

The Episcopal Diocese of San Diego

Property Usage Guidebook

February 2016

The Episcopal Diocese of San Diego

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1) **Procedures for Receiving Bishop and Standing Committee Approval to Dispose of or Encumber Property**

Per the Canons of The Episcopal Diocese of San Diego, a mission or parish cannot sell, lease, convey, exchange, transfer or otherwise dispose of, or encumber without written consent of the Bishop and the Standing Committee. (Canon 2.12 and 2.13)

To attain this approval, the following process is required:

1. The Bishop's approval is the first step in the process. The Bishop asks the Executive Council Finance Committee to conduct the due diligence on the project for him. They meet the fourth Tuesday of the month. For them to analyze the proposal and discuss at their meeting, it is necessary that the information requested below be provided to the Canon for Finance by the third Tuesday of the month. In addition, the Bishop will request the Diocesan Chancellor for a legal review of any documents needing to be signed.

If the Bishop approves the request, he will forward such request to Standing Committee for approval. Currently the Standing Committee meets the 3rd Tuesday of the month.

2. The request to the Bishop should include the following:
 - A letter that includes the following information:
 - What action the church is proposing
 - Why it is needed
 - How much does it cost/how much income will be produced
 - What are the sources and uses of the funds
 - What impact it will have on the ministry and the financials of the congregation
 - Relevant Documents (lease proposal, loan documents, listing agreement, etc.)
 - Financial statements for the prior year and year to date financials for the current year
 - Pro forma (projected) financials for the congregation that includes the proposed sale, lease or encumbrance.

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2) Guidebook Guidelines

The use of church facilities for the purpose of providing community organizations or other groups a place to hold their functions is encouraged by the diocese. This is an important function in order for the church to become more visible to the community they serve and to provide a meaningful outreach to the community. However, it is imperative that this ministry be performed under well-defined guidelines and that each church develop a set of policies and procedures to ensure that adequate protections are in place and expectations from potential users are clearly understood. To avoid any misunderstandings all agreements must be documented in writing before any occupancy is initiated, whether it be for a short term or long term situation.

It is the purpose of this manual to provide some guidelines to member parishes and missions in this area. The suggestions herein are set out in general format so that each church can adapt the terms of their facility use to their specific requirements. It is important to note that there are several basic requirements that cannot be left out and these will be highlighted for ease of reference.

Rather than reinvent the wheel we have assembled several existing documents from member churches that can be helpful in setting up your own policies and procedures. It should be emphasized that not doing so can leave one open to significant liabilities, both from the standpoint of personal and business considerations and potential impacts to the churches' tax exempt status.

Safeguarding God's People

It is a requirement of the Diocese that any organization or group using member church facilities for whatever purpose be informed and made aware that we operate under the guidelines contained in this document and that they will be required to do so. They should be provided with relevant sections of the document dealing with the conduct of individuals with each other and with minors.

This requirement is not negotiable and they must sign a statement indicating that they have received this information and understand its implications and requirements. This must be completed before signing any agreement for use of the facilities. A form is provided in Appendix A.

A) Facilities Request

Any group wanting to use church facilities should be required to fill in an appropriate application form (examples of which are given in the samples provided in Section 2.3). This form should

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provide all particulars about the user, place of business or home address, type of event for which the facilities are to be used, numbers of people to attend, specific days and times facilities are to whether kitchen facilities are required. In the case of catered events the name and contact person for any contractors should be provided. This requirement also applies to any music or bands that will be attending.

This information will be used to check out the credentials of the user and to determine whether any contractors to be used are reputable and have appropriate liability insurance and operational licenses for their particular work. It is the first piece of information to be used in the evaluation process before proceeding with an interview.

B) Interview

Before any decision is made as to the acceptance of an applicant an interview with the prospective organization/person should be conducted to evaluate the entity's credentials and purpose on a first hand basis. This interview is ideally conducted by the appropriate staff member, Vestry or Bishop's Committee or sub-committee appointed by these bodies. Once approval is reached on proceeding with the application, the applicant should be given a copy of the church's Facility Policy and asked to sign a document that states the applicant has read this document and abides by its requirements.

C) Facility Use Policy

The church or mission must have a facility use document defining requirements to be followed when using its facilities This document should be comprehensive and in sufficient detail to define all expectations regarding the use of the facilities and should deal, at a minimum, with the following items:

- Liability issues regarding damage to property and injury to individuals.
- Condition for using utensils, appliances, cutlery, musical instruments and any other equipment provided.
- Clean up of the facilities and items used and returned to their proper storage at the conclusion of the activities.
- Adherence to all security procedures.
- Lock up and turning off all pertinent utilities upon vacating the church.
- Prohibition of using the church for any activities other than defined in the contract for use.
- No use of alcohol unless specifically identified, but under no circumstances served to minors.
- All vendors, including decorators, equipment rental companies, caterers and security firms shall provide written proof of liability insurance, workers' compensation and current licenses to conduct business.

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Furthermore, it should be stated that the church reserves the right to limit use of the facilities to those compatible with the established purpose of the church.

It should be remembered that there is a distinction between Missions and Parishes when it comes to outside use of their facilities. Missions are not incorporated entities and operate under the

D) Compensation for Use of Church Facilities

It is customary that certain charges be required to cover the costs of usage (e.g. utilities, clean-up etc.). A suggested approach is to request a usage donation or fee for various types of usage per a written donation schedule. Extended use over months can be handled by a monthly contribution. For single events, such as a catered wedding or dinner function, an up-front payment may be necessary to cover the clean-up and estimated utilities. In any event, such charges must be linked to costs associated with those incurred by the church.

In the case of clergy functions or services such as baptisms, weddings, confirmations, deaths or commemorative services, members of the church in good standing are not expected to make any contribution. For non-members it is expected that a fee or donation be provided. This latter donation should be identified in the schedule of payments mentioned above. It is the policy of the Diocese that such donations be given to the Parish Needs Fund.

Suggested Hourly Fees/Donations

The following suggested fees/donations are provided as general guidelines only based on usage around the diocese. So many variables enter into a determination of this figure such as community locale, size of facilities, amenities, condition of premises and the type of organization renting the facilities. These considerations have to be assessed in reaching an agreement with any organization. It is reasonable to assume that any 501(3)(C) or not for profit organizations may warrant a discounted rate for use of the facilities. In any event it will be the responsibility of the Vestry/ Bishop's Committee to determine any such waivers from any published rate schedule.

Typical Hourly Rates by Space*

Regular Meeting Room (>10ft x 12ft)	\$10 to \$20	W/O Kitchen
Small Meeting Room (<10ft x 12ft)	\$5 to \$10	W/O Kitchen
Hall	\$25 to \$50	W/O Kitchen
Kitchen Privileges	\$5 to \$10	Additional

*Rates include bathroom privileges

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By organization/event

12 Step Groups: \$25-50/month for weekly meetings. In general, the bigger groups pay more. A couple of very small Al Anon groups pay less.

Monthly Use of Parish Hall: \$70-100/meeting

Weekly Use of Parish Hall: \$60-\$150/meeting. Yearly discounts are often given depending on hours/days used.

One time groups such as piano or dance recitals range from \$75 to \$300 for half a day in the hall or meeting room depending on number of people and any special set up needed – easier to charge a flat rate rather than hourly for these events.

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3) Tax Considerations

All churches may be covered under the group tax exemption of the *Domestic & Foreign Missionary Society of the Protestant Episcopal Church in the United States of America*. Alternatively, they may apply for and hold their own individual or group exemption. Regardless of whether they are covered under a group or individual exemption, all dioceses, congregations, and institutions of the Episcopal Church must have their own Employer Identification Number (Use IRS Form SS-4 “Application for Employer Identification Number”). It should be noted that Federal tax exemption does not extend to exemption from state sales taxes.

Unrelated Business Income Tax (UBIT)

Income earned by churches from activities that are not related to its exempt purpose may be considered as taxable income. The following factors determine UBIT:

- The organization must be engaged in a trade or business
- The trade or business must be regularly conducted
- The conduct of the trade or business must not be substantially related to the organization’s exempt purpose or function.

Income derived from unrelated business activities used by a church for its operations is recognized as unrelated business income subject to tax and reporting, unless the income is derived from:

- An activity where substantially all work is performed without compensation (e.g. a church bookstore which sells other than religious books substantially run by volunteers);
- A trade or business carried on for the convenience of the students or members of another 501(c)(3) organization;
- The sale of merchandise as gifts or contributions;
- A trade or business that consists of conducting qualified bingo games;
- The exchange or rental of member lists between exempt organizations to which deductible contributions can be made;
- The distribution of low-cost articles incidental to the solicitation of charitable contributions for exempt organizations to which deductible contributions can be made.

