



BEACON CAPITAL
PARTNERS

The Vision and Value of Sustainability

THE VISION AND VALUE OF SUSTAINABILITY

Beacon's approach for investing in real estate is built on the ability to foresee opportunities and the practical knowledge to turn those opportunities into results. Our commitment to environmental sustainability — to using natural resources efficiently — rests on the same foundation.

In the United States, more than 60% of electricity — and more than 36% of total energy — is consumed by buildings. Buildings generate 30% of our nation's greenhouse gases, and more than 136 million tons of construction and demolition waste annually. Reducing this environmental impact is reason enough to design and operate buildings in a manner consistent with conservation principles, but sustainability also has other clear benefits.

Thoughtful, systematic implementation of sustainability measures to the development and operation of large-scale commercial buildings increases efficiency and reduces operating costs. Sustainability improvements, moreover, enhance building desirability to tenants and contribute to productivity, comfort, and well-being. Whether a property is being newly developed or is undergoing a program to address deferred building-system maintenance, establishing sustainability as a goal results in higher-quality assets.

The intelligent application of "green" principles helps create and enhance the value of the properties we own.

Beacon has made energy efficiency a priority for many decades; in the past several years, our commitment has been further crystallized with a formal Sustainability Initiative. Under this company-wide program, we have set the goals of earning the ENERGY STAR® label for all of our portfolio and of achieving LEED® (Leadership in Energy and Environmental Design) Silver certification for 60% of our portfolio within our first three years of ownership. The goal for the remaining 40% will be to achieve LEED certification.

Indeed, sustainability is a core value that guides our pre-acquisition due diligence, and our plans for development, redevelopment, capital expenditure, and long-term asset management throughout the Beacon portfolio.



SUSTAINABILITY RESULTS

Reduced operating costs

Energy represents 20-30% of total operating costs (excluding taxes) for a typical office building. The installation of highly efficient equipment — and its careful operation and management — results in reduced consumption of increasingly expensive energy. This, in turn, reduces operating costs, a key consideration for both present and prospective tenants and owners.

Enhancement of asset value

Whether Beacon has initially developed a property to be sustainable or upgraded it to be so, those who purchase the building are rewarded with a better infrastructure than in a less-sustainable building, better control of indoor climate conditions, more effective use of utilities, and more consistent operating costs. These factors positively influence buyer perception and perceived value. In addition, sustainability measures often address deferred maintenance issues through the installation of newest-generation building systems, and therefore result in higher-quality physical assets at exit.

Reduced impact on the environment

Decreasing our use of resources (electricity, water, natural gas, oil), decreasing our landfill burden and CO₂ emissions, and improving air quality all contribute to improving the buildings in which we work and easing our impact on the environment.

Regulatory advantages

Some municipalities offer benefits such as accelerated permitting or increased density for projects on track to receive LEED certification. In the UK and France, programs similar to LEED are gaining in regulatory significance.

Marketing advantages

A Colliers International 2007 survey finds that most office tenants value the air quality, thermal comfort, and natural light associated with sustainability, and that 95% consider sustainability “an important future component of good business practices.” Sustainability and, increasingly, sustainability certifications like ENERGY STAR and LEED have value to prospective tenants and confer an edge in marketing.



JEREMY FLETCHER *Senior Managing Director*

“Beacon approaches every acquisition with the core idea of maximizing value, and a large part of that is developing sustainability goals and being green.”

We have a highly-developed process for reviewing properties prior to purchase that includes evaluating potential energy efficiency and environmental sustainability.

During the due diligence process, we evaluate the building’s envelope and operating systems, and conduct a cost-benefit analysis to achieve our targeted LEED level. We focus on upgrades that can be accomplished economically and that have paybacks shorter than our anticipated period of ownership. And upon acquisition, we implement those upgrades early. We also encourage new tenants, as part of their build-out, to use renewable resources, eliminate volatile organic compounds (VOCs), and source locally-made products.

Doing what’s necessary to operate and use resources more efficiently has a relatively low initial cost. But these measures provide significant savings over the life of the property. And ultimately, they generate a higher resale value.

As someone who designed and built custom solar houses in the mid-1970s, I’m really quite proud of our sustainability results at Beacon. Sustainability is a big part of our vision at Beacon, and we turn that vision into results in a way that works financially.

ROOF RAINWATER AND GROUND-LEVEL STORM WATER WILL BE USED FOR MORE THAN 50% OF THE LANDSCAPE IRRIGATION AT 535 MISSION STREET IN SAN FRANCISCO.

ENERGY AND UTILITY CONSERVATION UPGRADES AT THE JOHN HANCOCK COMPLEX IN BOSTON RESULTED IN \$1 MILLION OF ANNUAL SAVINGS, YIELDING A 36% ROI.



