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# Green Leasing


# I. First Things First...

What the hell is a  
“Green Lease” anyway?

# Just Add a Few Provisions & Viola!

- ✍ A **Green Lease** in the current office leasing market is generally not all that different from a typical commercial office NNN or modified gross lease.
- ✍ More sweeping green leasing changes being explored by many organizations, including BOMA and the US Green Building Council, contemplate, among other changes, rethinking the very nature of how costs are allocated between landlords and tenants.


# Top 5 Ways You Too Can Transform Your Lease into a Green Lease

-  Operating Costs – Add provision that allows the landlord to amortize the cost of projects that will reduce operating costs and treat those amortization costs as operating costs, as long as they do not exceed savings.

# Top 5 Ways You Too Can Transform Your Lease into a Green Lease

- ✍ After Hours/Excess Energy Usage – Include appropriate operational procedures and building control/management systems for charging tenants for after hours/excess energy usage, supported by appropriate lease language.


# Top 5 Ways You Too Can Transform Your Lease into a **Green Lease**

-  Green Cleaning Specifications – Define materials, procedures and protocols for cleaning the building in a sustainable manner.

# Top 5 Ways You Too Can Transform Your Lease into a Green Lease

-  Building Rules and Regulations – Include building-wide recycling program and other related sustainability initiatives.

# Top 5 Ways You Too Can Transform Your Lease into a Green Lease

-  Conservation Programs – Require tenants to take such measures to comply with the implementation of conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented at the Building, including in connection with any LEED program.

# AB 1103

- ✍ In November of 2007, California passed [Assembly Bill 1103](#), mandating energy benchmarking and energy disclosure for non-residential buildings. It requires non-residential business owners to input energy consumption and other building data into the Environmental Protection Agency's ENERGY STAR Portfolio Manager system, which generates an energy efficiency rating for the building. Ratings are from 1 to 100, with 100 being the most energy efficient. If a building reaches a score of 75 or higher, owners can apply for an ENERGY STAR plaque. Any building applying for the ENERGY STAR label must have their data certified by a licensed professional engineer.
- ✍ AB 1103 mandated disclosure of a building's energy data and rating of the previous year to prospective buyers and lessees of the entire building or lenders financing the entire building. The original disclosure date was January 1, 2010, but due to various issues concerning the feasibility of that date the legislature passed AB 531 in October 2009, deleting the January 2010 deadline. The new bill delegates the task of devising a disclosure schedule to the California Energy Commission (CEC). At the moment, the CEC is in the process of drafting a new compliance schedule.