Certain types of unrelated income, however, **are exempt** from Unrelated Business Income Tax:

1. Dividends, interest and annuities;
2. Payments with respect to securities loan;
3. Royalties;
4. **Rents from real property, unless more than 50 percent of the rent is attributable to personal property (i.e. furnishings and equipment leased with it); or where services are also provided (i.e. event coordination, catering, technical services);**

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5. Rents from personal property leased with real property if they are an incidental amount, but not exceeding 10 percent of the total rents from all property leased;
6. Gains or losses on sale or exchange of property
7. Dividends, interest and annuities;
8. Payments with respect to securities loan;
9. Royalties;
10. **Rents from real property, unless more than 50 percent of the rent is attributable to personal property (i.e. furnishings and equipment leased with it); or where services are also provided (i.e. event coordination, catering, technical services);**
11. Rents from personal property leased with real property if they are an incidental amount, but not exceeding 10 percent of the total rents from all property leased;
12. Gains or losses on sale or exchange of property

A church that has Unrelated Business Taxable Income must complete IRS Form 990-T. The state where the revenue is generated may also require a filing. It is also prudent to designate fees or rates as suggested donations to ensure that UBIC is indeed non-taxable.

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4) Special Uses

This section deals with specific uses that may involve circumstances where the normal documentation suggested above may have to be supplemented with additional agreements involving contractual issues, legal obligations and long-term lease issues. These requirements arise whenever church facilities are used under a “shared use” or “exclusive use” arrangement. In these circumstances the following recommendations are considered as obligatory.

4.1 Shared Use

There are occasions when a church provides the use of its facilities to another religious or educational organization. Details of this shared use depend on the circumstances but need to be documented in a detailed contract defining the particular expectations of both parties, use of the facilities on a non-interference basis to the operation of the church, joint indemnification requirements, liability issues to name but a few. Consequently, details of the shared use should be referred to the Diocese, prior to any commitments, so that appropriate legal and contractual expertise can be involved. For guidance purposes an example of such a “Shared Use Lease Agreement”, for use in our diocese, is provided in the Sample Policies & Procedures (page40). This should be filled in as appropriate before being sent to the diocese for review.

4.2 Exclusive Use

In the event that a church wishes to lease the use of its facilities, or part thereof, to an independent entity on an exclusive basis it should first consult with the Diocese to ensure that the lease arrangement will not jeopardize the church’s tax exempt status, that the lease is in the long term benefit of the goals of the church and in addition all contractual and legal ramifications are covered. An example of this would be:

A Teaching Institution such as a Pre-School/Day School, who would lease an entire section of the church (M-F, 6:00am – 6:00pm) on a long term basis.

4.3 Non Profit Organizations

Many churches lease their facilities to non-profit 501(c) 3 organizations such as Alcoholics Anonymous. These usually long-term arrangements would be covered by the normal facility use terms and conditions discussed previously.

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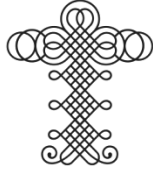
Policies & Procedures Samples

Included in the following pages are some typical examples of policies and procedures selected from some churches in our Diocese and from the Diocese of Olympia (WA).

Most churches have very specific requirements which they wish to emphasize in the use of their facilities.

The templates included are intended to provide a guideline as to layout, format and content. Included are examples for both Parishes and Mission Churches. It is not intended that these templates are unique in any respect but are guidelines for use.

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ST. MICHAEL'S BY-THE-SEA

EPISCOPAL CHURCH

To the Leaders of Non-Parish Groups Using St. Michael's Facilities:

St. Michael's by-the-Sea is pleased to provide a regular meeting place for your group to support the education, emotional support and skill development your group offers to its members and to the community.

In order for St. Michael's by-the-Sea to continue hosting your group, **we must have up-to-date contact information** for your group's designated leader and the person in possession of the facility key, and have documentation that each new leader has full understanding of St. Michael's policy in regards to use of the church facilities. In addition, the Episcopal Diocese of San Diego also requires that leaders of non-church groups using church facilities familiarize themselves with the Diocese's policies regarding sexual abuse and misconduct prevention and response.

To this end, we have prepared this packet for your use. Each time your group designates a new leader, the resigning leader must give this packet to the new leader. There are materials enclosed to read, and forms to fill out and file with the parish office. Each new leader must read the enclosed materials, and complete and return the enclosed forms to the parish office.

To read:

- St. Michael's by-the-Sea Facility Use Policy
- Episcopal Diocese of San Diego Safeguarding God's People Policy Manual on Sexual Abuse and Misconduct Prevention and Response
- Leaders of Non-Church Groups Using Church Facilities: Requirements and Safe Practices/Warning Signs (Tab Q)
- How and where to report suspected child sexual abuse, Diocesan form for reporting allegations of child sexual abuse, and how and where to report suspected adult sexual misconduct (Tab S)
- Handouts from Diocesan workshop on prevention of child sexual abuse (Tab B-5)

To complete and return to the parish office:

- St. Michael's by-the-Sea Facility Use Policy signature form
- St. Michael's by-the-Sea Facility Use Reservation Form for Non-Parish-Sponsored Groups/Individuals
- St. Michael's by-the-Sea Facility Key Use Information Form
- Certification Regarding Reading of Diocese's Safeguarding God's Children Policy Manual for Non-Church Groups Using Church Facility (Tab B-3)

Thank you for your cooperation and for the service your group provides to the community. If you have any questions, please do not hesitate to contact me.

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St. Michael's by-the-Sea Episcopal Church Facility Use Policy

The general policy is that any group or individual using St. Michael's Parish Facilities should respect the room and equipment and abide by the Parish policies and directions of the Parish Staff.

- Groups that use Parish Facility on a regular basis must inform Parish Staff of any changes in group leadership and/or person in possession of parish key(s), and keep the Parish Staff informed of each leader's and key holder's contact information.
- Upon assuming leadership of the group, each new group leader must read Parish Facility Users packet information and complete and turn in the Parish Office the packet's Parish and Diocese forms. Failure to do so will result in the group being prohibited from all future use of the facilities of the Parish.
- Users will not tape, staple, tack, nail, or otherwise attach anything to the buildings' walls or bulletin boards without the prior written approval of the Parish Staff.
- All exits will remain clear of tables, chairs, and other items.
- Users shall maintain order during the use of the Parish Facility and immediately following use of the Facility restore the Facility to its condition immediately prior to the use. This may include emptying trash cans into dumpster, and sweeping the floor if necessary.
- Users shall not use Parish Facility equipment, unless it has been approved in writing by the Parish Staff.
- Users cannot use the Facilities beyond the designated time. Activities must be terminated to allow sufficient time for the Facility to clear by the appointed hour.
- User cannot list the address or phone number of the Parish as its official address or phone number.
- User is only permitted in the portion of the Parish designated for the meeting. Users should not be in other areas of the Parish or its Facilities without the express written permission of the Parish Staff.
- User at all times must remember they are occupying a place of Christian worship and shall not undertake or permit any activity or conduct inconsistent therewith.
- No food or drinks are allowed in the church or chapel area.
- Food and drink must be consumed only in the areas reserved.
- Smoking is never permitted on any part of the St. Michael's Parish property.
- Music volume will be monitored by the Parish Staff. There will be no music audible outside the facility after 10 pm.

Kitchen Use:

- Kitchen supplies (pots, pans, etc.) are not available for non-parish sponsored groups or individuals. General kitchen use is limited to the sinks, counter tops and major appliances for all other organizations or users.

The applicant/user, on behalf of the organization or group using the facilities pursuant to this application, acknowledge receipt of a copy of the St. Michael's Facility Use Policy and agrees to abide by the terms and conditions of such policy and to comply with all local, state and federal laws, ordinances, regulations and rules applicable to the use of this facility, and the user agrees to pay all indemnities and taxes which may be incurred in connection with the use and occupancy of the facilities for the specified event. If at any time, the use of the facilities by the user violates any provisions of the Facility Use Policy, applicable ordinances, laws, or rules, the user shall be solely responsible for the consequences of such conduct, and shall be prohibited from all future use of the facilities of the Parish. The user further agrees to indemnify and hold the Parish, its officers, and employees harmless from any claim, suit or proceeding arising out of the use of the facilities and the user shall indemnify the parish, its officers, and employees from all expenses (including reasonable attorney fees) incurred in defending such claims.

The applicant ("user") below has read, understood and accepts the conditions set forth in this Policy.