ZEINA TALJE *Vice President*

“At the turn of the last century, many buildings were designed with deep-set windows — they provided shade from the sun and kept the building cool. Today, we still mitigate the effects of the sun, but we do it by modeling the energy performance of the building’s envelope and mechanical systems, and using the best glass technology to achieve greater energy efficiency. The tool set has changed, but the premise is the same.”

Development is my current focus, beginning with the public approvals process, continuing with the construction process, and ultimately delivering a completed building ready for occupancy. We use an integrated design approach, which means we seamlessly integrate sustainability into the overall project design and execution.

Sustainability is about changing peoples’ attitudes more than anything. When we decided to make Beacon’s new corporate headquarters at 200 State Street in Boston LEED-compliant, we realized very quickly that

we would be met with some pushback: the outside design team saw sustainability as an additional burden. But together we evaluated decisions about comfort, building systems, materials, and finishes on sustainability criteria — and today, the space is functional, visually inspiring, and has achieved LEED Silver certification.

My background as an architect trained me to value good design, of which sustainability is a key component. Sustainability is integral to designing the best space and building the best buildings.

MECHANICAL IMPROVEMENTS AT THE WELLS FARGO CENTER IN SEATTLE WILL REDUCE ANNUAL ELECTRICAL AND MAINTENANCE COSTS BY AT LEAST \$162,500, WITH AN OVER-20% ROI.

ELIMINATING UNNECESSARY HEATING OF THE UNDERGROUND PARKING GARAGE AT ONE BEACON STREET IN BOSTON LOWERED ENERGY COSTS BY APPROXIMATELY \$50,000/YEAR — AT NO COST.



PHIL BRANNIGAN *Managing Director*

“We recognize that how a building uses energy and other natural resources is a critical issue for the real estate industry.”

The increasing importance of sustainability is something you experience very directly when you focus, as I do, on leasing. In the last six to twelve months, there has been increased tenant interest in sustainability. Existing and prospective tenants have begun to notice what the landlord is doing about being environmentally responsible.

Since we spend a lot of time getting to know our tenants when we buy buildings, we understand that the location and conditions of their office space contribute to their success in recruiting and retaining capable employees and executing solid business plans. In today’s competitive marketplace, more and more successful companies either have a sustainability initiative in place or are starting one.

Whatever their initial impetus, introducing tenants to buildings that have LEED certification always makes a very solid impression visually and emotionally. When we achieved the LEED Silver certification for One Beacon in Boston, our tenants had a very positive reaction — some asked what they could do to improve their own spaces and practices as they seek to achieve LEED certification for their tenant space. It has become a collaborative effort as tenants recognize that sustainability gives everyone opportunities to reduce their operating costs.

As world demand grows for resources in general, and energy in particular, we anticipate continued pressure on prices. It’s important that we’re finding ways to operate our buildings efficiently. And it’s no wonder that attention to sustainability has become the key marker of a forward-thinking landlord.

EFFICIENT NEW CHILLERS AT 600 CALIFORNIA STREET IN SAN FRANCISCO WILL GENERATE \$215,000 IN ANNUAL ELECTRICAL SAVINGS — A 36% ROI AND 2.8 YEAR PAYBACK BASED ON ENERGY AND MAINTENANCE SAVINGS.

CONSTRUCTION-WASTE RECYCLING DURING BUILD-OUT OF BEACON’S HEADQUARTERS AT 200 STATE STREET IN BOSTON DIVERTED 44 TONS OF CONSTRUCTION WASTE FROM LANDFILLS.



McCLURE KELLY *Vice President*

“A sustainable approach to asset management is the right way to do business. It’s attractive economically, it reflects the values of our firm and the communities in which we operate, and it’s an increasing focus of current and potential tenants.”

Immediately after acquiring a new asset, we examine the entire building, analyze all of the building systems, and identify opportunities to boost the sustainability of the building and its operations.

Much of the work is identifying and implementing mechanical upgrades that drive energy efficiency and reduce operating expense. But we also evaluate opportunities to reduce our water consumption through plumbing retrofits, and we consider other alternatives.

We evaluate and address the sustainability of our operations from all angles. For example, we’re putting together a manual about sustainable improvements that

should make it easier for our tenants to pursue LEED for Commercial Interiors. We ensure that our buildings operate with the most advanced green cleaning and recycling programs available. And we ask that our building managers and building engineers be trained in sustainable operations. It helps them manage our assets more efficiently, but it also helps align them with our focus on sustainability.

From the top down we’re committed to sustainability — and for the right reasons. Because it’s the right thing to do, and because in the vast majority of cases there’s zero conflict between a good economic outcome and making really smart sustainability decisions.

REDUCED WATER USE AT ONE BEACON STREET IN BOSTON: EACH NEW WATERLESS URINAL SAVES ABOUT 5,000 GALLONS/YEAR OF POTABLE WATER; SOME PROVIDE A SIMPLE PAYBACK IN AS LITTLE AS SIX MONTHS.

