



Sustainability Report 2014

The GreenSpot Companies

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DEFINITIONS

Agency Relationship – The fiduciary relationship results when one person, called the agent, represents the interests of another person, called the principal, in dealings with others. In a real estate sales transaction, an agency relationship is usually formed between the real estate broker and the principal upon both entering into a written agreement stating that an agency relationship has been established.

Manager – An individual (if any) appointed by the Managing Broker or CEO to oversee Licensees and to perform such supervisory responsibilities as the Managing Broker or CEO may delegate to include training.

Buyer – The purchaser of real property in the State of Colorado.

Broker – Any person licensed to provide real estate brokerage services in the State of Colorado.

Brokerage Firm – The entity GreenSpot Real Estate, LLC under which all Licensees conduct real estate brokerage services in the state of Colorado.

Buyer's Agent – A buyer's agent is a Broker who works solely on behalf of the buyer and owes duties of the agency relationship to the buyer which includes the utmost good faith, loyalty and fidelity. The agent will negotiate on behalf of and act as an advocate for the buyer. The agent must disclose to potential sellers all adverse material facts concerning the buyer's financial ability to perform the terms of the transaction and whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the client.

Client – A party to a real estate transaction with whom the broker has a brokerage relationship because such party has engaged or employed the broker as either an agent or transaction-broker.

Commercial Real Estate - Property that is zoned for a commercial use, used for a commercial purpose, contains four or more residential units or is zoned for four or more residential units. The term Commercial Real Estate also applies to any Exclusive Right to Lease Listing Contract and/or Exclusive Tenant Contract.

Commercial Supervisor(s) – The individual(s) appointed by the CEO to supervise Commercial Real Estate transactions.

Contingent Fee – Any fee that is earned upon the occurrence of some specified event such as a closing.

CREC – Colorado Real Estate Commission

Customer – A party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker. Appropriate written disclosure is required.

Designated Broker – A Broker who is designated in writing (by this written policy manual) by the Brokerage Firm to serve as a single agent or transaction-broker for a seller, landlord, buyer, or tenant in a real estate transaction.

Dual Agent – Dual agency is an illegal agency in the State of Colorado and therefore not used by any GreenSpot associate.

Fiduciary Duties – Duties owed by an agent to the principal:

1. **Loyalty:** An agent must act at all times solely in the best interests of the principal to the exclusion of all other interests, including the agent's own self-interest.
2. **Obedience:** An agent is obligated to obey promptly and efficiently all lawful instructions of the principal.

3. **Disclosure:** An agent is obligated to disclose to the principal all relevant and material information, unless obtained through a previous fiduciary relationship, that the agent knows and that pertains to the scope of the agency.
4. **Confidentiality:** An agent is obligated to safeguard the principal's lawful confidences and secrets.
5. **Reasonable Care and Skill:** An agent is obligated to use reasonable care and skill in pursuing the principal's affairs.
6. **Accounting:** An agent is obligated to account for all money or property belonging to the principal that is entrusted to the agent.

Transaction Coordinator (TC) – Individual appointed by the Management to review and manage transaction files in the Brokerage Firm.

Informed Consent – A person's approval that is based on a full knowledge of facts needed to make the decision intelligently, such as knowledge of liability involved, alternatives, etc.

In-House Sale – A sale in which a brokerage firm, through one or more of its real estate licensees, acts as both the listing and selling agent.

GSSES – refers to GreenSpot Energy & Sustainability

GSRE – refers to GreenSpot Real Estate.

GreenSpot – refers to GreenSpot Global

Leadership – Comprised of the owners and/or board of directors

Licensee/Broker Associate - any person employed or engaged by or on behalf of the Brokerage Firm to do or deal in any licensed real estate activity for or on behalf of Brokerage Firm, for compensation or otherwise.

Listing Agent – A Broker/agent who has a listing contract with the Seller. See also seller's agent.

Managing Broker – The individual named as the "Employing Broker" with the Colorado Real Estate Commission.

Multiple Listing Service (MLS) – A system which disseminates information about listed properties and through which participants offer cooperation and compensation to other participants, such as buyer's agents or transactions brokers, usually operated as a committee of a board/association of Realtors® or a corporation owned by a board association of Realtors®, although some MLS's are privately owned.

