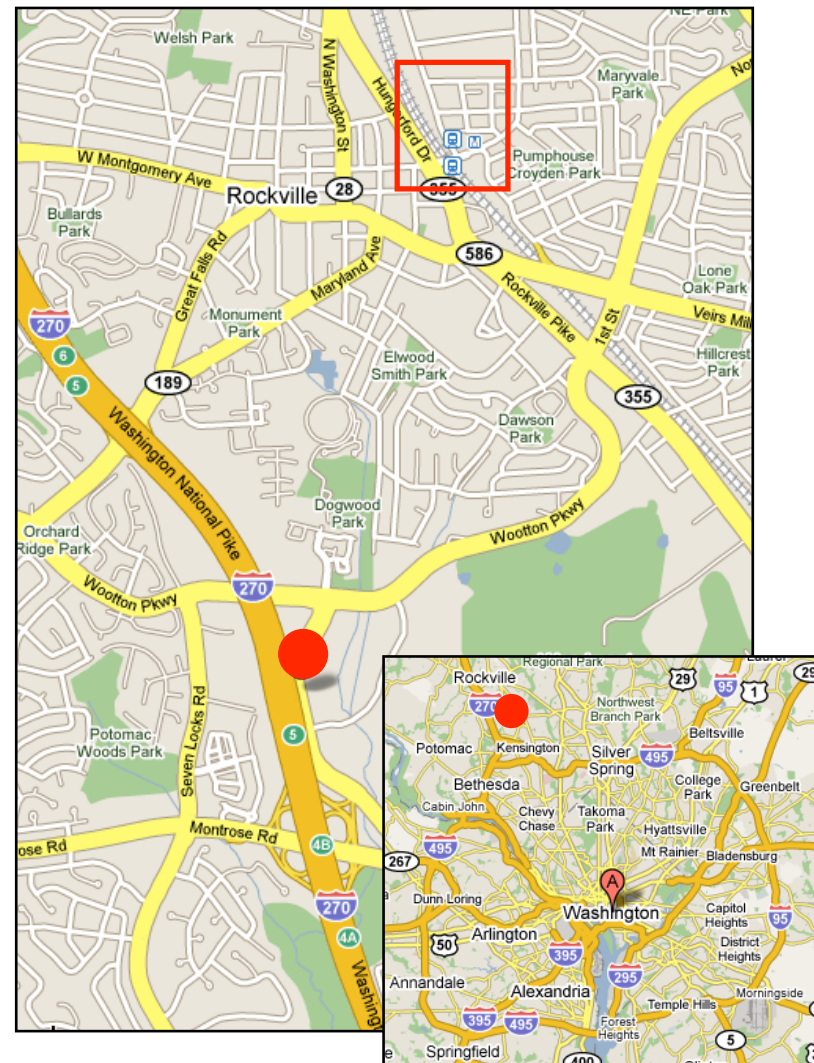
Platinum

48 pts

9 Stories

198,000

23,000



2000 Tower Oaks – LEED Platinum



Implementation – 2000 Tower Oaks

Capital Markets Partnership Green Score Formula

Energy Star Score = **87**

LEED Platinum Certified

Some Proximity to Mass-Transit

Energy / Water LEED Credits

Various IEQ LEED Credits

	Score	Value Ratio	Adjusted Score
ENERGYSTAR Score	87	40%	34.8
Green Building Underwriting Standard Score	65	35%	22.8
LEED Rating (intangible value)	NONE	0%	15.0
	CERTIFIED	2%	
	SILVER	5%	
	GOLD	10%	
	PLATINUM	15%	
Climate Neutral Certified	YES	10%	10.0
	NO	0%	
CMP GREEN SCORE		100%	82.6

Sustainable Manufactured Products

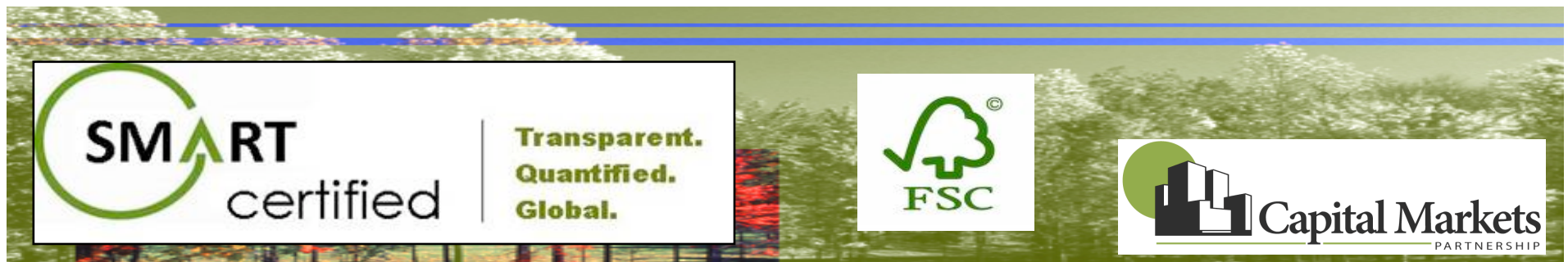
National Consensus Underwriting Standard

