

## Add Furnishings Clause to Lease

The following lease clause was provided by New Jersey attorney Marc L. Ripp. Put it in your lease if you are renting furnished space to a tenant.

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

### FURNISHED PREMISES

- a. Acknowledgment by Tenant.** Tenant acknowledges that the Premises are being leased to Tenant in a furnished condition. Tenant, at its sole expense, shall maintain and repair in a first-class manner and, if necessary but only pursuant to Paragraph d hereof, replace the furnishings listed in Exhibit [*insert #*], attached hereto and made a part hereof (collectively, "Furnishings"). Tenant hereby confirms that:
- (i) Tenant has thoroughly inspected the Furnishings;
  - (ii) Tenant is satisfied with the physical condition of the Furnishings based on Tenant's own judgment and expressly disclaims reliance upon any statements, representations, or warranties made by Landlord;
  - (iii) The Furnishings are clean, functioning, and in good order;
  - (iv) The Furnishings are Landlord's personal property; and
  - (v) Landlord is not a manufacturer or vendor of all or any of the Furnishings.
- b. No Warranty by Landlord.** Landlord neither makes nor shall be deemed to have made:
- (i) Any warranty or representation, either express or implied, as to the design or condition of, or as to the quality of the material or workmanship in, or as to the suitability for any purpose of, all or any of the Furnishings, or as to the ability of all or any of the Furnishings to perform any function; or
  - (ii) Any warranty of merchantability of all or any of the Furnishings for any particular purpose or as to any other matter relating to all or any of the Furnishings, it being agreed that all risk of loss, as between Landlord and Tenant, is to be borne by Tenant, and the benefits of any and all implied warranties and representations of Landlord are hereby waived by Tenant.
- c. Maintenance, Repair of Furnishings.** Landlord shall at all times during the Term have no responsibility, and Tenant assumes all responsibility, for the physical condition of the Furnishings. Tenant, at its sole expense, shall maintain and repair in a first-class manner the Furnishings so as to keep them clean, functioning, and in good order at all times.
- d. Insurance.** Tenant, at its sole expense, shall at all times keep the Furnishings insured. If any or all of the Furnishings are stolen or damaged by fire or other casualty, then Tenant, at its sole expense, shall immediately replace the stolen or damaged item(s) of the Furnishings with a new item(s) identical in dimension, weight, color, style, and quality to the stolen or damaged item(s). Any of the Furnishings that are replaced in accordance with this Paragraph d shall constitute part of the "Furnishings" for purpose of this Clause. Immediately after Tenant replaces one or more items of the Furnishings in accordance with this Paragraph d, Tenant shall give Landlord a complete, accurate, and detailed written description of the replacement, together with a color photograph thereof. Tenant acknowledges that, notwithstanding its obligation to insure the Furnishings, the Furnishings are the personal property of Landlord, not Tenant.
- e. Ownership of Furnishings.** To evidence Landlord's continuing ownership of and title to the Furnishings, Tenant shall, upon Landlord's demand, execute and deliver to Landlord any and all confirmatory documents, security agreements, and/or financing statements, in form and content satisfactory and acceptable to Landlord. At no time shall Tenant remove from the Premises all or any of the Furnishings. Tenant shall do nothing that will result in a lien, claim, or encumbrance being placed against all or any of the Furnishings.
- f. End of Lease.** At the expiration or earlier termination of this Lease, whichever comes sooner, all of the Furnishings shall be in the Premises and all the Furnishings shall be in the physical condition required under this Clause.
- g. Transfer of Ownership.**
- (i) Notwithstanding anything contained to the contrary in this Clause, Landlord, upon written notice to Tenant, may relinquish Landlord's ownership interest in, and transfer title to Tenant of, all or any of the Furnishings, in which event:
    - (A) Such item(s) of relinquished Furnishings that Landlord has identified to Tenant in writing shall be removed by Tenant from the Premises at Tenant's sole expense prior to the expiration or earlier termination of the Lease, whichever occurs sooner; and
    - (B) Tenant, at its sole expense, shall repair any damage to the Premises and Building due to such removal; and
  - (ii) To effectuate such transfer of title to Tenant from Landlord, Tenant hereby appoints Landlord as Tenant's duly authorized agent and attorney-in-fact, and delegates to Landlord the unqualified power of attorney to execute any instruments, such as, by way of example, a bill of sale, in the name of Tenant and undertake such measures on behalf of Tenant as Landlord may determine. The foregoing appointment shall be a special power of attorney coupled with an interest and shall be irrevocable. If Landlord transfers title to all or any of the Furnishings to Tenant, such relinquished item(s) of the Furnishings shall be conveyed in their then "as is" physical condition and state of repair, without warranty from, representation by, or recourse against Landlord.