Principal – A client with which a Broker has created an agency relationship (ie: buyer agent, seller agent, landlord agent or tenant agent). The Broker owes fiduciary duties to such client.

Seller – The seller of real property in the State of Colorado

Seller's Agent – A seller's agent is a Broker who works solely on behalf of the seller and owes duties of the agency relationship to the seller which include the utmost good faith, loyalty and fidelity. The agent will negotiate on behalf of and act as an advocate for the seller. The agent must disclose to potential buyers or tenants all adverse material facts about the property actually known by the agent. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the client.

Selling Agent – A Broker who sells property as a representative of the buyer; the selling agent may be: (1) a buyer's agent; or (2) a transaction-broker; also called a cooperating agent or participating agent.

Significant Supplier - Significant Suppliers ("Suppliers") refers to suppliers that collectively represent approximately 80 percent of GreenSpot purchases in currency terms. Suppliers can include both suppliers of physical items and service providers like accountants and web designers.

Subagent – Sub-agency is no longer legal in the state of Colorado.

Realtor® Policies – Those policies promulgated by the local, state and national associations of Realtors® including the Code of Ethics and Standards of Practice.

Tenant's Agent – A broker who is engaged by and represents the tenant in a leasing transaction.

Transaction-Broker – Under C.R.S. §12-61-802, "'transaction-broker' means a broker who assists one or more parties throughout a contemplated real estate transaction with communication, interposition, advisement, negotiation, contract terms, and the closing of such real estate transaction without being an agent or advocate for the interests of any party to such transaction. Upon agreement in writing pursuant to *section 12-61-803 (2)* or a written disclosure pursuant to *section 12-61-808 (2) (d)*, a transaction-broker may become a single agent."

I. OUR PURPOSE & MISSION

The GreenSpot companies, [GreenSpot Energy & Sustainability \(GSES\)](#) and [GreenSpot Real Estate \(GSRE\)](#), are in the business of selling real estate services to help our clients. We have a specialization with high-performance, green homes and buildings, and our hybrid company makes this process simpler for our clients and adds value to green properties we sell.

A. OUR PURPOSE IN BUSINESS

- **REAL ESTATE BROKERAGE SERVICES** – buying, selling and leasing commercial and residential properties
- **GREEN-BUILDING & ENERGY CODE CONSULTING** – how to make homes & buildings energy-, water-, waste- and carbon-wise. Also serve as *de facto* energy code officials in the jurisdictions where allowed.
- **DEAL SOURCING** – Helping clients find deals and properties for holding or improvement
- **PROJECT PRO FORMAS** – Analyzing project specifics to determine feasibility, or not
- **BUILDING CERTIFICATION** – Certifiers of LEED, ENERGY STAR, National Green Building Standard (NGBS), Enterprise Green Communities, Living Building Challenge and others

Because of our hybrid business model – merging real estate with green-building expertise – we've become industry leaders in adding value to real estate through energy efficiency, green features and green-building certifications. That is realized in sale of properties, or in refinance to create balance sheet impact. GreenSpot has become nationally recognized for innovation and expertise in green-building.

B. OUR MISSION IN BUSINESS

GreenSpot Global is what is known as an "impact" company – providing great environmental benefit every time the cash register rings and we sell a certified, above-code home or building.

GREENSPOT MISSION STATEMENT: *To reverse climate change through the built environment*

- **CARBON REDUCED** – carbon reduced in a home or building compared to ...
 - A comparable code-built twin built to the prevailing building code, or

- A prior, measured iteration of itself, unimproved.
- **ELECTRICITY REDUCED** – electricity reduced in a home or building using the same method
- **WATER REDUCED** – water saved compared to prevailing building code flow rates, and/or what’s accepted by dominant water utility
- **WASTE DIVERTED** – waste diverted to recycling from landfill
- **RENEWABLE ENERGY EMPLACED** – renewable energy installed on a home or building (solar PV (electric), solar thermal (hot water), wind, etc.)

Our certified homes and buildings are above-code with net-positive (energy) as our overarching goal. These results are quantifiable, and they have added monetary value. The more homes we sell, the more good we deliver to the environment.