Applicant's Name (please print) _____

Applicant's Signature: _____ Date: _____

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Michael's by-the-Sea Episcopal Church Facility Use Reservation Form

Non-Parish-Sponsored Groups/Individuals

Applicant's name: _____
(Last) (First) (Initial)

If applicable, Organization Name: _____

Non-profit Status? Yes No

Name of member who is active parish member: _____

Home address: _____
(Street) (City, State, Zip)

Phone: (_____) _____ (_____) _____
(Day) (Evening) (Email)

Date(s) and Time(s) requested (include your set-up and take-down time)

Purpose of Facility Use:

Will alcoholic beverages be served? (Wine/beer only) Yes No

Number of people in attendance: _____ Advertised/Open to Public? Circle Yes No

Facilities Requested (check all that apply):

Ede Hall	Room 4	Playground
Kitchen	Room 17	Church
Library	Upper Room	Chapel
Room 3	Nursery	

Specific Equipment needs (audio-visual, sports, etc.): _____

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The applicant/user, on behalf of the organization or group using the facilities pursuant to this application, acknowledge receipt of a copy of the St. Michael's Facility Use Policy and agrees to abide by the terms and conditions of such policy and to comply with all local, state and federal laws, ordinances, regulations and rules applicable to the use of this facility, and the user agrees to pay all indemnities and taxes which may be incurred in connection with the use and occupancy of the facilities for the specified event. If at any time, the use of the facilities by the user violates any provisions of the Facility Use Policy, applicable ordinances, laws, or rules, the user shall be solely responsible for the consequences of such conduct, and shall be prohibited from all future use of the facilities of the parish. The user further agrees to indemnify and hold the parish, its officers, and employees harmless from any claim, suit or proceeding arising out of the use of the facilities and the user shall indemnify the parish, its officers, and employees from all expenses (including reasonable attorney fees) incurred in defending such claims.

Signature of Applicant: _____ Date: _____

Received at Parish by: _____ Date: _____

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St. Peter's Episcopal Church

Facilities Request Sample

_____ Episcopal Church

Address:

Phone:

Fax:

Name of Organization: _____ Date of Event _____

Contact Person: _____ Phone No. _____ Cell No. _____

Contact Address: _____ Email Address: _____

Is the User non-profit? Yes No Federal/State Tax Exempt ID# _____

Beginning time:

Ending time:

If this is a recurring event,
give frequency, day and time:

Anticipated attendance (See occupancy loads)

Parking plan

A refundable \$120 Security Deposit is required before your event can be put on the calendar

Facility Requested:

Basic Facility Cost:

See Pricing Sheet

Business Hours Custodian service

\$(cost per)/hour

After hours Custodian service

\$(cost per)/hour

Audio Visual Equipment

\$(cost to use for event)

Audio Visual Specialist

\$(cost per)/hour

Other:

Total

Set Up, Clean Up Plans:

Food & Drink:

Notes:

Audio/Visual Equipment Needs

Are any A/V Services or Equipment Needed? Yes No

Microphone Yes No

Music Only (CD or iPod) Yes No

Video (DVD) Yes No

Computer Presentation - Windows or Mac? Yes No

Internet Access (e.g. YouTube) Yes No

Software Required (e.g. PowerPoint)

Other:

Indicate Number/Type of Equipment Needed and Attach Diagram on Reverse:

___ Chairs (160 available)

___ Rectangular Tables (12 30"X72" available)

___ Lectern (1 available)

___ Round Tables (12 60" available)

___ Flip Charts/Easel (2 available)

___ Card Tables (6 available)

___ Piano (See Staff)

___ Other:

User acknowledges that any changes will result in an increase in fee.

SIGNATURE: _____

DATE: _____

PRINT NAME AND TITLE: _____

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Parish Office Use Only:

Date deposit received: _____

Date deposit returned: _____

Key issued to _____ on _____

Key returned on _____

Payment received: _____

Payment to Treasurer _____

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Scope of Agreement

This Rental Agreement is between The Rector, Wardens and Vestrymen of Saint Peter's Parish, in Del Mar, California, a California nonprofit corporation (the "Parish") and _____ hereinafter referred to as "Client." The purpose of this Agreement is to define the obligations of both parties pertaining to the rental of the Parish's special events venue(s) described in the enclosed Attachment.

The venue described in Attachment has been reserved for you for the date and time stipulated. Please note that the hours assigned to your event include all set up and all clean up, including the set up and clean-up of all subcontractors that you may use. It is understood you will adhere to and follow the terms of this Agreement, and you will be responsible for any damage to the premises and site, including the behavior of your guests, invitees, agents or sub-contractors resulting from your use of venue.

You are responsible for providing a list of all vendors to the Parish Facilities and Operations Administrator four (4) weeks prior to your event. In addition to the Certificate of Insurance you will be providing as the Client, you are also responsible for providing the Parish with valid certificates of insurance with the proper amounts of coverage for all sub-contractors that you are using for your event. These sub-contractors include, but are not limited to, caterers, valets, performers, photographers, entertainment, equipment rentals (tables/chairs/tents, etc.), florists, decorators, sound and lighting technicians, etc. All sub-contractors must have a certificate of insurance, naming "The Rector, Wardens and Vestrymen of Saint Peter's Parish, in Del Mar, California, a California nonprofit corporation" as additional insured. In addition, each sub-contractor's certificate of insurance must include a separate endorsement naming "The Rector, Wardens and Vestrymen of Saint Peter's Parish, in Del Mar, California, a California nonprofit corporation" as an additional insured.

Fees and Deposits

The rental fee and terms for your specific venue(s) are described on the enclosed Attachment. The total fee is due two (2) weeks prior to your event.

Upon receipt of this contract, a rental fee deposit in the amount \$_____ is due. Please send your signed Agreement and rental fee to:

St. Peter's Episcopal Church
P.O. Box 336
Del Mar, CA 92105

The rental fee deposit is non-refundable and non-transferable.

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Insurance

Proof of liability insurance is required and due four (4) weeks prior to your event. You may provide evidence of your own insurance company. You can mail the certificate of insurance and endorsement to the Facilities and Operations Administrator at the address above or FAX to (858) 755-1522 with "Attention: St. Peter's Facilities and Operations Administrator".

Levels of Insurance Required

The Client is responsible for providing a Certificate of Insurance and endorsement for themselves (and separate certificates and endorsements for each sub-contractor being used) at the following minimum levels:

- 1) Commercial Liability Insurance for a minimum of \$1,000,000 per occurrence and \$2,000,000 aggregate;
- 2) Auto Liability Insurance of \$1,000,000 combined single limit (for vendors); and
- 3) Workers compensation plus \$1,000,000 minimum employer's liability limit (for vendors).
- 4) Naming "The Rector, Wardens and Vestrymen of Saint Peter's Parish, in Del Mar, California, a California nonprofit corporation" as additional insured is also required.

Client assumes full responsibility and liability for any and all damages to the Parish venue and surrounding site.

Indemnity

In addition, Client agrees to indemnify and hold harmless The Parish, its officers, staff and agents working on its behalf, from any and all claims, actions, suits, costs, damages, and liabilities resulting from the breach of this Agreement, the negligent actions, willful misconduct or omissions of Client, and Client's guests, invitees, agents and sub-contractors.

Event Set-up Limitations

All property belonging to Client, Client's invitees, guests, agents and sub-contractors, and all equipment shall be delivered, set up and removed on the day of the event. Should the client need earlier access for set-up purposes, this can be arranged for an additional fee. The Client is ultimately responsible for property belonging to the Client's invitees, guests, agents and sub-contractors.

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All The Parish venues are non-smoking facilities.

Nothing may be attached to the trees or the buildings itself.

No rice, rose petals, birdseed, confetti, tiki torches or sparklers are allowed on the premises. All decorations must be approved by The Parish Special Events Manager.

Caterers

The Parish has a list of approved caterers to choose from. We require you to select a caterer(s) from this list. No caterer can be used that is not on this list. Each caterer on this list is familiar with the Parish' venues, rules and regulations. Each caterer provides excellent food and exceptional service. Each one of these approved caterers carries the Parish's required liability insurance, health permits, and liquor liability insurance. They offer a variety of menus and price ranges.

Alcohol Control

The managing and distribution of alcohol at your event is required to be performed by a licensed bartending company. The Parish' list of approved caterers can provide this service for you. Although the bartending service will manage the distribution of alcohol, the Client is ultimately responsible for the safety of all its invitees, guests, agents or sub-contractors, including the distribution and consumption of alcohol.

Client's guests may be carded by the bartending service, therefore, they must have either a valid driver's license or valid picture ID.

Clean Up

Client shall be responsible for returning the venue to the state that it was provided to them. All property belonging to Client, Client's invitees, guests, agents and sub-contractors, will be removed by the end of the rental period. All property remaining on the premises beyond the end of the rental agreement will be charged at the prevailing hourly rate. Should the client need special consideration for the removal of property beyond the rental period, this can be arranged prior to the beginning of the event for an additional fee. The Parish is not responsible for any property left behind by Client, Client's guests, invitees, agents and sub-contractors.

The Client is responsible for any and all damages to Parish venues and surrounding site. The Parish shall do a general clean-up of the venue at the conclusion of the event, however it is the Client's responsibility to remove all decorations.

