



GERDING EDLEN

**GREEN CITIES II, LP
ENVIRONMENTAL AND
COMMUNITY IMPACT
ANNUAL REPORT
2016**



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GERDING EDLEN

Gerding Edlen Green Cities II, LP is committed to owning, investing and building high quality assets that deliver strong returns to our investors while also positively enhancing local communities, neighborhoods and our planet. Our firm has long held the belief that sustainable development and management of properties is not only good for our environment, but also desirable to our tenants. We further believe that mindful design and management of buildings can greatly enhance neighborhoods by activating our properties' spaces with community engagement, utilizing local vendors and incorporating local artists into our properties. These development and management practices are standard throughout this portfolio and have brought great distinction and success to many of the buildings within this Fund. That is why we are pleased to release our Annual Environmental and Community Impact Report.

This report provides measurable outcomes to the environment and to local communities both on a portfolio-wide and property by property basis. Specifically, it looks at the positive benefits to People, Planet and Prosperity and uses our trademark Livable Place Index to measure environmental returns such as annual energy savings, water savings, carbon emission reductions and walk, bike and transit scores. We also provide measurable data on neighborhood and community benefits by tracking job creation, inclusionary-affordable housing and the hiring of minority and women-owned businesses to service our buildings. Beyond the measurable data, this report also provides specific examples illustrating the numerous strategies and partnerships with local community groups that have successfully benefited our properties' neighborhoods.

Our buildings are not successful without our tenants, and we embrace unique management strategies that engage and empower our tenants to partner with us on several sustainability and community goals. Therefore, we also include in this report a summation of our ongoing tenant engagement practices that provide our tenants the opportunity to contribute to these successes by living or working sustainably within our properties.

Gerding Edlen's deep commitment to these standards is proudly executed today by all of the Firm's partners and employees. This commitment is best captured in the Firm's "Principles of Place," which includes 10 core tenets of our real estate investment and management values.

Thank you



GERDING EDLEN LIVABLE PLACE INDEX™



This report provides measurable outcomes to the environment and to local communities both on a portfolio-wide and property by property basis through Gerding Edlen's Livable Place Index. Our Livable Place Index is a proprietary methodology for quantifying environmental and community impacts based on a triple bottom line approach - People, Planet, Prosperity.



PEOPLE

Sustainable, inviting spaces are ones where 20-minute living can become a reality. The concept of 20-minute living refers to properties with a rich variety of services and amenities for people to enjoy within a 20-minute walk, bike ride or transit ride. We track the livability and 20-minute living opportunities our buildings provide our residents through Walk Score.



PLANET

We measure the environmental impacts of our properties through key performance indicators - energy, carbon, water and waste. We track energy, carbon and water by comparing actual operational data (or using modeled performance data) to performance for a code-compliant building. Waste data is tracked from monthly reports provided by the waste hauler for each property, where available.



PROSPERITY

Our projects become opportunities to bring profound and lasting economic benefits to local and regional communities. The key economic performance indicators we track include total jobs created, union construction jobs and overall fiscal impacts. During building operations, we track local, minority and women-owned vendors and affordable housing.



[More detail on the methodology for the Livable Place Index is included at the back of this report on page 22](#)

