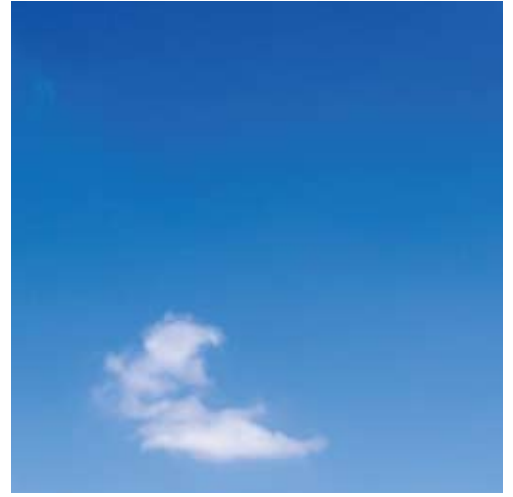


SUSTAINABILITY

CREATING VALUE *with* GREEN



Why Sustainability?



In today's economic climate, more than ever, we all appreciate what we have. And we strive to protect it for the future.

TRANSWESTERN has taken this same approach to sustainability for over a decade. Despite current economic conditions, we continue to prove that sustainable solutions lower operating costs and improve the bottom line while preserving the environment for future generations.

All Green building efforts begin with an understanding of a project's physical energy performance. The foundation for this analysis is the U.S. Environmental Protection Agency's (EPA) ENERGY STAR[®] program.

Green buildings have demonstrated their superior energy efficiency, operating results, enhanced tenant satisfaction and higher sales prices in several empirical studies.

What is ENERGY STAR?

A joint program of the EPA and the U.S. Department of Energy, ENERGY STAR offers a proven energy management strategy that helps in measuring current energy performance, setting goals, tracking savings and rewarding improvements. A building's ENERGY STAR program begins with the benchmarking process - a thorough gathering, review and inputting of utility and property information into ENERGY STAR's energy management program, Portfolio Manager. Once benchmarking is complete, the building is assigned a score based on its energy efficiency. Top performing buildings are recognized with the ENERGY STAR label.



What is LEED and why is it our certification standard?

The LEED (Leadership in Energy and Environmental Design) Green Building Rating System™ is the nationally accepted benchmark for the design, construction and operation of high performance Green buildings. Administered by the U.S. Green Building Council (USGBC), a non-profit organization, the LEED rating system measures performance in five key areas of human and environmental health: site planning, water management, energy, material use and indoor environmental quality. The LEED rating system also recognizes and rewards innovative design and process.

Measuring the level of Green performance in the design, construction and operation of buildings, the LEED points-based system awards certification in New Construction (NC), Existing Buildings: Operations & Maintenance (EB: O&M), Commercial Interiors (CI) and Core & Shell (CS) on four levels: certified, silver, gold and platinum.

We believe LEED is the most concise and rigorous of the recognized measuring systems. It is a consensus-based process developed through volunteer LEED committees composed of a diverse group of practitioners and experts from all areas of the building and construction industry.



Key prerequisites for LEED-EB: O&M certification:

- Energy efficiency with an ENERGY STAR score of at least 69
- Water efficiency with minimum requirements for fixtures and fittings
- Zero use of CFC-based refrigerants (unless replacement cost is over 10 years)
- Minimum air quality standards consistent with ASHRAE requirements
- Sustainable policies for purchasing and Green cleaning

How does Green



Lower Operating Costs

Utilities are a project's highest controllable expense category, so even small adjustments in operational standards directly impact the bottom line. We have developed specific Green programs that help reduce costs related to energy use, water consumption, recycling and waste removal.

In 2008 we:

- Reduced energy use by 15.4 million kWh across our portfolio.
- Met BOMA's 7-Point Challenge to decrease energy consumption by 30% and years before the 2012 deadline. In 2007, BOMA presented its 7-Point Challenge to commercial real estate firms asking them to accept the plan as part of everyday business practices. Benchmarks included: decrease energy consumption, employ ENERGY STAR metrics, provide education, perform audits and improve operations.



Increased Property Values

Energy efficient buildings:

- Have lower operating costs
- Appeal to more tenants
- Appeal to more buyers

Therefore, have a higher NOI and property value.

