



MEMORANDUM OF UNDERSTANDING
Between
THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
And
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

I. Purpose

The purpose of this Memorandum of Understanding (“MOU”) is to formally create a mutually beneficial working relationship between the United States Environmental Protection Agency (“EPA”) and The Prudential Insurance Company of America (“Prudential”).

II. Background

The mission of the EPA is to protect human health and the environment. The EPA works to develop and enforce regulations that implement environmental laws enacted by Congress. The Agency works through its headquarters and regional offices partnering with over 10,000 industries, businesses, non-profit organizations, and state and local governments on over 40 voluntary pollution prevention programs and energy conservation efforts. The EPA advances efforts to develop an environmentally conscious and responsible public and to inspire personal responsibility in caring for the environment.

Prudential has informed the EPA that it is a world-wide Financial Services and Insurance Company, with holdings domestically and abroad. This MOU will focus primarily on the approximately 7,000,000 rentable square feet of space at its operationally controlled, corporate owned and leased home office properties throughout the United States, with its base of operations located in Newark, New Jersey.

Prudential recognizes the significant impact of the commercial real estate sector on the environment, which accounts for 39% of energy use, 12% of total water consumption, 50% of total electricity consumption, and 38% of carbon dioxide emissions worldwide. By implementing sustainable processes, along with comprehensive evaluation and measurement of its operating practices, Prudential has and will continue to reduce its energy consumption, waste production, water usage, environmental impacts, and the overall carbon footprint across its operations.

Beginning back in 2007, Prudential initiated a formal program of reducing its carbon footprint at its operationally controlled, corporate owned and leased home office properties within the United States. (Not included are any of Prudential’s leased, detached, retail, and branch non-home office properties, or any sites/holdings outside of the United States.) Recognized initiatives include:

- Since 2008, Prudential has diverted approximately 6200 tons of recycled materials from landfills. Prudential's recycling program shall include, but not be limited to: paper/cardboard, aluminum/plastic/glass cans and bottles, household batteries, electronic hardware, cooking oil, toner/ink cartridges, wood pallets, scrap metal, and lamps/ballasts.
- For 2010-2011, approximately 1 MW-DC of renewable energy in the form of roof and carport mounted solar PV was installed in Prudential's Phoenix, Arizona facility. Also, at Prudential's two Roseland, New Jersey facilities, 300 KW-DC of solar PV was installed on the roof of each building. Currently for 2011-2012, Prudential is in the early stages of installing another 4.0 MW of solar PV on top of carport structures in the parking areas of its Roseland, New Jersey complex.
- Capital systems and equipment annual upgrades include, but are not limited to: energy efficient refrigeration machines, variable speed pumping, direct digital control energy management systems, modular boilers, plate and frame heat exchangers, energy efficient cooling towers, direct digital control variable air volume boxes, energy efficient air handling equipment with free cooling, and modular chiller equipment installations throughout the portfolio.
- Starting in 2008, Prudential's recycling program expanded to include additional materials at its operationally controlled, corporate owned and leased home office properties throughout the United States. In addition, Prudential purchases and uses paper towels, toilette paper, plastic liners, and office supplies containing recycled content

Additionally, Prudential aims to promote environmental stewardship throughout its U.S. portfolio by the efficient use of energy, water and materials, reduction of greenhouse gas emissions, and utilization of renewable energy where economically feasible.

III. MOU Commitments

Prudential and EPA recognize the importance of collaboration in addressing environmental issues in the commercial real estate sector. Consequently, both Parties hereby establish a working relationship within this MOU. Prudential also commits to implement environmental best practices in its operationally controlled, corporate owned and leased home office properties within the United States. (Not included in this MOU are Prudential's leased, detached, retail, and branch non-home office properties, or any sites/holdings outside of the United States.)

A. Energy Management and the EPA ENERGY STAR Program

Energy Usage and Carbon Footprint Reduction

Regarding energy and carbon footprint reduction, Prudential will evaluate the energy efficiency of the core & shell of existing buildings in the company's portfolio as indicated by an ENERGY STAR rating, and strive to achieve the core & shell (interior and exterior) certification under a recognized green building rating system, such as or similar to Leadership in Energy and Environmental Design (LEED).