LIVABLE PLACE INDEX™

PEOPLE

WALK SCORE®

90/100

BIKE SCORE™

79/100

TRANSIT SCORE®

86/100

PLANET

ANNUAL ENERGY SAVINGS¹
6.2 MILLION KWH SAVED

569

HOMES POWERED

ANNUAL CARBON EMISSIONS REDUCTION²
1,274 METRIC TONS CO2 SAVED

300

CARS OFF THE ROAD

ANNUAL WATER SAVINGS³
7.9 MILLION GAL SAVED

399,173

SHOWERS SAVED

ANNUAL WASTE SAVINGS⁴
WASTE DIVERTED

147

TONS

PROSPERITY

UNION JOBS⁵

1,518

FISCAL IMPACT⁶

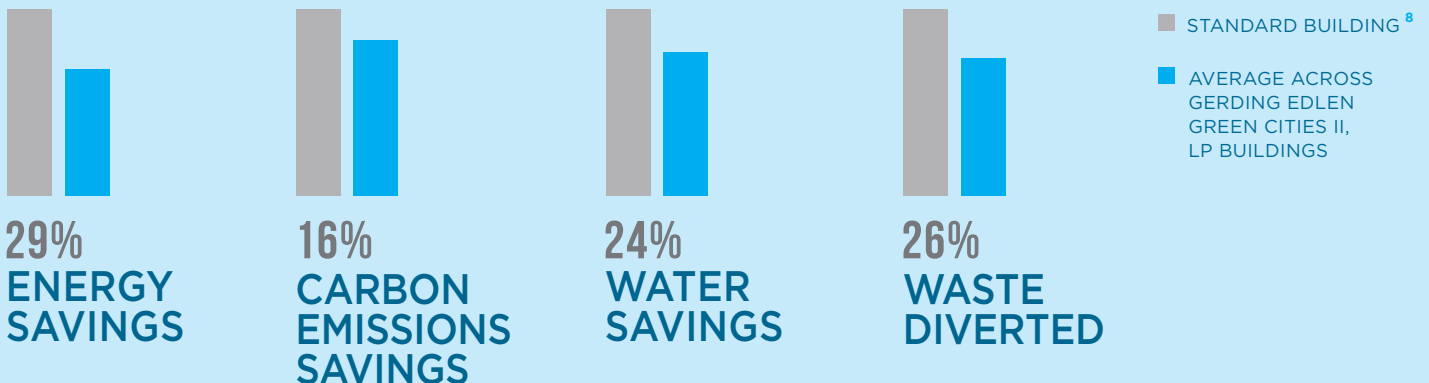
\$550,450,600

ENVIRONMENTAL IMPACT

ANNUAL ENERGY, WATER, WASTE AND CARBON EMISSIONS SAVINGS

CERTIFICATIONS⁷

2 ENERGY STAR 4 LEED GOLD



COMMUNITY IMPACT

COMMUNITY PARTNERSHIPS

ARTS AND CULTURE

Gerding Edlen believes that creating vibrant places for people to live includes developing everyday connections to art and culture. Art adds an element of inspiration to life and contributes to local art organizations, building community.

LOCAL BUSINESS

Gerding Edlen seeks to create opportunities for residents to connect with each other and with their community. Forming collaborations with local businesses to service our properties is an important way to foster experiences that build relationships.

Additionally, our firm's support of minority and women-owned businesses through vendor partnerships with our buildings is another way we ensure that the neighborhoods we invest in are strengthened through diversity.

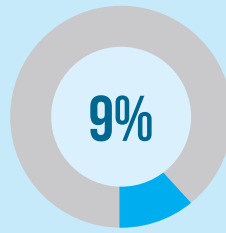
PHILANTHROPIC

Gerding Edlen is committed to building communities. Contributing to nonprofit organizations in neighborhoods surrounding each property helps build prosperity for all.

AFFORDABLE HOUSING

2 OUT OF 4 MULTIFAMILY PROPERTIES

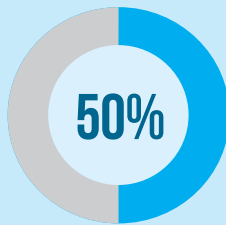
With Affordable Housing Component



AFFORDABLE HOUSING UNITS

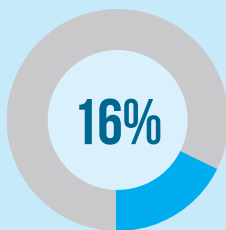
Portfolio-Wide

COMMUNITY-BASED JOBS



LOCALLY OWNED VENDORS⁹

for building operations



MINORITY/WOMEN OWNED VENDORS¹⁰

for building operations

JONES CHICAGO

LEED GOLD CERTIFIED / ENERGY STAR CERTIFIED



LOCATION: CHICAGO, IL

TYPE: RESIDENTIAL MIXED-USE

SQUARE FOOTAGE: 169,445

UNITS: 188

PROJECT COMPLETION: 2014

PERFORMANCE

Based on 2016 performance, Jones Chicago is performing in the top 20% of similar buildings in similar climate zones and earned Energy Star certification with a score of 81/100.

ENERGY EFFICIENCY

High efficiency building systems include Nest Learning Thermostats™ which give residents remote control of their heating and cooling and which adjust temperature automatically based on usage patterns over time.

ALTERNATIVE TRANSPORTATION

In addition to an on-site car share vehicle, abundant bike parking and electric car charging stations, residents were given complimentary passes for the Chicago Water Taxi.

COMMUNITY PARTNERSHIPS

In 2016, Jones Chicago donated a total of 2,448 lbs. of clothing to the Green City Project, which in turn made monthly donations to St. Jude Children's Hospital. A donation center was set up in the parking garage, making it easy and convenient for residents to repurpose items.

EVENTS

Jones Chicago hosted a "Sustainable September" series that featured a bike commute day and a recycling drive for light bulbs, batteries and other used electronics which is now a permanent part of the building-wide recycling program.

Jones Chicago participated in the Northwest Earth Institute's annual EcoChallenge—a two week engagement during which participants commit to taking one sustainable action per day. Jones Chicago placed 15th nationwide out of 450 teams.