Event Staff

The Parish Facilities and Operations Administrator or designee will be accessible

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throughout your event. The Administrator will ensure that the venue and surrounding site are ready for your event, and will meet with you prior to the beginning of your event. The Administrator will be accessible to you at any time during your event, and a contact number will be given to you to reach the Administrator if they are away from the venue.

Force Majeure

The ability to execute this Agreement by either party is subject to the Acts of God, including but not limited to hurricanes, flooding, earthquakes, fires, etc., as well as any government intervention, staff disputes and strikes, civil disorders, terrorism, or other emergencies. Should the event be canceled through a Force Majeure event, all fees paid by Client to Parish will be returned to Client within thirty (30) days.

Publicity/Use of Name and Logo

Client shall not use the name of the Parish, any trade name, service mark, trademarks, acronym or logo of the Parish in any publicity releases, advertising or any other publication without the Parish's prior written consent.

Authorization

The person(s) signing the Agreement on behalf of the parties each warrant that they are authorized to make agreements and to bind their principals to this Agreement.

Acceptance

Upon signing of this Agreement, a fully executed agreement will be in force.

Each of the undersigned has read this Agreement, understands and accepts the terms herein:

Client Signature

Printed Name

Date

Parish Signature

Printed Name

Date

The Episcopal Diocese of San Diego

CONFIRMATION OF EVENT REGISTRATION

[Date]

[Name]

[Title & Organization]

Dear {Name},

As you and I have discussed, the [group e.g. North Coast Toastmasters], for which you are the contact person from [date] through [date], would like to rent space at St. Peter's for an ongoing meeting with an average weekly attendance of [x] people.

Time: [e.g.] Wednesdays from 7:30 to 9:00am. Occasional changes of venue on campus are required for events such as Vacation Bible School, Interfaith Shelter and the Registrar of Voters when the Parish Hall is unavailable.

Location: Parish Hall

Set Up: Set up and take down of tables will be done by St. Peter's personnel. (See attached floor plan)

Cost: \$--- per month, payable monthly or quarterly in advance

Deposit: [Note key or security deposits with dates]

Keys: Key _____ was issued to _____ on [date]. It remains the responsibility of this person unless St. Peter's is notified in writing that it has been transferred to someone else.

Parking: Parking passes will be provided and must be used to avoid citation

Audio Visual: The A/V system in the parish hall may be used only by people who have been trained and approved by St. Peter's. There is a charge of \$10/use for the projector.

Insurance: Certificate on file. [Note date and update annually]

Non-Profit: [Note whether proof of non-profit status is available and on file. A lot of e.g. 12 step groups don't have them but ask.]

Rules of Conduct:

- [e.g.] Prepared snacks & beverages are allowed in the Parish Hall but not in the Library.
- No alcohol is allowed anywhere on campus.
- No smoking is allowed anywhere on campus.
- The facility must be left in the same condition in which it was found each week.

Sincerely,

[Name]

[Title]

[email, phone number or other contact info]

Version 1.5

February 2016

The Episcopal Diocese of San Diego

Agreed to by:

Signature & Title:

Date

Print Name

The Episcopal Diocese of San Diego

St Paul's Episcopal Church

To confirm your reservation, you must return the completed application, including all required fees, at least two (2) weeks prior to your event.

Name of Organization or Party:

Address: _____

City, State, Zip code: _____

Name of Contact Person: _____

E-mail: _____ Phone: _____ Cell phone: _____

Date(s) of Event(s): _____

Starting Time for Room use: _____ Ending Time for Room use: _____

NOTE: to include time for set up and clean up.

Purpose/subject/title of event: _____

Estimated number of people attending event (guests and others): _____

Will you be using the Courtyard and/or Multipurpose Room in addition to the Kinsolving Room?

Will you need special equipment for your event (please be specific): _____

Will there be food/beverages served or art/craft supplies used? _____

ACCEPTANCE OF RESPONSIBILITY AND TERMS

On behalf of my organization or party, I accept responsibility for the Room(s) and equipment during the time they are being used for my event. I understand that the room reservation will be canceled if the fees and completed application are not received at least two weeks prior to the event.

I further agree and acknowledge the following:

Use of Property – The property to be used at St. Paul's and pursuant to this license/agreement (Property) will be used in a safe, lawful manner, not inconsistent with or to impede on the normal operations of St. Paul's. As applicant, I (we) assume responsibility and exclusive liability for safe use and operation of the

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Property and will not use or allow the use of the Property in a manner that violates any law of any jurisdiction applicable, or violates any rule or restriction of the applicable insurance policy, and I (we) agree to indemnify, defend and hold harmless St. Paul's from any claims, fines, forfeitures, damages, penalties and such resulting from any violation by me (us) as applicant and user, my (our) guest or others (including but not limited to, employees, agents, contractors or officers and any non-invitees that come because of the event). As applicant, I (we) shall further indemnify and hold harmless St. Paul's and its principals, employees, agents, subsidiaries, and sub-contractors from all damage, loss, theft, and all losses, liabilities, damages, injuries, claims, demands, fines, penalties, costs and expenses of every kind including legal fees and costs in defending against or prosecuting claims, arising out of or in connection with the use of the Property by me (us), or my (our) agents, employees, and other third parties, whether or not authorized by St. Paul's, during the period of the license agreement or any extension thereof.

NO WARRANTY OF FITNESS OR SUITABILITY IS MADE – AS APPLICANT, I (WE) ACKNOWLEDGE THAT THE PROPERTY LICENSED WAS SELECTED BASED ON MY (OUR) OWN ASSESSMENT, AND NOT BASED ON ANY REPRESENTATION MADE BY ST. PAUL'S OF FITNESS, SUITABILITY, DURABILITY, OR QUALITY OF THE PROPERTY. ST. PAUL'S MAKES NO OTHER WARRANTIES OF THE PROPERTY OTHER THAN WHAT IS WRITTEN IN THIS AGREEMENT. THE PROPERTY IS LICENSED "AS-IS" AND I (WE) LICENSE THE PROPERTY AT MY (OUR) OWN RISK.

Applicant's Signature

Date

Applicant's Name (Printed)

FACILITY USE POLICY

1. **Request for Use:** It is recommended that reservations be made as early as possible. Although reservations may be taken by phone, the reservation is not considered confirmed until the applicant has submitted a signed application form and paid all fees.

Checks are to be made payable to St. Paul's Episcopal Church. Separate checks for the cleaning and damage deposits are required. Returned checks will be charged a \$25 fine in addition to any bank fees.

The Church should be notified in writing of any cancellation at least one week prior to the scheduled event. If an applicant fails to notify the Church in writing of the cancellation one week prior to the event, all fees and deposits will be forfeited. If the Church finds it necessary to cancel the event, every effort will be made to notify the applicant in writing at least two weeks prior, and all fees and deposits will be refunded.

2. The Church reserves the right to preempt scheduled activities when they conflict with church programs. Every effort will be made to give two weeks' notice in writing of such a conflict.

The Episcopal Diocese of San Diego

3. Liability Insurance: The applicant/group/organization must purchase and furnish St. Paul's with a Certificate of Insurance with a minimum policy of \$1,000,000 combined for bodily injury, liability and property damage and naming St. Paul's Episcopal Church as an Additional Insured.
4. Responsibility: It is understood that the Church assumes no responsibility for any property placed in the facility in connection with the event; and that the Church is hereby expressly released and discharged from any and all liability for any loss, injury or damage to persons or property which may be sustained by reason of the event.
5. Damages: Each group/organization agrees that it will pay for all damages to any property resulting directly or indirectly from the conduct of any participant in the event (damages). A \$200.00 refundable damage deposit is required. In no event shall the amount of this deposit serve as a cap for a group/organization's responsibility to pay for damages as agreed herein.
6. Use Fees (note: all fees are non-refundable):
Active church members – no charge for use of the facility but must pay the cleaning and damage deposits. (Active church members are those parishioners who are confirmed, have made their communion in this church at least four times during the past year, and have been givers of record for the past two years.)

Non-church members:

Bishop Kinsolving Room	- \$500
Plus Courtyard	- \$100
Plus Multipurpose Room	- \$100
Use of kitchen	
(food distribution only – no cooking)	- \$100 (church member must be present)
Cleaning deposit	- \$100 (refundable)
Damage deposit	- \$200 (refundable)
Availability of restrooms	- Included
Parking	- Included
7. Security: As determined by the Church, the applicant will be required to provide security as appropriate for the event and participants.
8. Children: The Church is not responsible for children of meeting room participants. Children under the age of 10 must be supervised at all times.
9. Smoking: Smoking is not allowed inside any buildings, and must be kept at least 20 feet from any building.
10. Alcoholic beverages: Alcoholic beverages are limited to beer and wine only and may only be provided by the applicant, BUT SHALL NOT BE SOLD UNDER ANY CIRCUMSTANCES.
11. Fire Department: All fire department regulations must be followed, including, but not limited to, not blocking exits and adhering to the number of people allowed in the meeting room.