Under the MOU, Prudential will continue to partner with the ENERGY STAR Program and promote energy efficiency by implementing environmental best practices, including:

- Lighting management strategies such as the use of energy efficient lighting, motion sensors, and turning off lights when spaces are not in use.
- For sustainable purchasing, see section C “Waste Minimization, Recycling, Purchasing Recycled Products and the EPA WasteWise Program.”
- Single lamp 32 watt T-8 fixtures and ballasts will be reviewed for usage in Prudential’s Corporate Home office in Newark, New Jersey.
- Review the use of LED, light emitting diode, lighting where economically feasible.
- Load shedding air conditioning equipment when not needed or not in use.
- Energy efficient equipment selection, where feasible, for all capital replacement projects.

Improving Prudential’s operational energy efficiency at its operationally controlled, corporate owned and leased home office properties within the United States is a key component of Prudential’s property management operations. Prudential strives to improve ENERGY STAR scores through identification of energy conservation opportunities and implementation of building upgrades.

Prudential will review the ENERGY STAR Benchmarking Process for its U.S. portfolio for 2011-2012. As a result of the current benchmarking program, Prudential has received the ENERGY STAR Label for one property located at 80 Livingston Avenue, Roseland, New Jersey

Prudential’s energy assessment and reduction plans under this MOU will include:

- Completing benchmark energy performance ratings in all eligible properties under management using the ENERGY STAR Portfolio Manager tool.
- Educating appropriate personnel involved in building operations to ensure that building equipment is efficiently maintained and utilized.
- Reporting on energy consumption using the ENERGY STAR Portfolio Manager Program or in Prudential’s annual MOU updates.
- Continuing to promote a 10% reduction in Prudential’s Carbon Footprint over 5 years, with the base year starting in 2007.

Prudential recognizes the opportunities for high-performing buildings such as the ENERGY STAR label and certification from the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED).

Data Centers Serving Corporate Offices

Under the Green MOU, Prudential will evaluate opportunities to incorporate energy efficiency criteria in their data center locations and operations. Such criteria may include minimizing chiller energy use by adjusting the thermostat and Relative Humidity (RH) to the equipment manufacturer’s accepted levels, and managing air flow and minimizing hot and cold air mixing, as well as eliminating hot spots.

- Data Center Equipment Procurement
 - Prudential will evaluate opportunities to incorporate energy efficiency criteria in data center equipment procurement, including:
 - Uninterruptible power supply (UPS) systems
 - Closely coupled cooling equipment and corresponding plumbing equipment
 - Server consolidation and virtualization
 - Energy efficient lighting
 - Blanking panels (to be installed in racks)
 - Refrigeration equipment with a water side economizer (plate and frame exchanger)

- The EPA Data Center Data Collection Initiative
 - Prudential will encourage sites with data centers to participate in the EPA Data Center Data Collection Initiative, an effort designed to help develop an ENERGY STAR rating for data center infrastructure. This effort seeks information on energy use and operating characteristics from a large number of existing data centers, including both stand-alone facilities as well as data centers located in office and other types of buildings. Once an ENERGY STAR rating for data centers is released, Prudential will encourage its managing agent to benchmark such facilities.

B. Alternative Energy and Carbon Footprint Reduction

Operationally Controlled, Corporate Owned and Leased Home office properties within the United States:

Prudential will utilize renewable energy at its Dresher, Pennsylvania office. This will be done through the operation of a solar array at the property. In addition, Prudential commits to evaluating the feasibility of renewable energy projects for its Jacksonville, Florida and Minneapolis, Minnesota home office properties and implementing such renewable energy projects if feasible.

C. Water Management

Water Conservation and WaterSense Products

Prudential recognizes that water-efficiency programs can result in savings in water, sewer, and energy costs.

With the help of its managing agent (Cushman and Wakefield), Prudential will encourage building operations' personnel to install water-efficient equipment, such as the EPA's WaterSense endorsed products, and will benchmark water usage in its operationally controlled properties using the ENERGY STAR Portfolio Manager tool.

In the renovation or upgrade of properties, Prudential intends to use efficient plumbing fixtures (low flow and high efficiency), where appropriate, and products recognized by the EPA WaterSense Program. In addition, the use of faucet aerators in sinks and adjustments to flush valves will be encouraged.

Prudential will provide an estimate of water usage where such data is available using the ENERGY STAR Portfolio Manager Program or in Prudential's annual MOU updates.