PEOPLE

WALK SCORE®: 98/100

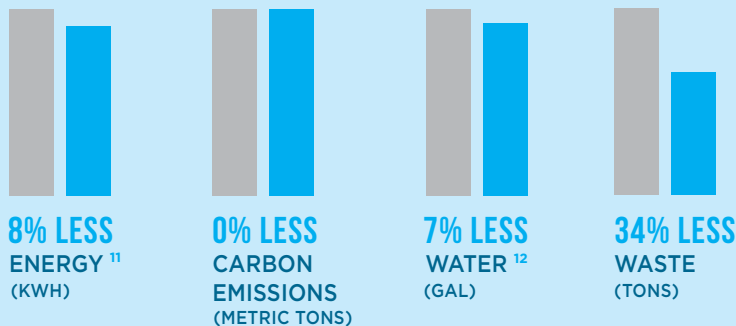
BIKE SCORE™: 84/100

TRANSIT SCORE®: 100/100



PLANET

ANNUAL ENERGY, CARBON EMISSIONS, WATER & WASTE SAVINGS



■ STANDARD BUILDING ■ JONES CHICAGO



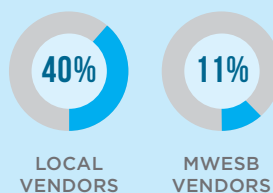
PROSPERITY

CONSTRUCTION

FISCAL IMPACT
\$99,639,700

TOTAL JOBS CREATED
638

OPERATIONS



XAVIER

LEED GOLD CERTIFIED



LOCATION: CHICAGO, IL

TYPE: RESIDENTIAL MIXED-USE

SQUARE FOOTAGE: 244,000

UNITS: 240

PROJECT COMPLETION: 2015

PERFORMANCE

Based on 2016 performance, Troy Boston is performing in the top 25% of similar multifamily properties in similar climate zones.

ENERGY EFFICIENCY

High-efficiency building systems include LED lighting and electrochromatic glass in the leasing office that reduces energy use and glare by auto-adjusting color and transparency in response to changes in ambient light levels.

WASTE REDUCTION

Residents were provided reusable coffee mugs, and all paper cups, lids and sleeves were removed from the lobby coffee service.

COMMUNITY PARTNERSHIPS

In partnership with Seventhwave, Cool Choices and Evergreen Economics, Xavier is conducting an "Eco-concierge" program designed to engage residents and promote sustainable living. [Turn to page 15 to read more.](#)

Xavier supported two nonprofit organizations, Dress for Success and a local food bank, Lakeview Pantry, resulting in 4 bags of clothes and 50 lbs. of food donated.

ARTWORK

Xavier features artwork from seven local artists and art organizations.

AWARDS

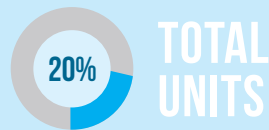
In 2016, Xavier received two awards: Engineering News Record's 2016 Best in the Midwest Award in Residential/Hospitality category and a CAMME Award (Chicagoland Apartment Marketing & Management Excellence) for Innovative Building Design.



PEOPLE

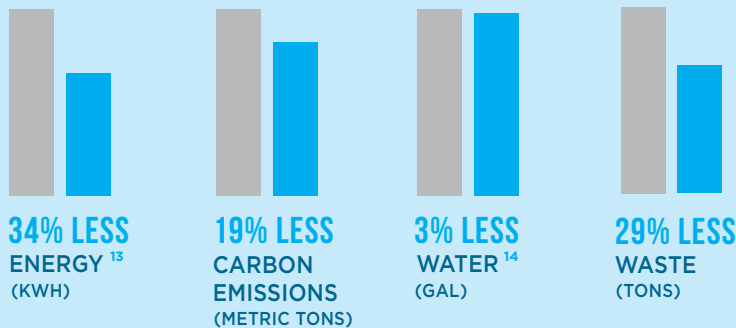
WALK SCORE®: 89/100
BIKE SCORE™: 73/100
TRANSIT SCORE®: 82/100

AFFORDABLE HOUSING



PLANET

ANNUAL ENERGY, CARBON EMISSIONS, WATER & WASTE SAVINGS



■ STANDARD BUILDING ■ XAVIER

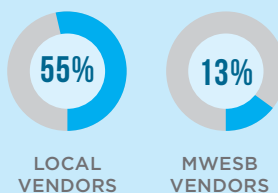


PROSPERITY

CONSTRUCTION

FISCAL IMPACT
\$108,553,300
TOTAL JOBS CREATED
684

OPERATIONS



TROY BOSTON

LEED GOLD CERTIFIED / ENERGY STAR CERTIFIED



LOCATION: BOSTON, MA

TYPE: RESIDENTIAL MIXED-USE

SQUARE FOOTAGE: 249,337

UNITS: 378

PROJECT COMPLETION: 2015

PERFORMANCE

Based on 2016 performance, Troy Boston is performing in the top 17% of similar multifamily properties in similar climate zones and earned Energy Star certification.

CO-GENERATION SYSTEM

The co-generation system is meeting operational performance targets, and in 2016, reduced the building's utility spend by \$8,600.

RECYCLING PROGRAM

The building-wide recycling program was recently expanded to include batteries and light bulbs.

COMMUNITY PARTNERSHIPS

Troy Boston continued its partnership with Pine Street Inn—the largest resource for homeless men and women in New England. Staff and residents participated in a neighborhood cleanup event as part of Boston's Love your Block program and served over 100 meals at the shelter.

ARTWORK

Artwork from five local artists and organizations includes a large mural that was created by ten teen artists represented by Artists for Humanity, whose mission is to empower under-served youth through employment in art and design.

