

COA Opinion: Defendant's failure to disclose environmental contamination rendered lease void

8. October 2010 By Sarah Lindsey

On October 7, 2010, the Michigan Court of Appeals published its per curiam opinion in *1031 Lapeer L.L.C. v. Rice*, No. 290995 (originally released on August 5, 2010). In this case, the parties had entered into an agreement for plaintiffs to lease a gas station from defendant for a period of ten years. Defendant was aware that the gas station was a site of environmental contamination, making it a “facility” under Part 201 of the Natural Resources and Environmental Protection Act (“NREPA”), MCL 324.20101, but he did not disclose that information to plaintiffs. Under NREPA, a person who has knowledge that his real property is a facility shall not transfer an interest in the property unless he provides written notice to the transferee that the property is a facility and discloses the general nature and extent of the contamination. MCL 324.20116(1). Because defendant violated this statute, the court held that the lease was void.