PAPER, CARDBOARD, PLASTIC, ALUMINUM CANS, AND BATTERIES ARE ALL RECYCLED AT ONE BEACON STREET IN BOSTON: 55% OF ALL THE BUILDING’S WASTE IS DIVERTED FROM LANDFILLS.

THE RATINGS

THE ENERGY STAR® RATING SYSTEM



ENERGY STAR, a voluntary labeling program for commercial and industrial Buildings, is sponsored by the US Department of Energy and the U.S. Environmental Protection Agency, and managed by the EPA. It uses a scale of 1-100 to rate the relative energy performance of new and existing buildings. The rating, which is certified by a professional engineer, is based on the amount of energy the building uses over a 12-month period (as evidenced by utility bills), the amount of CO2 it emits, the nature and intensity of its occupancy, and its location.

A score of 75 or more qualifies a building for an ENERGY STAR label. This means the building is in the top 25% of like structures in energy efficiency for the year rated.

THE LEED® CERTIFICATION GREEN BUILDING RATING SYSTEM



The LEED (leadership in energy and environmental design) Green Building Rating System is the nationally accepted benchmark in the U.S. for the design, construction, and operation of high performance green buildings. Established by the U.S. Green Building Council (USGBC), LEED addresses different types of development with distinct rating systems, among them LEED for New Construction and Major Renovation, LEED for Commercial Interiors, and LEED for Existing Buildings: Operations and Maintenance.

The LEED rating systems and the four levels of LEED recognition — Certified, Silver, Gold, and Platinum — reflect projected or actual performance beyond certain prerequisites in five critical areas of environmental sustainability: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

The rating systems for the various types of development (and from property to property) require and reward somewhat different technologies and strategies, and give different relative weight to the sustainability categories, as well. Consistently, however, almost 50% of the points are at stake in the areas of energy and water conservation.



Beacon Capital Partners is a member in good standing of the U.S. Green Building Council.

LEED CERTIFICATION FOR EXISTING BUILDINGS: OPERATIONS AND MAINTENANCE

Evaluation Criteria, Technologies, and Strategies

1 Energy efficiency (also partly measured by ENERGY STAR) 35% of possible points

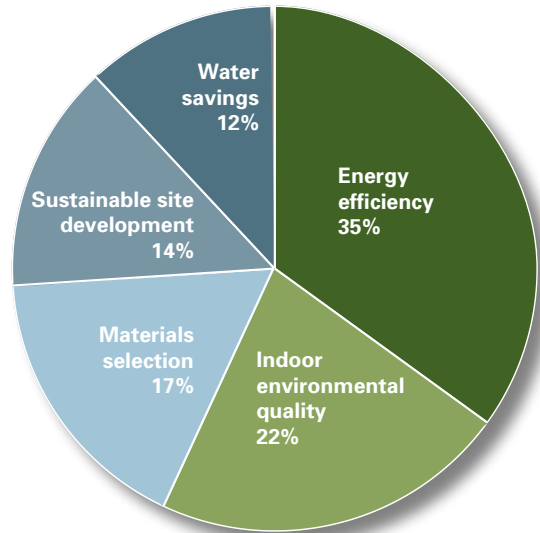
- Optimize energy performance and ozone protection
- Commission and enhance monitoring of building operations and maintenance
- Utilize enhanced metering
- Use on- and off-site renewable energy

2 Indoor environmental quality 22% of possible points

- Optimize use of outside air
- Implement green cleaning
- Monitor thermal comfort
- Control indoor chemicals and pollutants in cleaning
- Reduce particulates in air distribution
- Manage construction indoor air quality (IAQ)

3 Materials selection 17% of possible points

- Collect and store recyclables
- Manage waste from construction, demolition, and renovation
- Optimize use of alternative materials and IAQ-compliant products
- Use sustainable cleaning products and materials



Composition of Available Points for LEED for Existing Buildings Certification

4 Sustainable site development 14% of possible points

- Offer bicycle storage and changing rooms
- Encourage car pooling and use of alternative fuel vehicles
- Manage stormwater and control site erosion
- Reduce heat island effect
- Reduce light pollution

5 Water savings 12% of possible points

- Reduce water use
- Install and maintain water-efficient landscaping
- Employ innovative wastewater technologies

Note to prospective investors in Beacon Capital Strategic Partners VI, L.P. (the Partnership):

This presentation should be read in light of, and is qualified by, the Private Placement Memorandum of interests in the Partnership, including the risk factors contained therein.



The efficient use of natural resources adds value to Beacon assets, reduces operating costs, improves the buildings in which we work, and diminishes our impact on the environment.

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NEW YORK

SAN FRANCISCO

SEATTLE

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