AWARDS

In 2016, Troy Boston received three awards: the Rental Housing Association's Community of Excellence, Green Community Award for its sustainability; MFE Merit Award in Marketing & Advertising; and NAHB Multifamily Pillars of the Industry Award for Best Overall Marketing & Leasing Campaign.



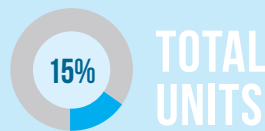
PEOPLE

WALK SCORE®: 91/100

BIKE SCORE™: 82/100

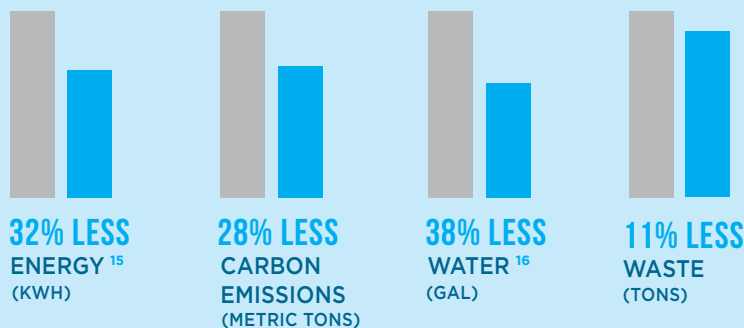
TRANSIT SCORE®: 95/100

AFFORDABLE HOUSING



PLANET

ANNUAL ENERGY, CARBON EMISSIONS, WATER & WASTE SAVINGS



■ STANDARD BUILDING ■ TROY BOSTON



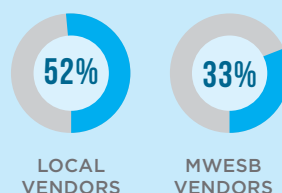
PROSPERITY

CONSTRUCTION

FISCAL IMPACT
\$124,715,400

TOTAL JOBS CREATED
589

OPERATIONS



THE EDDY

LEED GOLD CERTIFIED



LOCATION: BOSTON, MA

TYPE: RESIDENTIAL MIXED-USE

SQUARE FOOTAGE: 267,543

UNITS: 259

PROJECT COMPLETION: 2016

PERFORMANCE

The Eddy is designed to operate 31% more efficiently than a typical building.

ENERGY EFFICIENCY

A co-generation system meets over 15% of the building's total electricity load and nearly 70% of the building's hot water load.

RESILIENT DESIGN

The Eddy features special plant materials, hardscape and site finishes that can withstand salt water submersion. Additionally, the electrical room is located above the FEMA floodplain and the emergency generator is located on the roof.

COMMUNITY PARTNERSHIPS

The Eddy partnered with local affordable housing developer, NOAH, to provide six kayaks that can be checked out by residents and by the local East Boston community.

The Eddy engaged East Boston-based nonprofit organization, Zumix, which features youth musicians, to perform at the building's grand opening and partner on an outdoor summer concert series.

The Eddy has partnered with East Boston Open Market to host "Second Sundays"—an artisan market held monthly in the building's lobby featuring 15 local East Boston vendors.

ARTWORK

The Eddy features artwork by six local artists and art organizations, including a three-series, hand blown stained glass installation created by artist, Phil Hodenschwager in partnership with Harbor Arts, a non-profit public art institution dedicated to fostering cultural engagement.



PEOPLE

WALK SCORE®: 82/100

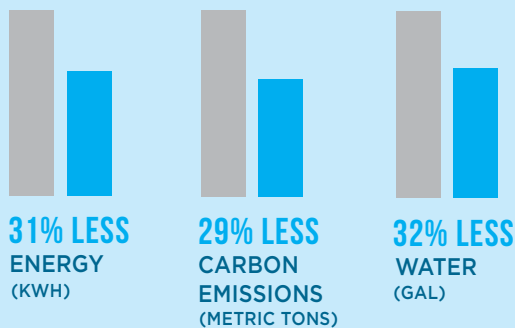
BIKE SCORE™: 78/100

TRANSIT SCORE®: 66/100



PLANET

ANNUAL ENERGY, CARBON EMISSION & WATER SAVINGS ¹⁷



■ STANDARD BUILDING ■ THE EDDY



PROSPERITY

CONSTRUCTION

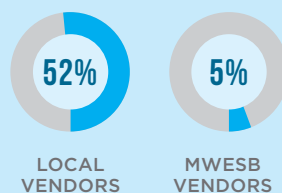
FISCAL IMPACT

\$214,039,200

TOTAL JOBS CREATED

871

OPERATIONS





Gerding Edlen's Principles of Place guide us to create vibrant, inspiring and sustainable spaces where people can live, work and learn.

GERDING EDLEN PRINCIPLES OF PLACE



BUILD COMMUNITY

Understanding and respecting the elements that create a sense of place supports an environment where people can thrive.

CREATE INVITING SPACES

Engineering the transition between public and private spaces to create interaction which contributes to the social and economic vitality of communities.

MINIMIZE CARBON FOOTPRINT AND ENERGY DEPENDENCE

Reducing the environmental impact of a building and the people who live in it significantly improves the quality of life for everyone.

