

News release

Johnson Controls and Ygrene Energy Fund Sign Nation's Largest PACE Energy Upgrade Project with Metzler Real Estate

\$3.16 million energy retrofit expected to reduce annual utility costs by \$140,000 with no upfront investment

SACRAMENTO – (July 30, 2013) Johnson Controls, the global leader in delivering solutions that increase energy efficiency in buildings, and Ygrene Energy Fund, the leading developer and administrator of clean energy financing programs, will help Seattle-based Metzler Real Estate cut energy use and utility bills at Sacramento's Metro Center Corporate Park, using financing that allows them to pay over time rather than up front and is the nation's biggest contract of its kind.

The \$3.16 million Property-Assessed Clean Energy (PACE) project is funded through Clean Energy Sacramento. The energy efficiency upgrades will reduce Metzler's annual utility costs by \$140,000, a 27 percent decrease, and create nearly 50 local jobs during the construction phase.

"PACE is gaining momentum throughout the United States, connecting private capital with building owners to make improvements that result in substantial economic and environmental rewards," said Chuck McGinnis, director, commercial energy solutions, Johnson Controls Building Efficiency. "Energy efficiency creates better buildings for owners, saves them money, delivers comfortable work environments for tenants, and new jobs to cities."

To date, 30 states have PACE enabling legislation. PACE allows local governments to offer long-term, low-interest financing to property owners to implement energy efficiency upgrades. Projects are repaid through an annual assessment on a property tax bill that is linked to the property rather than the owner. Sacramento's program, Clean Energy Sacramento administered by Ygrene Energy Fund, launched earlier this year. The program has closed \$4.2M in projects over the past 90 days and has received over \$10M in pre-approved applications.

"Metzler Real Estate is setting a new bar for energy efficiency and demonstrating the simplicity and economic benefit of PACE financing for large commercial projects," said Stacey Lawson, CEO of Ygrene Energy Fund. "Ygrene is proud to support this landmark effort as we expand access to low-cost, low-risk capital for PACE projects across the nation."

Sacramento mayor Kevin Johnson has focused on transforming the area into the "Emerald Valley," to become the greenest region in the country and hub for clean technology. His efforts have focused on efficiency in transportation and buildings. The city has committed to retrofit 12 million square feet of commercial property in President Obama's Better Buildings Challenge,

and has partnered with Ygrene to make \$100 million of PACE funding available for property owners to make energy upgrades.

"Congratulations to Johnson Controls and Metzler Real Estate along with Ygrene Energy Fund and the city staff who worked diligently to create Clean Energy Sacramento," said Mayor Johnson. "Our program is well on its way to becoming the most successful commercial PACE program in the country. Together we are creating local jobs, reducing emissions, and putting Sacramento on the map as a national leader in sustainability."

Metro Center, managed by Colliers International, is located at 2700-2720 Gateway Oaks Drive and comprised of four buildings, totaling approximately 250,000 square feet. Upgrades include replacement of rooftop units with high efficiency equipment and installation of a Metasys® building management system to control the mechanical equipment and interior and exterior lighting. The retrofit will enable Metro Center to register for LEED® certification, an emerging standard for large corporate tenants in California.

"The decision to retrofit Metro Center demonstrates the economics of sustainability to increase energy efficiency while reducing costs," said Dwight McRae, managing director of Metzler Real Estate. "As a client-focused boutique firm, we amplify our portfolio's value by concentrating on the property, the market, and the investment strategy."

"Colliers International Real Estate Management Services has been at the forefront of Ygrene's Clean Energy Sacramento program since its inception, and this is definitely a win-win for the landlord and the tenants", said Dianna Berry, Property Manager for Colliers REMS, "Not only will it significantly reduce the utility costs, the cost of maintenance and labor to operate the new automated system, but it will provide the tenants with a more comfortable and controllable space, with less impact on the environment."

About Johnson Controls

Johnson Controls is a global diversified technology and industrial leader serving customers in more than 150 countries. Our 168,000 employees create quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and interior systems for automobiles. Our commitment to sustainability dates back to our roots in 1885, with the invention of the first electric room thermostat. Through our growth strategies and by increasing market share we are committed to delivering value to shareholders and making our customers successful. In 2013, Corporate Responsibility Magazine recognized Johnson Controls as the #14 company in its annual "100 Best Corporate Citizens" list. For additional information, please visit <http://www.johnsoncontrols.com>.

About Ygrene Energy Fund

Ygrene Energy Fund is the leading developer and administrator of clean energy financing programs throughout the United States. Ygrene's fully funded Clean Energy Programs provide privately funded and immediately accessible financing for renewable and energy efficiency upgrades to both residential and commercial property owners at no upfront costs. Over the next five years, Ygrene's Clean Energy Districts are projected to create tens of thousands of local jobs and invest hundreds of millions into local economies. Learn more at ygrene.us.

About Metzler Real Estate

Metzler Real Estate provides independent advice and tailored investment services to private and institutional clients investing in key North American real estate markets. Metzler Real Estate's multi-discipline expertise, defined processes and clear standards ensure a disciplined, active approach to value preservation and creation. As an affiliate of the Frankfurt-based private investment bank B. Metzler seel. Sohn & Co. KGaA (est. 1674), clients experience the benefits of stability, personalized service, and a history of proven performance. www.metzlerna.com

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