D. Waste Minimization, Recycling, Purchasing Recycled Products and the EPA WasteWise Program

Prudential recognizes that solid waste management programs can result in operational cost savings through reduced purchasing and disposal costs, while reducing greenhouse gases by conserving raw materials. Prudential will join the EPA's WasteWise Program as a Partner to continue its current program designed to reduce the solid waste stream and increase recycling practices and sustainable purchasing.

Currently, Prudential collects and recycles paper/cardboard, scrap metal, aluminum/glass/plastic cans and bottles, electronic hardware, cooking oil, household batteries, toner/ink cartridges, lamps/ballasts, and wood pallets. Future recycling initiatives under the Green MOU are to include carpet and ceiling tile construction debris, composting food waste, and recycling unused paint. Additional goals are to purchase only what paint is needed by reducing stock surplus, and to purchase more supplies containing recycled content, and reusing more materials whenever possible.

Further, Prudential shall enhance current source separation and material recycling for which a new or emerging market exists, including but not limited to all of the current recycled materials mentioned above and the feasibility of composting food waste. Prudential will enter the Food Recovery Challenge under the WasteWise Program.

Operationally Controlled, Corporate Owned and Leased Home office properties within the United States:

Under the WasteWise Program, Prudential will provide an annual estimate of the amount of waste reduction and recycling at selected properties, where such data is available. The EPA and the WasteWise Program will provide assistance with data aggregation at the portfolio level.

E. Green Operations & Maintenance Practices

Green Practice Policies

Under the MOU, with the help of its managing agent, Prudential will review the feasibility of using sustainable approaches in building operations. The sustainable approaches will cover pest management, construction, purchasing, cleaning, solid waste management and recycling, and control of environmental tobacco smoke. These green practice policies will be developed using the LEED EB (Existing Building) Operations & Maintenance rating system as a reference framework. Sustainable approaches to be reviewed:

- Waste Management/Recycling
- Sustainable Purchasing
- Integrated Pest Management
- Green Cleaning
- No Smoking (Prudential currently has a "smoke free" environment)

Landscaping and the EPA's GreenScapes Program

Prudential recognizes that environmentally beneficial landscaping practices can reduce waste, conserve water, reduce energy usage, and reduce the use of hazardous substances. With the help of its managing agent, Prudential will review the EPA's GreenScapes Program Tip Sheets and promote the GreenScapes Program green landscaping and stormwater/erosion control recommendations and promote the use of green alternatives such as the use of compost socks instead of mylar silt fencing. Other activities will be designed to reduce potable water use and the production of waste, and to promote the reuse and recovery of products that might otherwise be disposed of (e.g., plastics, green trimmings, food waste).

F. Clean Construction USA Program

Prudential will adopt the EPA's Clean Construction USA Program to cooperatively promote and implement measures to effectively reduce emissions from vehicles and other internal combustion engines used in construction and operation of its operationally controlled, corporate owned and leased home office properties within the United States, with a focus on diesel engine emission reductions by using best available pollution control retrofit technologies.

Prudential will strive to include the use of clean construction equipment and clean fuel use in its specifications for contractors working on future facility construction projects. Clean construction equipment includes retrofit technologies for construction vehicles such as Diesel Particulate Filters (DPFs). In combination with the use of cleaner ULSD fuel, this practice will greatly reduce construction vehicle emissions.

Enhanced Idling Reduction

Enhanced idling reduction measures reduce fuel consumption and pollution by setting a reasonable time limit for idling and actively encouraging that this limit be followed. Prudential will review implementing idling reduction measures in its own fleet and encourage its service vendors, contractors, and staff to do the same.

G. Projects Pursuing Leadership in Energy and Environmental Design ("LEED") Certifications

Prudential will evaluate opportunities to pursue a LEED certification (or equal rating system) for its operationally controlled, corporate owned and leased home office properties within the United States.

H. Measurement and Reporting

In addition to the reporting items associated with the EPA Partnership Programs, Prudential will submit an annual status report to the EPA, starting one year after the mutual execution of this MOU. The report will include an update on the various activities identified herein. The EPA will use this data to determine the environmental benefits resulting from Prudential's "green" activities.