CONNECT PEOPLE AND BUILDINGS TO NATURE

Bringing nature into urban environments improves the quality of life for people in the community.

ENCOURAGE TRANSPORTATION ALTERNATIVES

Working to promote convenient transportation alternatives and smart growth strategies for cities creates healthy, happier, more engaged communities.

CRAFT THE FIRST 30 FEET

Designing an appealing pedestrian environment at the front door animates and engages neighborhoods.

INSPIRE COMMUNITIES WITH ART

Creating vibrant and inspiring places for people to live and work within creates everyday connections to art and culture.

MAKE 20-MINUTE LIVING REAL

Accessing all you need to live, work and play within twenty minutes improves well-being, enriches social interaction and promotes encounters with nature and other people.

INTEGRATE SCHOOLS AND NEIGHBORHOODS

Facilitating a connection between schools and the greater community encourages learning and knowledge beyond the classroom.

PRESERVE SYMBOLS THAT MATTER

Preserving distinctive buildings and historic symbols makes places that provide people with a sense of identity, history and context.





RESIDENT LOUNGE, THE EDDY

HIGHLIGHTS

Gerding Edlen's properties are designed, built and operated to reflect our values. The Firm follows its proprietary Principles of Place and uses its Livable Place Index ("LPI") to create higher quality, sustainable properties that positively impact tenants' lives and the environment. Through annual evaluations of each properties' environmental and social impacts, the Firm continually pushes its commitment to People, Planet and Prosperity for investors, tenants and communities.

The following pages highlight key achievements in **building optimization**, **tenant engagement** and **community relations** of Gerding Edlen Green Cities Fund II properties in 2016.



BUILDING OPTIMIZATION

Energy efficiency optimization is a key focus in the design, construction and operation of the Firm's properties. Whether constructing new buildings or managing existing properties, we used a variety of tools in 2016 to analyze, track and optimize each asset's performance.

ANALYZING PERFORMANCE

For new construction, Gerding Edlen followed a diligent process that began with an integrated design approach. The Firm conducted eco-charrettes with the design, construction and operations teams to identify, debate and solidify specific sustainability goals, which included energy and water efficiency strategies, health and well-being and tenant engagement objectives. Additionally, we incorporated energy modeling to drive design and building systems decisions. The result is that each building's envelope design and mechanical systems are measurably more efficient than required by current building code.

For operational properties, we closely monitored and tracked building performance. We also drove multiple initiatives such as regular and consistent tenant engagement to educate and impact tenant utilization to further optimize performance.

TRACKING PERFORMANCE

On an on-going basis, Gerding Edlen monitored each property's utility usage including its energy, water and waste consumption and its carbon emissions. By collecting, tracking and analyzing this data, we consistently identified opportunities for improvement. Three important tools drove our tracking and property analysis in 2016.

First, Gerding Edlen used the Firm's proprietary Livable Place Index (LPI). The LPI quantifies environmental and community impacts based on a triple bottom line approach - People, Planet, Prosperity. In addition to reporting, we used these metrics in our leasing and marketing efforts to elevate the holistic benefits of living and working in our buildings.

Second, we used an EPA-sponsored platform to track each building's monthly utility usage. With this platform, each property's utility bill

data was collected and uploaded and then compared to other buildings of similar size, vintage, use and climate zone generating a comparable score from 1 - 100. Buildings with a score of 75 or greater are eligible for Energy Star certification. In 2016, all of the Fund's stabilized, multi-family properties earned Energy Star certification. These included Troy Boston, with an earned score of 83, and Jones Chicago, with an earned score of 81.

Third, Gerding Edlen installed real-time energy monitoring systems in all of our Fund II properties to increase immediate visibility into building performance and provide more data points for our facility managers. Under this system, building data is uploaded in 15-minute intervals, providing unparalleled insight into every property's performance.

In addition to energy and water monitoring, in 2016, Gerding Edlen added the tracking of recycling and composting data to our LPI. This was achieved by working with the local waste haulers that service each of our Fund II properties to provide actual building data in tonnage hauled.

OPTIMIZING PERFORMANCE

For each property, Gerding Edlen sets in-depth performance expectations through modeling and analysis, and the tools we use ensure that each property meets or exceeds these expectations. Achieving these high objectives is not possible without the collaboration with our tenants. Key in 2016 were a number of new tenant engagement strategies that served to drive stronger performance results while also building community within our properties.





TENANT ENGAGEMENT

At each of our Fund II assets, our properties' management teams developed a unique set of opportunities for our tenants to positively impact the environment, their neighborhood and their community. These included programs around rideshare platforms, LEED certification celebrations, donation and recycling drives, organized volunteer opportunities and community forums and speaking events. Below are examples of some of Fund II's properties' successful tenant engagement events in 2016.