II. THE YEAR 2014 – OUR FIRST YEAR TO MEASURE ENVIRONMENTAL BENEFIT

The year 2014 was the first year the GreenSpot companies measured our environmental impact. Here are our results at the end of 2014:

GREENSPOT GLOBAL ENVIRONMENTAL IMPACT FOR 2014	
CARBON DIOXIDE SAVED / YEAR (tons)	122.2
SULFUR DIOXIDE SAVED / YEAR (pounds)	108.4
NITROGEN OXIDE SAVED / YEAR (pounds)	330.1
MEGAWATT HOURS ELECTRIC SAVED / YEAR (megawatt hours, mWhs)	73
RENEWABLE ENERGY INSTALLED (kilowatts, kW)	51.5

The results, while not of the scale we’d like to see, reflect **years** of honing our business model – learning what works, and what doesn’t. Learning what we’re good at and the businesses we need to offer.

The results also show **completion** of a number of projects that, in effect, began years prior. In building, projects can go on for as long as two years, sometimes longer. So 2014 signified the first year that we had a number of **projects complete with measurable results**.

While we currently have a number of LEED projects in certification, we haven’t been able to track a significant amount of waste diverted from landfill yet. Our headquarters facility manager doesn’t allow for separate accounting, and our LEED projects were still in process at year end. This is important to us, and we will monitor this going forward.

‘The same goes for water – we’ve certified a handful of properties with Water Sense fixtures. According to the Environmental Protection Agency (EPA), the Water Sense program promises flow rates 20 to 30 percent less than “average”. We will track water saved going forward, with significant gains to be made indoors and outside, too.

III. OUR ACCOUNTING METHODS

- **CARBON REDUCTION** – Anytime we certify a property (ENERGY STAR, LEED, etc.), we perform either residential or commercial energy models. The lowest common denominator of properties we certify are above-code (IECC), and we measure that differential between the prevailing energy code requirements and the higher-performance properties we certify. In residential, those energy models conform to RESNET (Residential Energy Service Network) guidelines, and every model is third party-verified. With commercial properties, those energy models are performed by licensed engineers or architects. Our carbon emissions (and any reductions) come from those industry-approved models.
- **CARBON EQUIVALENTS** – We use the carbon equivalent calculator from the Department of Energy to demonstrate our carbon equivalence numbers.
- **ELECTRICITY REDUCED** – The same process in determining electricity reduced and/or saved applies from the energy modeling process described above.
- **WASTE REDUCED** – We track waste diverted from landfill with our builders, specifically LEED projects. That said, we've started asking our contractors to divert as much waste as possible from landfill, whether the building certifications require that or not. We get that information from their waste hauler and keep it on file for three years in keeping with certification requirements.
- **WATER REDUCED** – We always require our clients to install at minimum Water Sense indoor water fixtures. Those reduce water use by 20 – 30 percent per the Environmental Protection Agency, which administers the Water Sense program. We also work with local water providers who have metrics they use to determine average water use – indoors and out. We note that when it appears in our reports.

IV. FORECAST & GOALS

At the end of 2014, we had a number of projects in process with scores of certifications imminent. Our summary goal for 2015 is to double the amount of carbon, electricity, waste and water saved. And to double the amount of renewable energy emplaced.

GREENSPOT GLOBAL ENVIRONMENTAL GOALS FOR 2015	
CARBON DIOXIDE SAVED / YEAR (tons)	250
SULFUR DIOXIDE SAVED / YEAR (pounds)	200
NITROGEN OXIDE SAVED / YEAR (pounds)	660
MEGAWATT HOURS ELECTRIC SAVED / YEAR (megawatt hours, mWhs)	150
RENEWABLE ENERGY INSTALLED (kilowatts, kW)	100

A few caveats about this approach ...

- **SOLAR** – Solar energy is everything, and solar drives numbers WAY up in energy models when solar is installed on homes or buildings. We’ve become industry leaders in getting solar to appraise up and add significant value to our properties. Still, our ability to meet these goals will be largely driven by the amount of solar we persuade our clients to install.
- **PROPERTY SALES** – We’re also dependent on the number of homes and buildings we can help our clients complete as we don’t calculate or include any numbers ***until projects have been submitted to the building department for certificate of occupancy, and/or the authority governing the energy modeling (RESNET QAD, engineer or architect) has signed off on completed and correct numbers.***

We thank our awesome clients for allowing us to do what we love – bring in and ring in better homes and buildings that have a great beneficial impact on our planet.

If you have additional questions about this report, please contact us. We’re happy to answer them.

*Respectfully submitted,
GreenSpot Global*

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