A recent CoStar study¹ demonstrates in the first quarter of 2008 that Green buildings vs. non-Green buildings return:

- Higher direct rental rates of \$42.00 vs. \$31.00
- Higher occupancy rates of 91.5% vs. 88.0%
- Higher sales price LEED vs. Non-LEED \$438.00 psf vs. \$267.00 psf

1 "Does Green Pay Off", July 2008. Norm Miller, Jay Spivey and Andy Florance

benefit an owner?



Competition

The combination of increased tenant demand, government regulations and a demand for socially responsible practices ensures office buildings will need to be Green to maintain their competitive position or risk being left behind.

Social Responsibility - Corporations are increasingly concerned about sustainability and its impact on employee performance, recruitment and retention. CoreNet Global's annual sustainability survey² found that more than two-thirds of corporate real estate executives worldwide now believe sustainability is a "critical business issue" – a 50% increase over 2007.

Tenant Satisfaction - Studies report employees working in Green buildings experience less absenteeism, are less likely to change jobs and are generally happier. Higher tenant satisfaction translates into higher retention rates.



No and Low Cost Solutions

Green is a collection of holistic best practices in site maintenance, water use, energy usage, materials purchasing and indoor environmental quality.

As part of the USGBC's volume certification program, we have developed our policies and procedures applying them to buildings which have earned LEED-EB: O&M certification. It has been our experience that the payback time on incremental sustainability investments is just two years. On those same investments, operating costs can decrease by 25%. Additionally, many federal and state financial incentives are available to corporations and building owners going Green to reduce capital expenditures.

² "Perspectives on Sustainability: Results of the 2008 Global Survey on Corporate Real Estate and Sustainability", October 2008. CoreNet Global and Jones Lang LaSalle

Our Green experience

Our involvement in sustainability began a decade ago with the energy crisis in California. To combat rising energy costs, our teams began tracking energy use at our managed buildings in Southern California and implementing smart energy management strategies to reduce consumption. Those first buildings used ENERGY STAR to track and evaluate energy performance, and 10 years later, ENERGY STAR resources are still in use across our portfolio.



- Six time EPA ENERGY STAR Award winner, **only third-party real estate services firm to win both Partner of the Year and Sustained Excellence**
- LEED-EB: O&M certification of existing client projects totaling **one-third of all current national certifications** in this LEED category
- Retained by clients to perform LEED certification on over **70 buildings** and commissioning services for over **75 buildings**
- **6.5% portfolio-wide** energy reduction in January and February 2009
- In 2008, reduced energy use by **15.4 million kWh** across our portfolio resulting in reduced emissions by **11,088 tons** of carbon dioxide
- Met BOMA's 7-Point Challenge - 30% portfolio-wide energy reduction **ahead of the deadline**
- 300 office buildings currently benchmarked in ENERGY STAR, 134 of which have earned the ENERGY STAR label. **1,000 buildings benchmarked over the last 10 years**

NAME: TRANSWESTERN

FIGHTING GLOBAL WARMING BY: Improving energy efficiency and reducing property operating costs for 250 corporate clients, 83,000 tenants, and thousands of business associates

SAVINGS IN 2008: 30% energy savings | \$30 million in utility bills

NEXT PROJECT: Getting deck chairs for the roof

JOIN TRANSWESTERN IN THE FIGHT AGAINST GLOBAL WARMING. TRANSWESTERN is one of thousands of organizations saving energy with help from EPA's ENERGY STAR Program. That means lower energy bills for TRANSWESTERN's tenants and a cleaner environment for all of us. Learn how your organization can be a part of the solution at energystar.gov.



Our Green services

Green Due Diligence

A thorough knowledge of a building's baseline allows our teams to effectively identify and plan improvements in policy, procedure and building infrastructure.

STEPS Program

Designed for owners who want to take a "stair step" approach to adoption and certification.

Green Building Certification

Our team offers best-in-class practices, documentation and submittal experience to eliminate the building team's learning curve.

Recertification

To maximize the full value and benefit of a Green building, continuous monitoring and reporting is necessary.

Development

Certification of facilities and coordination of tenant build-out to LEED-CI.

Agency Services

Proactively work with building ownership to position an asset as a best-in-class sustainable property for tenants pursuing Green lease space.

Service Provider Guidance

Consultation to third-party vendors and suppliers to establish Green practices.

BUSINESS CARD SLIT



 **TRANSWESTERN[®]**
SUSTAINABILITY SERVICES

Continuing to prove the business case and value of Green to our clients and partners.

www.transwestern.net/green