Fireworks or explosives of any kind shall not be permitted anywhere on Church property.

The Episcopal Diocese of San Diego

12. Room Setup: The group/organization is responsible for the setup of the room. The applicant is to specify the room arrangement at the time of reservation confirmation.

13. Care of the Room: The applicant is responsible for returning the room to the original configuration and leaving it in a clean and orderly condition. The room and kitchen are to be clean and ready for the next user. All garbage is to be removed from the premises immediately following the event. Nothing may be fastened or affixed to the walls of the Room. Decorations, if any, must be approved by the Church.
If the kitchen is used for food distribution (no cooking is permitted), a \$100 fee must be paid to cover the cost of having a church member present.

14. Publicity: All publicity is the responsibility of the applicant and must clearly identify the sponsoring group or organization. The location of the church may be publicized, but the Church may not be used as a source of information nor may the church phone number be used as a contact.

15. Deviations from the Rules: The Church may deny the approval of future events if, after due warning, the applicant/group/organization fails to adhere to these rules.

Facility Setup

Bishop Kinsolving Room - maximum occupancy 65 people – any overflow should plan to use the Courtyard and/or the Multipurpose Room

St. Paul's can provide the following equipment:

Up to eight (8) round tables, each seating 8 persons (all 8 will fill the Room);

Up to eight (8) rectangular tables, each seating 10 persons

(best used in the Courtyard and/or Multipurpose Room);

Up to 50 blue padded and 30 brown padded chairs (80 chairs total);

One (1) lectern

St. Paul's equipment needed (at no extra charge):

_____ round tables

_____ rectangular tables

_____ padded chairs (may specify color – mix and match)

_____ lectern

Applicant may provide additional tables, chairs, shade tents, sound system, etc. at no extra charge, but at applicant's expense.

Applicant must return all equipment to the original configuration and leave the Room and the kitchen clean and ready for the next user.

The Episcopal Diocese of San Diego

Fees:

_____ Bishop Kinsolving Room	- \$500
_____ Plus Courtyard	- \$100
_____ Plus Multipurpose Room	- \$100
_____ Use of Kitchen	- \$100 (church member must be present)
_____ Cleaning Deposit	- \$100 (refundable—separate check please)
_____ Damage Deposit	- \$200 (refundable—separate check please)

Total Fees \$ _____

Amount Paid - _____ Check numbers _____ Date _____

Received by _____

The Episcopal Diocese of San Diego

Application and License Agreement For Occasional Use of St. Paul's Episcopal Church (St. Paul's)

Bishop Kinsolving Room and/or Multipurpose Room
(for events such as Blood Drives, Election Polling location,
bridge clubs or association meetings, etc.)

To confirm your reservation, you must return the completed application,
including all payment,
at least two (2) weeks prior to your event.

Name of Organization or Party:

Address: _____

City, State, Zip code: _____

Name of Contact Person: _____

E-mail: _____ Phone: _____ Cell phone: _____

Date(s) of Event(s): _____

Starting Time for Room use: _____ Ending Time for Room use: _____

NOTE: to include time for set up and clean up.

Purpose/subject/title of event: _____

Estimated number of people attending event (guests and others): _____

Will you be using the Kinsolving Room and/or the Multipurpose Room? _____

Will you need special equipment for your event (please be specific): _____

Will there be food/beverages served or art/craft supplies use? _____

ACCEPTANCE OF RESPONSIBILITY AND TERMS

On behalf of my organization or party, I accept responsibility for the Room(s) and equipment during the time they are being used for my event. I understand that the room reservation will be canceled if the fees and completed application are not received at least two weeks prior to the event.

I further agree and acknowledge the following:

Version 1.5

February 2016

The Episcopal Diocese of San Diego

Use of Property – The property to be used at St. Paul’s and pursuant to this license/agreement (Property) will be used in a safe, lawful manner, not inconsistent with or to impede on the normal operations of St. Paul’s. As applicant, I (we) assume responsibility and exclusive liability for safe use and operation of the Property and will not use or allow the use of the Property in a manner that violates any law of any jurisdiction applicable, or violates any rule or restriction of the applicable insurance policy, and I (we) agree to indemnify, defend and hold harmless St. Paul’s from any claims, fines, forfeitures, damages, penalties and such resulting from any violation by me (us) as applicant and user, my (our) guest or others (including but not limited to, employees, agents, contractors or officers and any non-invitees that come because of the event). As applicant, I (we) shall further indemnify and hold harmless St. Paul’s and its principals, employees, agents, subsidiaries, and sub-contractors from all damage, loss, theft, and all losses, liabilities, damages, injuries, claims, demands, fines, penalties, costs and expenses of every kind including legal fees and costs in defending against or prosecuting claims, arising out of or in connection with the use of the Property by me (us), or my (our) agents, employees, and other third parties, whether or not authorized by St. Paul’s, during the period of the license agreement or any extension thereof.

NO WARRANTY OF FITNESS OR SUITABILITY IS MADE – AS APPLICANT, I (WE) ACKNOWLEDGE THAT THE PROPERTY LICENSED WAS SELECTED BASED ON MY (OUR) OWN ASSESSMENT, AND NOT BASED ON ANY REPRESENTATION MADE BY ST. PAUL’S OF FITNESS, SUITABILITY, DURABILITY, OR QUALITY OF THE PROPERTY. ST. PAUL’S MAKES NO OTHER WARRANTIES OF THE PROPERTY OTHER THAN WHAT IS WRITTEN IN THIS AGREEMENT. THE PROPERTY IS LICENSED “AS-IS” AND I (WE) LICENSE THE PROPERTY AT MY (OUR) OWN RISK.

Applicant’s Signature	Date
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Applicant’s Name (Printed)

Care of the Room: The applicant is responsible for returning the room to the original configuration and leaving it in a clean and orderly condition. The room and kitchen area are to be clean and ready for the next user.

- All garbage is to be removed from the premises immediately following the event.
- Nothing may be fastened or affixed to the walls of the room.
- Decorations, if any, must be approved by the Church.

Fees:

Active church members – no charge for use of the facility
(Active church members are those parishioners who are confirmed, have made their communion in this church at least four times during the past year, and have been givers of record for the past two years.)

Non members:
\$100.00 per use or event/meeting

The Episcopal Diocese of San Diego

Note: Other arrangements may be made on a case-by-case basis.

Total Fees: \$ _____

Amount Paid: _____ Check number: _____ Date: _____

Received by: _____

The Episcopal Diocese of San Diego

Diocese of Olympia – Joint Use Mission

Joint Use Agreement
among
_____ **Church,**
The Diocese of Olympia, Inc.
and

THIS JOINT USE AGREEMENT (this “Agreement”) is between _____
_____ CHURCH (the “Church”), the Diocese of Olympia, Inc. (the “Diocese”) and
_____ (the “Occupant”) and is dated as of _____,
20__.

The Church facilities and property are owned by the Diocese. The parties hereby agree that in consideration of the terms and covenants contained in this Agreement, Occupant may have use of a portion of the church facilities located at _____ (the “Property”) for [worship services][_____] as follows:

1. Purpose. The Occupant will use the Church for [worship] [_____] purposes only. Occupant shall provide the Church and Diocese with proof that it is a nonprofit corporation.

2. Use of Church.

[Describe the portions of the Property that the Occupant may use under this Agreement]

3. Time of Use.

[Describe the times during which Occupant may use the Property described in section 1 above]

4. Exceptions to Use. Special event scheduling for the Church may pre-empt this regular assignment of rooms. Any change will be requested in writing by the Church fourteen (14) days in advance. Any building usage other than that listed above must be requested in advance with at least fourteen (14) days written notice to the Church, in communication with _____ at the Church. If the Occupant plans not to use any portions of the Property described in section 2 above at a regularly scheduled time, please contact _____, as soon as possible.

5. Term. The term of this Agreement will be for _____ year[s] from the date set forth above and is subject to a [monthly][quarterly] review.

The Episcopal Diocese of San Diego

6. Termination. This Agreement may be terminated with or without cause by any party upon 60 days written notice to the other parties.

7. Fee. Occupant agrees to pay Church a fee of \$_____ per month payable on the first day of each calendar month. All payments shall be made by check payable to Diocese and mailed to the Diocese address provided in Section 17 of this Agreement.

8. Clean Up and Damage. It is agreed that the policy of “leave the premises as found” regarding cleaning up of all areas used, will be maintained continuously throughout the term of this Agreement. If the facilities are left in an unclean condition, the Occupant will be billed a cleaning fee of \$_____.

9. Fire and Safety Codes; Alcoholic Beverages. The Occupant shall be responsible for compliance with all fire and public safety codes/laws and shall obtain permission from the Church prior to serving any alcoholic beverages. In the event of agreement as to such, the Occupant must obtain a banquet permit from the Washington State Liquor Control Board and comply with its terms.

