

MODEL LEASE CLAUSE

Get Tenant's Environmental Indemnification

The following clause was drafted by New York City attorney Jeffrey A. Moerdler. He advises that you use the clause in all of your leases. But at a minimum, he says, you should use it when a tenant that's likely to store or use hazardous materials—for example, a dry cleaner, gas station, manufacturing company, or beauty salon—wants to move into your building or center.

Paragraph a says that the tenant must indemnify you for costs that you incur because the tenant has violated the lease's environmental compliance clause controlling the use and release of hazardous materials in the tenant's space. Paragraph b says that the environmental indemnity continues in effect after the end of the lease.

Show this clause to your attorney before putting it into your lease.

ENVIRONMENTAL INDEMNITY

- a. Indemnity.** Tenant hereby agrees to indemnify, defend, and hold harmless Landlord, its shareholders, partners, members, managers, officers, directors, lenders, agents, employees, successors and assigns, of, from, and against any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), losses, liabilities, judgments, and expenses of any kind or nature suffered directly or indirectly by Landlord by reason of Tenant's breach of any of the obligations, covenants, and conditions of Clause [*insert # of environmental compliance clause*] of this Lease, including, but not limited to:
- (i) Any and all costs that Landlord may incur in studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to the release of any Hazardous Material at, in, on, under, from, or relating to Tenant's operations on the Premises;
 - (ii) Any and all costs for which Landlord may be liable to any governmental agency for studying, assessing, containing, removing, remedying, mitigating, or otherwise responding to the release of any Hazardous Material at, in, on, under, from, or relating to Tenant's operations on the Premises;
 - (iii) Any and all fines or penalties assessed upon Landlord or liabilities of Landlord to third parties by reason of Tenant's failure to comply with any obligations, covenants, or conditions set forth in Clause [*insert # of environmental compliance clause*] of this Lease; and
 - (iv) Any and all legal fees and costs incurred by Landlord in connection with any of the foregoing.
- b. Survival.** The provisions of this Clause [*insert #*] shall survive the expiration or earlier termination of this Lease.