ECO-CONCIERGE AT XAVIER

In 2016, the Xavier, a 240-unit apartment property located in Chicago's urban core, partnered with the local utility company to create a unique pilot program around the concept of an on-site "Eco-Concierge" at the building. Like a hotel concierge, the utility company provided an on-site individual to be a resource to tenants with dedicated office hours at a sustainability information desk located in the lobby, where residents could visit to get additional information or answers to questions about sustainable, best practices. The Eco-Concierge also hosted information sessions with residents once a month on specific topics such as utility incentive programs,

waste management, Nest Thermostats and alternative transportation. Throughout the year, the Eco-Concierge engaged, educated and inspired our residents to reduce their personal energy use and live a greener, more sustainable lifestyle.

One of the most popular and cutting-edge activities hosted was a "Cool Choices" online sustainability game. This web-based, game-based platform provided the building's residents the opportunity to earn points by logging their specific sustainable actions into the game. Nearly a third of the building's tenants participated, which could be accessed on their smart phones or computers, totaling 1,251 total

sustainable actions. This not only educated the building's tenants in a fun, modern way, but it also led to real results. Sustainable actions derived from the game were equivalent to powering a single-family home for an entire year, reducing carbon emissions to an equivalent of removing 18 car trips from Los Angeles to New York City and equating to an average utility bill savings of \$70 per player.

The Eco-concierge pilot program will end in June 2017, and residents will be sent a follow-up survey that will assess their overall behavior changes generated from the program.

2016 ECOCHALLENGE

Another tenant engagement program initiated throughout the Fund II properties in 2016 was a property by property, simultaneous "EcoChallenge." This

EcoChallenge, a nationwide event inspired by The Northwest Earth Institute, creates an annual, two-week challenge around the goal of completing at least one sustainable action each day to improve the planet. In each building, we provided tenants with suggestions around sustainable challenge actions such as using a reusable coffee cup, commuting by public transportation or taking the stairs. The properties hosted a social event to kick-off the challenge and provided online platforms for tenants to record their daily actions, earning points for each day they participated. At the completion of the event, tenants in each property, with sufficient points, were entered into a raffle for various prizes. Three of the properties - Jones Chicago, Xavier and Troy Boston - entered the nationwide competition, with Jones Chicago earning a ranking of 15th nationwide.

COOL CHOICES

Cool Choices is a web-based game that gives residents the opportunity to earn points for sustainable actions. The game was hosted by Xavier's Eco-Concierge and took place over a two-month period. Here are the results.

54

RESIDENTS
PARTICIPATED

1,251

SUSTAINABLE
ACTIONS TAKEN

\$70

AVG. SAVINGS
PER PLAYER

TOTAL SAVINGS
WERE EQUIVALENT TO:



POWERING **ONE** HOME
FOR AN ENTIRE YEAR

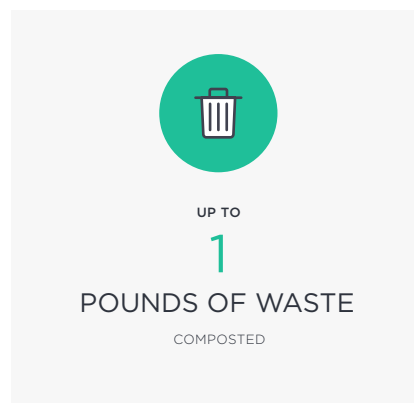
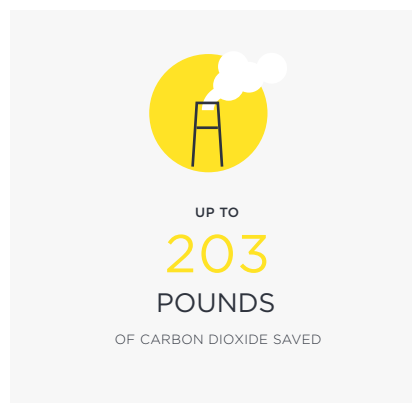
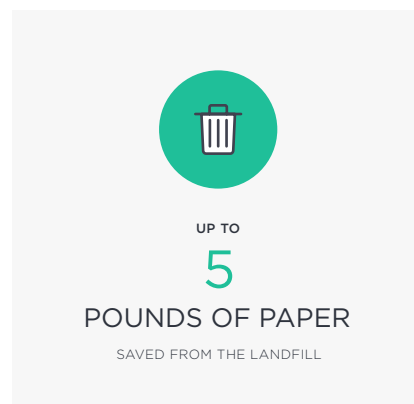
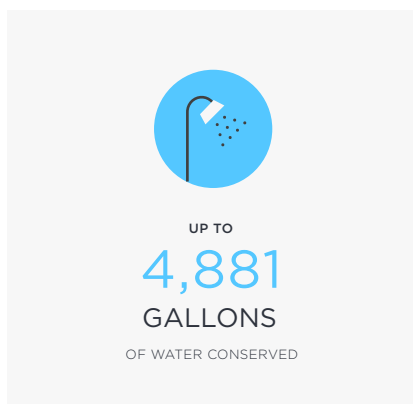
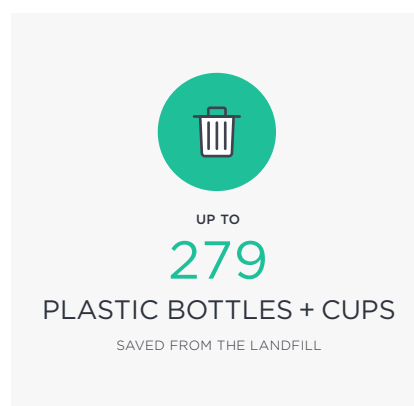
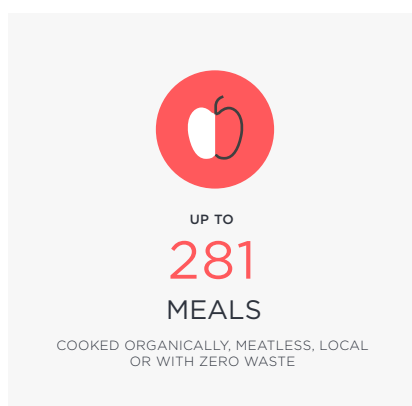
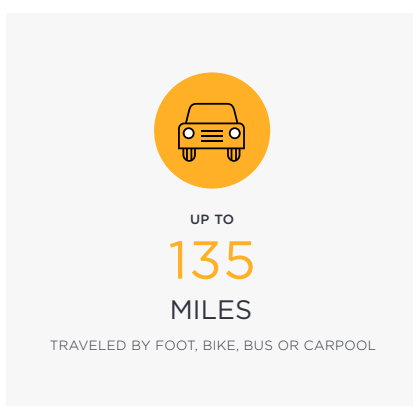