10. Conduct; No Illegal or Improper Activities. The Occupant is responsible for the conduct, behavior and actions of its members and guests. The Occupant will not suffer or permit any trade or occupation to be carried on or use made of the Property that shall be unlawful, noisy, offensive, or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Property, or that may render any increased or extra premium payable for such insurance, or that shall be contrary to any law or ordinance, rule, or regulation from time to time established by any public authority.

In addition, persons under the age of 18 are to be supervised by two adults (over the age of 18) at all times. Occupant shall not have use of the playground.

11. Alterations. Occupant will not paint the Property or make or permit anyone to make any alterations in or additions thereto, nor will Occupant install any equipment of any kind that will require any alterations or additions to or the use of the water system, heating system, plumbing system, air-conditioning system, or the electrical system, nor will Occupant install a television antenna on the roof, in the windows or upon the exterior of the Property or air-conditioning units of any type without the prior written consent of the Diocese. If any such alterations or additions are made without such consent, the Diocese may correct or remove them, and Occupant shall be liable for any and all expense incurred by the Diocese in the performance of this work.

12. Damages. The Occupant is responsible for any damages to the grounds, buildings and its contents by agents, members, guests or invitees. If such damage occurs, the Occupant will notify the Church immediately and be subject to replacement costs for said damage.

13. Insurance. The Occupant is responsible to have a commercial general liability insurance policy insuring against all liability of the Occupant, arising out of or in connection with the use, operation and occupancy of the Property with coverage in the amount of \$1,000,000 and listing the Diocese as an additional insured and shall make a copy available to the Church and the Diocese within 30 days of execution of this Agreement and upon request thereafter.

14. Indemnification. The Occupant shall indemnify and hold the Church and the Diocese

The Episcopal Diocese of San Diego

and each of their officers, directors, employees and agents harmless from the Occupant's use of the Property, or from the conduct of the Occupant's business or from any activity, work or thing done, permitted or suffered by the Occupant in or about the church property, and shall further indemnify and hold the Church and the Diocese harmless from and against any and all claims arising from any breach or default in the performance of any obligation on the Occupant's part to be performed under the terms of this Agreement, or arising from any negligence of the Occupant or any of the Occupant's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the Church and/or the Diocese by reason of any such claim, the Occupant, upon notice from Church and/or the Diocese, shall defend the same at the Occupant's expense by counsel satisfactory to all parties. Nothing contained herein shall make the Occupant responsible for or relieve the Church from liability for any loss, damage, liability or expense caused by or arising from any act or omission of the Church, its officers, agents, employees or contractors, or from any breach or default in the performance of any obligation on the Church's part to be performed under this Agreement.

15. Assignment and Subletting. Occupant shall not assign this Agreement or sublet the Property or any portion thereof, or rent desk space therein, without the written consent of the Diocese. Such consent shall not be unreasonably withheld.

16. Waiver and Notice. No waiver of any breach of any covenant condition, or agreement herein contained shall operate as a waiver of the covenant, condition, or agreement itself, or of any subsequent breach thereof.

17. Notices. All notices required or permitted hereunder shall be deemed to have been given if mailed in any U.S. Post Office by certified or registered mail, postage prepaid, addressed to the Church, the Diocese or Occupant, respectively, at the following addresses or to such other addresses as the parties may designate in writing from time to time:

The Church:

The Diocese:

The Diocese of Olympia, Inc.
1551 10th Ave E
Seattle, Washington 98102

The Occupant:

18. Governing Law. This Agreement shall be construed and governed by the laws of the State of Washington.

19. Severability; Amendment. In the event any provision or portion of this Agreement is

The Episcopal Diocese of San Diego

held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected or invalidated thereby. This Agreement shall be amended only by written amendment to this Agreement executed by the parties.

20. Attorneys Fees. In the event that an action or suit is initiated regarding this agreement, the prevailing party shall be entitled their attorneys' fees and costs, including expert witness fees and costs.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth above.

By: _____

Print Name: _____

Dated: _____

By:

Print Name:

Dated:

THE DIOCESE OF OLYMPIA, INC.

By: _____

Print Name: _____

Dated: _____

The Episcopal Diocese of San Diego

Diocese of Olympia – Joint Use Parish

Joint Use Agreement

_____ Episcopal Church
and

THIS JOINT USE AGREEMENT (this “Agreement”) is between _____
EPISCOPAL
CHURCH (the “Church”) and _____ (the “Occupant”) and is
dated as of
_____, 20__.

The Church facilities and property are owned by the Church. The parties hereby agree that in consideration of the terms and covenants contained in this Agreement, Occupant may have use of a portion of the church facilities located at _____ (the “Property”) for [worship services][_____] as follows:

1. Purpose. The Occupant will use the Church for [worship] [_____] purposes only. Occupant shall provide the Church with proof that it is a nonprofit corporation [and that it is an organization recognized as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended]. *[Only need proof of the second part if the organization is **not** a church]*

2. Use of Church.

[Describe the portions of the Property that the Occupant may use under this Agreement]

3. Time of Use.

[Describe the times during which Occupant may use the Property described in section 1 above]

4. Exceptions to Use. Special event scheduling for the Church may pre-empt this regular assignment of rooms. Any change will be requested by the Church fourteen (14) days in advance. Any building usage other than that listed above must be requested in advance with at least fourteen (14) days’ notice to the Church, in communication with _____ at the Church. If the Occupant plans not to use any portions of the Property described in section 2 above at a regularly scheduled time, please contact _____, as soon as possible.

5. Term. The term of this Agreement will be for _____ year[s] from the date set forth above and is subject to a [monthly][quarterly] review.

The Episcopal Diocese of San Diego

6. Termination. This Agreement may be terminated with or without cause by any party upon 60 days written notice to the other parties.

7. Fee. Occupant agrees to pay Church a fee of \$_____ per month payable on the first day of each calendar month. All payments shall be made by check payable to Church and sent to _____.

8. Clean Up and Damage. It is agreed that the policy of “leave the premises as found” regarding cleaning up of all areas used, will be maintained continuously throughout the term of this Agreement. If the facilities are left in an unclean condition, the Occupant will be billed a cleaning fee of \$_____.

9. Fire and Safety Codes; Alcoholic Beverages. The Occupant shall be responsible for compliance with all fire and public safety codes/laws and shall obtain permission from the Church prior to serving any alcoholic beverages. In the event of agreement as to such, the Occupant must obtain a banquet permit from the Washington State Liquor Control Board and comply with its terms.

10. Conduct; No Illegal or Improper Activities. The Occupant is responsible for the conduct, behavior and actions of its members and guests. The Occupant will not suffer or permit any trade or occupation to be carried on or use made of the Property that shall be unlawful, noisy, offensive, or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Property, or that may render any increased or extra premium payable for such insurance, or that shall be contrary to any law or ordinance, rule, or regulation from time to time established by any public authority.

11. Alterations. Occupant will not paint the Property or make or permit anyone to make any alterations in or additions thereto, nor will Occupant install any equipment of any kind that will require any alterations or additions to or the use of the water system, heating system, plumbing system, air-conditioning system, or the electrical system, nor will Occupant install a television antenna on the roof, in the windows or upon the exterior of the Property or air-conditioning units of any type without the prior written consent of the Church. If any such alterations or additions are made without such consent, the Church may correct or remove them, and Occupant shall be liable for any and all expense incurred by the Church in the performance of this work.

12. Damages. The Occupant is responsible for any damages to the grounds, buildings and its contents by agents, members, guests or invitees. If such damage occurs, the Occupant will notify the Church immediately and be subject to replacement costs for said damage.

13. Insurance. The Occupant is responsible to have a commercial general liability insurance policy insuring against all liability of the Occupant, arising out of or in connection with the use, operation and occupancy of the Property with coverage in the amount of \$1,000,000 and listing the Church as an additional insured and to make a copy available to the Church.

The Episcopal Diocese of San Diego

14. Indemnification. The Occupant shall indemnify and hold the Church harmless from the Occupant's use of the Property, or from the conduct of the Occupant's business or from any activity, work or thing done, permitted or suffered by the Occupant in or about the church property, and shall further indemnify and hold the Church harmless from and against any and all claims arising from any breach or default in the performance of any obligation on the Occupant's part to be performed under the terms of this Agreement, or arising from any negligence of the Occupant or any of the Occupant's agents, contractors or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the Church by reason of any such claim, the Occupant, upon notice from Church, shall defend the same at the Occupant's expense by counsel satisfactory to all parties. Nothing contained herein shall make the Occupant responsible for or relieve the Church from liability for any loss, damage, liability or expense caused by or arising from any act or omission of the Church, its officers, agents, employees or contractors, or from any breach or default in the performance of any obligation on the Church's part to be performed under this Agreement.

