

## MODEL LEASE CLAUSE

### **Add Holdover Clause to Lease Agreement**

The following clause is a typical example of the way a holdover tenancy is treated in a lease. An owner should negotiate such a clause into its lease agreement to avoid a month-to-month tenancy, and protect itself from the problems associated with it.

This model lease clause was provided by Alan Di Sciullo, Esq., director of Global Real Estate at Shearman & Sterling LLP and co-author with John B. Wood, Esq. of *Negotiating and Drafting Office Leases*, published by the Law Journal Seminar Press. You can adapt and use this clause when you and your tenant are negotiating holdover terms in your lease agreement. Show this clause to your attorney before using it.

#### **HOLDING OVER**

If Tenant shall, without the written consent of Landlord, hold over after the expiration of the Term, and if Landlord shall then not proceed to remove Tenant from demised premises in the manner permitted by law, such tenancy shall be deemed a month-to-month tenancy, which tenancy may be terminated as provided by applicable law. During such tenancy, Tenant agrees to: (1) pay to Landlord, each month, the greater of the fair market rental value for the Premises or two hundred (200) percent of the fixed annual rent and all additional rent payable by Tenant for the last month of the Term; and (2) be bound by all of the terms, covenants, and conditions herein specified. In addition, Tenant shall indemnify and hold Landlord harmless from any direct, indirect, consequential, or subsequential costs or expenses due to Tenant's holding over.