IV. Terms and Conditions

This MOU is not a contractual or a financial obligation instrument. Nothing in this MOU shall obligate the EPA or Prudential to expend appropriations or to enter into any contract or other obligations or be cited as the basis for the promise or transfer of funds. Collaboration under this MOU shall be in accordance with applicable statutes and regulations.

This MOU does not restrict the EPA or Prudential from participating in similar activities or arrangements with other entities or Federal agencies (domestic or foreign).

Either Party may unilaterally withdraw from this MOU at anytime, upon written notice to that effect to the other Party. By mutual written agreement, the Parties may modify the list of intended activities set forth in Section III above and/or determine the practical manner by which the goals, purposes and activities of this MOU will be accomplished. Any modification of other parts of this MOU must be made in writing and signed by both Parties and their designees.

Nothing in this MOU shall be construed to authorize or permit any violation of any Federal, State or local law, including, but not limited to, any environmental law administered and/or enforced by the EPA.

Access to all documents generated pursuant to the activities set forth in this MOU that constitute agency records for purposes of the Freedom of Information Act ("FOIA"), 5 U.C.S. 552 shall be governed by the provisions of the FOIA.

Prudential agrees that it does not expect, and will never seek to compel from the EPA in any judicial forum, the payment of money, services or other things of value from the EPA based upon the terms of this MOU. The foregoing provision does not in any way affect any legal rights or benefits accruing to Prudential by virtue of any other law, contract and/or assistance agreement.

Prudential understands and acknowledges that, as an institution of the Federal Government, the EPA has a duty to refrain from providing any commercial entity an exclusive privilege without receiving payment therefore and, as a consequence, that the EPA's relationship with Prudential in no way affects, alters or otherwise constrains the EPA's right to provide similar (or identical) services to, or establish similar (or identical) relationships with, any other entity.

Prudential understands that the EPA's participation in this MOU does not constitute an endorsement, express or implied, of (a) any policy advocated by Prudential or (b) any goods or services purchased, offered or sold by Prudential or (c) any product or products solely by virtue of carrying the WaterSense or Energy Star label. Prudential agrees not to make statements to the public at workshops or meetings, in promotional literature, on its Web site, or through any other media that imply that the EPA endorses Prudential or any service or product offered by Prudential. However, Prudential is free to publicize the existence of this MOU.

Prudential and EPA agree that any copyrightable subject matter, including but not limited to, journal articles, training, educational or informational materials or software, created jointly by the parties from the activities conducted under this MOU may be copyrighted by Prudential. Prudential hereby grants to the EPA a royalty-free, nonexclusive, irrevocable right to reproduce,

distribute, make derivative works, and publish the work(s) publicly, or to authorize others to do the same on its behalf.

This MOU does not authorize Prudential or the EPA to use the other's logo, trademarks or other intellectual property without the prior consent of the other party, except as otherwise provided herein. This MOU does not in any way bypass or alter the obligation of Prudential to meet any of the specified requirements and/or procedures associated with the individual partnership programs listed in the MOU.

The EPA enters into this MOU under the authority of Section 103 of the Clean Air Act, 42 U.S.C. §7403, Section 104 of the Clean Water Act, 33 U.S.C. §1254, and Section 8001 of the Solid Waste Disposal Act, 42 U.S.C. §6981, Section 6604 of the Pollution Prevention Act, and Section 324A of the Energy Policy and Conservation Act, 42 U.S.C. §6294a, which provide the EPA with authority to undertake cooperative efforts with private organizations to promote the coordination and acceleration of research, studies, training, and other efforts to prevent, reduce and eliminate pollution.

This MOU does not create any right or benefit, substantive or procedural, enforceable by law or equity, by persons who are not party to this MOU, against Prudential or the EPA, their officers or employees, or any other person. This MOU does not direct or apply to any person outside of the EPA and Prudential.

V. Effective Date and Administration

This MOU will become effective upon the date of signature by the Vice Chairman of Prudential. This MOU will terminate automatically at the end of five (5) years from Prudential's date of signature, unless extended at that time by written agreement of the parties. Notwithstanding the foregoing, this MOU may be terminated at any time by either party, upon written notice to the other party. The Parties will review annually the provisions of this MOU and its implementation.

Signed:

Signed:

JOHN FILIPPELLI
Director
Clean Air and Sustainability Division
U.S. EPA Region 2

MARK B. GRIER
Vice Chairman
Prudential Insurance Company of America

Date: _____

Date: _____