15. Assignment and Subletting. Occupant shall not assign this Agreement or sublet the Property or any portion thereof, or rent desk space therein, without the written consent of the Church. Such consent shall not be unreasonably withheld.

16. Waiver and Notice. No waiver of any breach of any covenant condition, or agreement herein contained shall operate as a waiver of the covenant, condition, or agreement itself, or of any subsequent breach thereof.

17. Notices. All notices required or permitted hereunder shall be deemed to have been given if mailed in any U.S. Post Office by certified or registered mail, postage prepaid, addressed to the Church or Occupant, respectively, at the following addresses or to such other addresses as the parties may designate in writing from time to time:

The Church

The Occupant

18. Governing Law. This Agreement shall be construed and governed by the laws of the State of

The Episcopal Diocese of San Diego

Washington.

19. Severability. In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall in no way be affected or invalidated thereby.

20. Attorney's Fees. In the event that an action or suit is initiated regarding this agreement, the prevailing party shall be entitled their attorneys' fees and costs, including expert witness fees and costs.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth above.

By: _____

By:

Its: _____

Its:

Dated: _____

Dated:

The Episcopal Diocese of San Diego

LEASE AGREEMENT Shared Use Church Facility

THIS LEASE AGREEMENT ("Lease"), dated and effective as of _____, 2000, is made at San Diego, California between [CHURCH A] ("Lessor"), and [CHURCH B] ("Lessee"), with reference to the following

RECITALS:

Lessor is the owner of certain improved real property addressed at [CHURCH ADDRESS] ("Property"), which is more particularly described as:

The Property is used by Lessor as a church which operates pursuant to a Conditional Use Permit ("CUP") issued by the City of [CITY] ("City"). The Property contains a church building ("Church Building"). The Property also contains several other structures, including a Parish Hall, a youth services building and a four-building complex for educational purposes.

Lessee wishes the right to use portions of the Property as delineated hereto in Exhibit A on a shared basis with [Church A], for the operation of a Christian Church and related activities.

AGREEMENT

1. PREMISES.

1.1 Lease of Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, on a shared-use basis, for the term, at the rental, for the periods of time, and upon all of the conditions set forth herein, the following portions of the Property and interests therein, all of which are referred to collectively as the "Premises":

(a) The Church grounds, subject to the shared use as described in Section 1.2 below by [Church A] and by [Church B].

(b) Subject to Section 1.2, the use of the facilities are scheduled as shown on Exhibit C for [Church A] and [Church B]. On Exhibit B the spaces shown for Rector's office, Secretary's office, Pastor's office and Secretary's office / copy room will be arranged by mutual agreement between the Rector of [Church A] and the Pastor of [Church B].

(c) Subject to Section 1.2, the use of:

(i) the Church Building for [Church B] services on Sundays from 10:45 a.m. to 12:30 p.m.;

(ii) the Parish Hall main hall for [Church B] services on Sundays from 9:15 a.m. to 10:30 a.m., and the main hall and kitchen for [Church B] luncheons and dinners on Sundays from 12:15 p.m. to 2:30 p.m.;

(iii) the choir room in the Parish Hall for [Church B] choir rehearsals on Sundays from 10:00 a.m. to 10:45 p.m., and the Youth House for [Church B] choir rehearsals on Sundays from 8:30 a.m. to 9:15 a.m.;

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(iv) the nursery in the Parish Hall will be operated as a shared facility between Lessor and Lessee on Sundays during the hours the Church and Parish Hall are in use; and

(v) the six (6) classrooms in the day school and two (2) rooms in the Senior Day Care area will be used by [Church B] on Sundays from 9:15 a.m. to 10:15 a.m. for Sunday School and Adult Education.

1.2 Shared Use With [Church A] and [Church B].

(a) The parties intend that Lessee have use of the Property for normal Christian worship, fellowship and outreach activities. Lessee shall have no right to use the Property for political rallies or other activities outside the scope of worship, fellowship and outreach, nor shall Lessee have the right to make any portion of the Property available for third-party uses such as scouting, Alcoholics Anonymous, cooking classes, etc., all of which shall be coordinated by [Church A].

(b) At all times not specified above, [Church A]' use of the Property shall take precedence. A calendar shall be maintained for Lessor and Lessee to coordinate their use of the facilities. If Lessee desires the long-term use of the facilities, in addition to that as described herein, Lessor's Vestry must be notified for approval/disapproval prior. Long-term use is defined as any activity four or more consecutive weeks of duration.

(c) Lessor reserves the option to the use of the facility for Holy Days, Days of Special Devotion and Days of Optional Observance, as defined by The Book of Common Prayer. This option shall take precedence over Lessee's previously scheduled activity, if Lessor desires to observe the occasion.

1.3 Use of Education Center Buildings. This Lease, and all rights of Lessee with respect to the Property, are expressly made subject to the rights of the current tenants of the Education Center buildings. Without limiting the generality of the foregoing, Lessee acknowledges and agrees that no use will be made of the Education Center buildings except for education purposes on Sundays.

1.4 Signage. Subject to Lessor's reasonable approval as to size, location and design, and as permitted by City's sign ordinance, Lessee shall be entitled to install, at Lessee's sole cost and expense, a sign or banner identifying Lessee's presence on the Property. Lessee shall also be entitled to be listed on one line on [Church A]' permanent monument sign. Except for the identified signage, Lessee shall not place or permit to be placed, any sign, advertisement, notice or other similar matter on the doors, windows, exterior walls, roof or other areas of the Premises which are open to the view of persons on the Property, except with the prior written consent of Lessor, which shall not be unreasonably withheld.

1.5 Parking. The parties intend that Lessee have full access to the Property's parking facilities on the same basis as applies to [Church A]' use of such parking facilities. Accordingly, in connection with its use and occupancy of the Premises, and subject to the rules and regulations established by Lessor from time to time during the Term, Lessee shall have the right to park vehicles, on a non-exclusive, non-reserved and non-discriminatory basis in those portions of the Property designated for parking. The parking authorized by this Section shall be for the personal transportation of Lessee and its employees to and from the Premises, and not for long-term (*i.e.*, for more than forty-eight hours) storage of automobiles or for short- or long-term storage of boats, trailers, recreational vehicles, motorcycles or other types of vehicles or equipment. Lessor shall have the right to designate where the parking spaces to be used by Lessee shall be located and may reserve certain spaces from Lessee's use as, in Lessor's sole discretion, Lessor may determine.

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2. **TERM.** The term of this Lease ("Term") shall be for a period beginning January 1, 2000 ("Commencement Date"), and continuing thereafter through June 30, 2001. After January 1, 2001, Lessee shall have the right to terminate this Lease on at least thirty (30) days' notice of termination; provided, however, that any termination shall occur as of the last day of a calendar month. If not terminated by June 30, 2001, the Term shall automatically continue on a month-to-month basis until such time as a party gives the other at least thirty (30) days' notice of termination; provided, however, that any termination shall occur as of the last day of a calendar month.

2. **RENT.**

3.1 **Base Rent.** Lessee shall pay to Lessor as rent for the Premises ("Base Rent"), monthly payments in the amount of \$_____ per month, in advance on the first day of each calendar month throughout the Term thereafter. All Base Rent and other rent to be paid by Lessee to Lessor shall be in lawful money of the United States of America and shall be paid without deduction or offset, prior notice or demand, to Lessor at the address set forth in Section 17.8 below.

3.2 **Late Charges.** Lessee's failure to pay rental promptly when due will cause Lessor to incur unanticipated costs. The exact amount of such costs are impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Lessor. Therefore, if Lessor does not receive any rental payment within ten (10) days after it becomes due, Lessee shall pay Lessor a late charge in an amount equal to five percent (5%) of the overdue amount. The parties agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of any such late payment. Acceptance of such late charges by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

3.3 **Interest.** Any amount owed by Lessee to Lessor which is not paid within ten (10) days after the date due shall bear interest at the rate of ten percent (10%) per annum from and after the date due; provided, however, that (i) the interest shall not be payable on late charges payable pursuant to the preceding subsection, (ii) such payment of interest shall not excuse or cure any default by Lessee, and (iii) if the interest rate specified herein exceeds the maximum rate permitted by law, the interest rate herein shall be decreased to such maximum legal interest rate.