- 1-100 CMP Corporate Green Value Score
- Value measured by increased share value
- Higher value at Silver, Gold & Platinum Levels
- Higher value for Green-e Power & Conventional Energy Reductions
- Higher value for higher reduction of pollutants
- Higher value for reuse – avoids disposal risks
- Covers multiple attributes & all products other than planes & vehicles

Underwrites Green Convertible Securities (GCS)

For manufacturers & retailers. GCS cover debt & equity.

Launch at August 4, 2009 CMP New York Stock Exchange Euronext Meeting

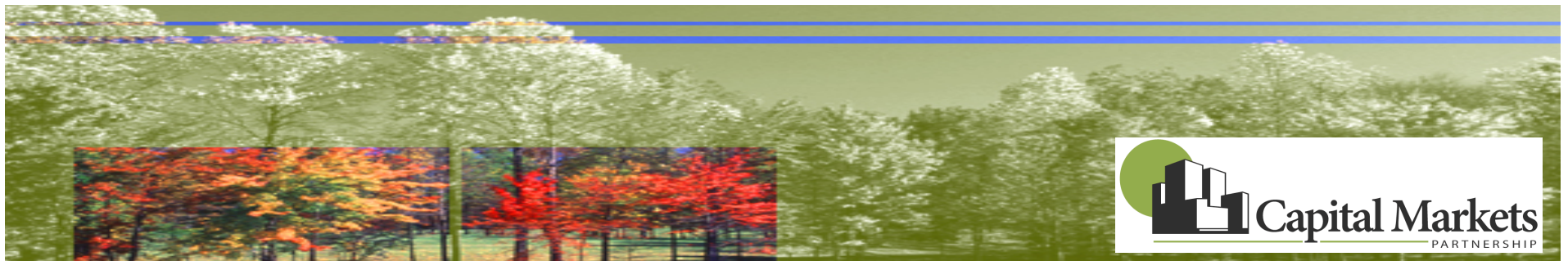


SMaRT Sustainable Product Standard

I'm SMaRT. Ask Me Why.

Adopted by Leading Fortune 500 Co's, Fireman's Fund, US Green Building Council's LEED, & Underwriting Standards. Covers 80% of the world's products across the global supply chain.

Multiple environmental, social & economic benefits over global supply chain. Economic benefits exceed green buildings.



I'm SMaRT. Ask Me Why.

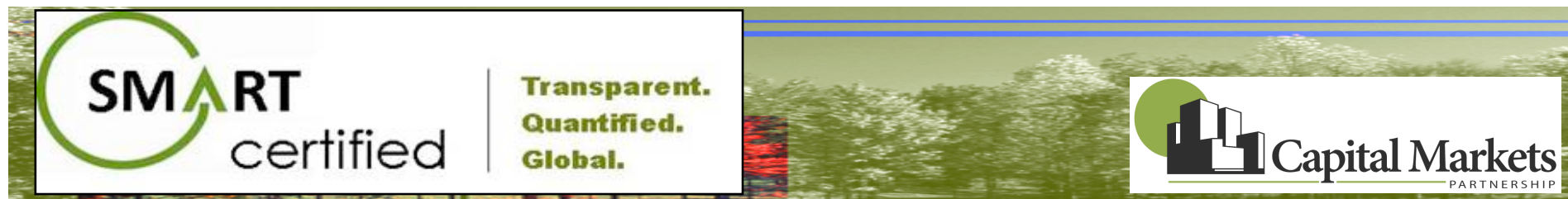
Maximum Credit for Certified Products With:

- 100% reduction of 1000 pollutants
- 100% *Green-e* power use & conventional energy reduction
- 100% postconsumer recycled content
- 100% biobased organic content w/BMPs
- 100% reuse/reclamation
- Social equity requirements
- *FSC Certified Wood is one of 15 Prerequisites*
- *Part of Imperative requiring 60% reduction in building energy use by 2015 as adopted in House Climate Legislation.*



First 3 Certified Manufacturers all went Climate Neutral at Their Manufacturing Facilities to Achieve SMaRT LEED Credit.

300 manufacturer reps are educating their customers



I'm SMaRT. Ask Me Why.