TAKING **18** CAR TRIPS
FROM LA TO NYC



2016 ECOCHALLENGE COLLECTIVE IMPACT

The statistics presented here feature the cumulative results of **Jones Chicago**, **Xavier** and **Troy Boston** for the 2016 EcoChallenge, which brought in 8,500 participants nationwide. Jones Chicago emerged as the most active property of the Fund II properties, with 36 residents participating and earning a ranking of 15th nationwide.





The Eddy features artwork by local East Boston organizations, such as this stain glass installation by Harbor Arts, which is one of three in a series.

COMMUNITY ENGAGEMENT

In 2016, the Fund II properties maintained deep connections to their neighborhoods and communities through civic engagement, the arts, non-profit volunteerism and other cultural connections that benefited the tenants and strengthened each property's community. One example of this is The Eddy in East Boston, which opened in the latter part of 2016.

THE EDDY, EAST BOSTON

The Eddy is located along the waterfront in East Boston, a culturally diverse neighborhood across the bay from Boston's CBD. As one of the first new developments in the area, it was important that the property and neighborhood were interwoven. To do this, the Eddy's management team drove deep partnerships across multiple community organizations.

One of the first organizations the building partnered with was Harbor Arts, a non-profit public art institution dedicated to fostering cultural engagement through visual, literary and performing arts. Gerding Edlen commissioned Harbor Arts to create a piece for the building. The three-part series, hand-blown stained glass installation

is now a hallmark of the building, which can be seen from the outdoors and provides visual continuity between the lobby and the second-floor lounge. In addition to Harbor Arts, Gerding Edlen commissioned artwork from five other neighborhood artists for the building, creating visual beauty while also supporting the local art community.

Additionally, Gerding Edlen partnered with a local affordable housing developer, NOAH (Neighborhood of Affordable Housing), to purchase six kayaks for use on the Harbor. The kayaks are stored at The Eddy and are available for check-out by The Eddy residents, the residents of a neighboring affordable housing property and by members of the local East Boston community.



The above Kayaks are stored at The Eddy and are available for check-out by The Eddy residents and members of the local community

A third, local group that the Eddy partnered with is Zumix, whose mission it is to provide under-served youth access to musical education. The property worked with Zumix to provide its young artists an opportunity to play in public at the building's grand opening, where a saxophone group comprised of high school students greeted guests in the lobby and another Zumix group performed outside on the pool deck. This summer, the Eddy will host a monthly summer concert series on the lawn of The Eddy's waterfront park and boat landing featuring Zumix's youth talent.

One final example is East Boston's Open Market, or pop-up shop, hosted in the lobby of the Eddy on the second Sunday of every month. This open market features 15 local

East Boston vendors that offer a variety of gifts and crafts including home décor, flowers, handmade jewelry, clothing and accessories for sale. This event, which is open to the public, has become so popular it is now a mainstay of East Boston and has a wait list for vendors to participate. The open market supports local entrepreneurs and provides a fun experience for tenants as well.

The Eddy is just one example of how our properties consistently interact with their neighborhoods, enriching the lives of our tenants and making their communities more vibrant.

Photo Right:
Second Sundays at
The Eddy feature 15
local East Boston
Vendors in a "pop-up
shop" style setting



Photo Below:
The Eddy features art
from Artists for Humanity,
from whom we first
commissioned a piece for
Troy Boston



Above
The above Zumix
Band performed at
The Eddy's Unveiling
Party on the pool
deck. The Eddy is also
partnering with Zumix
to host a summer
concert series in 2017.