- **SMaRT is to products what LEED® is to buildings**
- **The Consensus Sustainable Product Standard covering 80% of the world's products — excludes only planes & vehicles**
- **SMaRT is based on the LEED model—a consensus rating system with prerequisites and optional credits**
- **Acronym stands for Sustainable Materials Rating Technology**
- **SMaRT® 4.0 launched December 2006**
- ***Fast Company* (Nov. 2008) identifies SMaRT as an important product certification**

Increased Profitability

Sustainable Product 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**

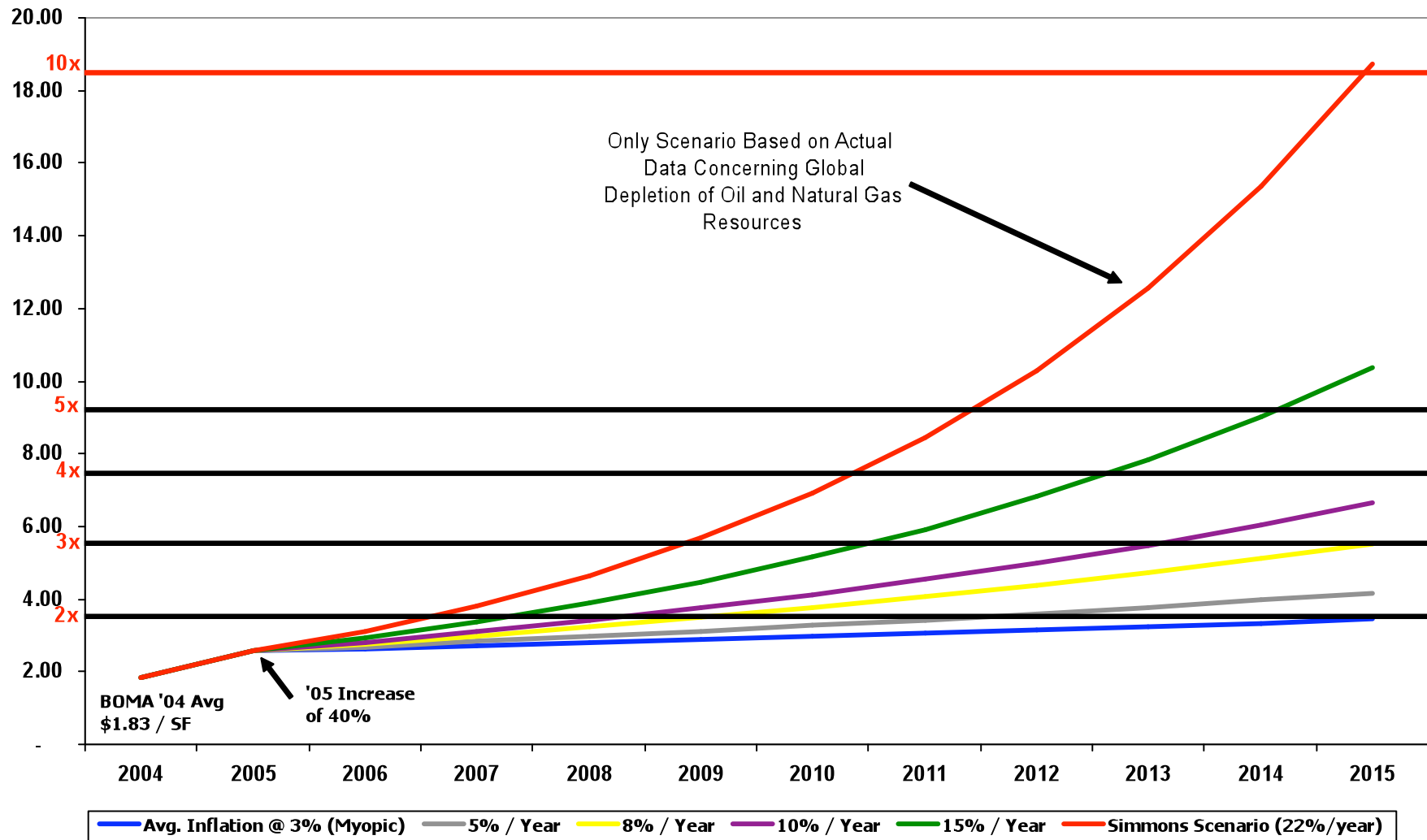
Forbo Linoleum is a SMaRT Platinum Certified Sustainable Product eligible for credit for LEED certified green buildings.



I'm SMaRT. Ask Me Why.



Conventional Energy Costs Expected to Continue Increasing at 20% / yr. for 10 yrs.





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