Photo Left:
Pictured is one of
Three hand-blown,
stained glass
installations created
in partnership with
Harbor Arts. The piece
signifies movement in
water.

FOOTNOTES

- 1 To quantify energy savings, natural gas use (therms) is converted to kilowatt/hours for a common unit of measurement. All other calculations are based on actual kilowatt/hours and therms. "Annual energy savings" conversion to "homes powered" is from several sources including the US Dept. of Energy, based on the amount of energy used by the average American home.
- 2 Carbon emissions calculations are based on published emissions data associated with electricity generation in respective markets as published by the EPA. Carbon emissions converted to "cars off the road" is based on 2011 EPA data.
- 3 "Gallons of water" conversion to "showers saved" is based on multiple sources including the American Water Works Association.
- 4 Waste diverted includes data for those properties where data is available. Data provided by the property's waste hauler. The baseline represents total waste generated; waste diverted represents waste that was recycled or composted.
- 5 Union construction jobs created during the construction or renovation of the properties in this portfolio as calculated by an independent consultant using IMPLAN.
- 6 Fiscal impacts include direct, indirect and induced economic impacts attributed to the construction or renovation of the properties in this portfolio.
- 7 Dexter Horton and Mason, properties that were originally part of this fund, were sold in 2015.
- 8 A standard building is a building built to code or for existing properties, the median performance level of similar buildings in similar climate zones as calculated by EPA's Portfolio Manager.
- 9 Local vendors include all property vendors for the year based in the city where the property is located which operate only within the city and its adjacent area.
- 10 MWESB vendors represents the percentage of local businesses that are minority-owned, women-owned or certified Emerging Small Businesses. If ownership is 50%+ minority or women, it is included in this category.
- 11 Calculations based on actual energy use for 2016 as compared to a standard building. Calculations verified by an independent specialist in energy engineering.
- 12 Baseline water calculations include domestic water use and were adjusted to reflect irrigation, pool evaporation and cooling tower use. For irrigation, .2 ft. of water/sf of site area per month for six months of the year was used, which is based on historical weather data. For the pool, evaporation values applied are based on EPA's Energy Star calculation methodology during three months of the year. Cooling tower water use is based on use at a similar multifamily property. Calculations based on actual water use for 2016 are compared to this modified baseline. Calculations performed by an independent specialist in energy engineering.
- 13 Calculations based on actual energy use for 2016 as compared to a standard building. Occupancy adjustments to account for lease-up were not made. Data showed the base building load to be relatively constant over the year at approximately 60% - 70% of total energy use, regardless of occupancy. Calculations were performed by an independent specialist in energy engineering.
- 14 Refer to #12 above. In addition, the baseline was adjusted to reflect monthly occupancy rates by taking the most heavily occupied month and dividing it by the occupancy rate for that month. Calculations performed by an independent specialist in energy engineering.
- 15 Calculations based on actual energy use for 2016 as compared to a standard building. Calculations verified by an independent specialist in energy engineering.
- 16 Refer to #12 above.
- 17 Energy, carbon, and water calculations are based on estimated performance data for the as-designed building compared to a standard building. Calculations verified by an independent specialist in energy engineering.

LIVABLE PLACE INDEX™

Gerding Edlen's Livable Place Index™ is a proprietary methodology for quantifying environmental and community impacts based on a triple bottom line approach – People, Planet, Prosperity. The **People** data is based on Walk Score. **Planet** data represents savings calculations for key performance indicators – energy, carbon, water and waste. All energy, carbon and water savings calculations are performed and/or verified by an independent specialist in energy engineering. There can be no assurance that estimated returns or projections can be realized or that actual returns or results will not be inferior than those estimated herein. For buildings under construction at the time of the report or in operation for less than one year, energy savings data is derived by comparing the as-designed building to a standard building (the “baseline”) per the energy model associated with the building's LEED certification. For buildings in operation for at least one year, actual energy use is compared year over year to the baseline from the original energy model. For existing commercial and multifamily properties, actual energy use is compared to the performance of median buildings of similar type and in similar climate zones from Energy Star Portfolio Manager. Carbon emissions are calculated based on the actual or modeled therms and kilowatt hours associated with the building's modeled and baseline energy use. Calculations are based on the carbon emission values associated with electricity generation in various utility markets across the country published by the Environmental Protection Agency (EPA). For newly-constructed properties, water data is taken from the water calculations associated with the building's LEED certification. For existing commercial properties, the baseline is based on the median annual water use for a similar in similar climate zones as provided by Energy Star Portfolio Manager. For multifamily properties which do not have an established baseline for water use, a baseline is derived from the average of baseline water use for similar buildings in GEGC's portfolio. Waste refers to all municipal waste generated at the property during operations. Waste reductions reflect the amount of municipal waste that is recycled and composted. Data is provided by the waste hauler for each property. **Prosperity** data includes jobs created and fiscal impacts, which are derived from an economic development program, IMPLAN. The results are provided by an independent consultant and are based on the most recent available statewide economic data. Gerding Edlen is not responsible for the accuracy of any third party information provided in this report. Information shown herein is valid as of April 2017.



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