3.4 **Security Deposit.** Lessee shall pay to Lessor, immediately upon execution of this Lease, a security deposit in the amount of \$_____ to be paid concurrently with execution and delivery of this Lease. The security deposit shall be held by Lessor as security for the faithful performance by Lessee of all of the terms, covenants and conditions of this Lease. If Lessee defaults with respect to any provision of the Lease, including, but not limited to, the provisions relating to the payment of rent, Lessor may (but shall not be required to) use, apply or retain all or any part of this security deposit for the payment of any rent or any other sum in default, or for the payment of any other amount which Lessor may spend or become obligated to spend by reason of Lessee's default or to compensate Lessor for any other loss or damage which Lessor may suffer by reason of Lessee's default. If any portion of the security deposit is so used or applied, Lessee shall, upon demand therefor, deposit cash with Lessor in an amount sufficient to restore the security deposit to its original amount and Lessee's failure to do so shall be a material breach of this Lease. Lessor shall not be required to keep this security deposit separate from its general funds, and Lessee shall not be entitled to interest on such deposit. If Lessee shall fully and faithfully perform every provision of this Lease to be performed by it, the security deposit or any balance thereof shall be returned to Lessee (or at Lessor's option, to the last assignee of Lessee's interests hereunder) at the expiration of the Term, provided that Lessor may retain the security deposit until such time as any amount due from Lessee in accordance hereof has been determined and paid in full.

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4. USE AND OPERATION.

4.1 Permitted Uses. Lessee shall use the Premises solely for normal Christian worship, fellowship and outreach activities, subject to the rights of [Church A] and [Church B] as set forth herein, all as consistent with the CUP, and for no other uses without Lessor's prior written consent, which shall not be unreasonably withheld.

4.2 Compliance With Laws. Lessee shall not do or permit to be done in or about the Premises, nor bring, keep or permit to be brought or kept herein, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Lessee shall comply with all governmental laws, ordinances and regulations applicable to the Premises and all covenants, conditions and restrictions affecting the Premises. Lessee shall obtain and pay for all permits required for Lessee's use of the Premises and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Lessee of the Premises. A copy of Lessor's current rules and regulations applicable to the Premises is attached as Exhibit C; Lessor reserves the right to reasonably amend the rules and regulations at any time by notice to Lessee, if Lessor reasonably determines such amendments to be to the best interests of the Property and its users.

4.3 Other Requirements. Lessee shall, at its expense, comply with all requirements of any insurer pertaining to the use of the Premises and reasonably necessary for maintenance of economic and proper fire, liability and other insurance required to be carried by Lessor. Lessee agrees, in using the Premises: not to commit any waste or suffer any waste to be committed upon the Premises; not to commit any public or private nuisance or any other act or thing which might or would disturb the quiet enjoyment of any occupant of nearby property; not to burn refuse or other materials in or about the Premises, or permit any activity or activities which might cause unreasonable annoyance to occupants of nearby property. Lessee also acknowledges receipt of a copy of Lessor's sexual misconduct policy and procedures, and agrees to implement screening, monitoring and reporting procedures to provide comparable protection against misconduct or abuse.

4.4 Compliance With Sexual Misconduct Policy. Lessee acknowledges and agrees at all times during the Term to comply with the following statement of policy of the Episcopal Diocese of San Diego:

"It is the policy of the Episcopal Diocese of San Diego not to tolerate sexual misconduct or sexual harassment, for both violate our common call to serve those entrusted by God to our care. Conduct, by clergy, employees and volunteers who regularly supervise youth activities, which falls within the definition of sexual misconduct is not tolerated or permitted in this Diocese. Persons suspected of child sexual abuse will be reported to the authorities immediately, in accordance with California law.

"No person who has a civil or criminal record of child sexual abuse, or who has admitted prior sexual abuse, or who is known to have a paraphiliac diagnosis, shall ever be allowed to interact with children or youth in the context of any church activity, to the extent the church has had an opportunity to choose such individual."

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5. IMPROVEMENTS; MAINTENANCE AND REPAIR.

5.1 Improvements. Lessee shall accept the Premises in their "as-is" condition as of the Commencement Date.

5.2 Additions, Alterations, and Subsequent Improvements.

(a) Lessee shall make no improvements on or to the Premises without the prior written consent of Lessor. Plans and specifications showing all proposed installations, additions or improvements, and alterations and changes thereto, shall be submitted to Lessor for approval along with the application for such consent. Lessor's consent shall not be unreasonably withheld or delayed. All installations, additions or improvements, and alterations and changes made, with the written consent of Lessor, shall be made at the sole cost and expense of Lessee.

(b) All installations, additions or improvements erected or installed at any time upon the Premises during the Term, except furniture, trade fixtures and equipment installed and either belonging to or leased by Lessee, shall become the property of and belong to Lessor upon the expiration or other termination of this Lease.

(c) Lessor shall have the right to install new or additional utility and other facilities throughout the Premises and the Property for the benefit of Lessor, including without limitation plumbing, electrical systems, security systems, communication systems, and fire protection and detection systems.

5.3 Maintenance and Repair. Lessor, at Lessor's expense, shall keep in good condition and repair the foundations, exterior walls, structural condition of interior bearing walls, and roof of the facilities, and for any major capital repairs or replacements not made necessary by the acts of Lessee or its students or invitees. Lessor shall have no obligation to make repairs under this Section until a reasonable time after receipt of written notice from Lessee of the need for such repairs. Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition or repair.

5.4 Cleaning. Lessee shall ensure that at the completion of its activities, all trash has been emptied and other normal janitorial activities accomplished. Lessor shall retain a janitorial service to clean the Property prior to Sunday activities. Lessee shall contribute volunteers toward semi-annual (spring and fall) work days, which will include cleaning all windows and other major cleaning activities.

5.5 Condition on Termination. Upon the termination of the Lease, Lessee shall surrender the Premises to Lessor in the same general condition as received, except for ordinary wear and tear which Lessee was not otherwise obligated to remedy under any provision of this Lease. Lessor may require Lessee to remove Lessee's signs and bulletin board and any other alterations, additions or improvements made by Lessee prior to the termination of the Lease and to restore the Premises to its prior condition (*i.e.*, the condition as of the Commencement Date), all at Lessee's expense. In the event of any dispute as to Lessee's obligations hereunder, Lessor's reasonable decision shall be determinative. All alterations, additions and improvements, which are not already Lessor's property and which Lessor does not require Lessee to remove, shall become Lessor's property and shall be surrendered to Lessor upon termination of the Lease. In no event shall Lessee remove any fixtures, alterations, additions or improvements from the Premises without Lessor's prior written consent.

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6. **LIENS.** Lessee agrees to pay promptly for all labor done or materials furnished for any work of repair, maintenance, improvement, alteration or addition done by Lessee in connection with the Premises, and to keep and to hold the Premises free, clear and harmless of and from all liens that could arise by reason of any such work. If any such lien shall at any time be filed against the Premises, Lessee shall either cause the same to be discharged of record within ninety (90) days after the date of filing the same, or if Lessee, in its discretion and in good faith, determines that such lien should be contested, Lessee shall furnish such security as may be necessary or required to prevent any foreclosure proceedings against the Premises during the pendency of such contest. If Lessee shall fail to discharge such lien within such period or fail to furnish such security, then, in addition to any right or remedy, Lessor may but shall not be obligated to discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit in court or by giving security or in such other manner as is or may be prescribed by law. Lessee shall repay to Lessor on demand all sums disbursed or deposited by Lessor pursuant to the foregoing provisions hereof, including Lessor's costs, expenses and reasonable attorney's fees incurred by Lessor in connection therewith. Nothing contained herein shall imply any consent or agreement on the part of Lessor to subject Lessee's interest in the real property, of which the Premises are a part, to liability under any mechanic's lien law. Lessor shall at all times have the right to post and keep posted on the Premises Notices of Non-Responsibility and any such other notices provided for under the laws of the State of California for the protection of the Premises from mechanic's liens or liens of a similar nature.

7. **UTILITIES.** Electricity, trash collection and water shall be paid by Lessor. Lessee shall arrange for its own telephone service (if required), and shall pay, prior to delinquency, all charges for any other utilities separately supplied to Lessee at the Premises during the Term.

8. **TAXES.**

8.1 **Lessee's Personal Property.** Lessee shall pay all taxes charged against trade fixtures, furnishings, equipment or any other personal property belonging to Lessee. Lessee shall attempt to have such personal property taxes assessed separately from the Premises. If any of Lessee's personal property is taxed with the Premises and the real property taxes for the Premises are separately assessed, Lessee shall pay such personal property taxes to Lessor no later than fifteen (15) days after receipt of a written statement from Lessor. If any of Lessee's personal property is taxed with the Premises, and the Premises is not separately assessed, the amount due by Lessee for personal property taxes shall be reasonably determined by Lessor, and Lessee shall pay the amount due for said personal property taxes to Lessor within fifteen (15) days after receipt of Lessor's written statement.

8.2 **Other Taxes.** Lessee shall pay all taxes and license fees levied, assessed or imposed by reason of Lessee's use of the Premises, and all taxes on Lessee's personal property located on the Premises. Lessor shall pay all real property taxes or assessments with respect to the Premises.

9. **INSURANCE.** Lessee, at its own expense, shall obtain from, and shall thereafter keep in force with, companies reasonably acceptable to Lessor, either comprehensive general liability insurance or commercial general liability insurance applying to the use and occupancy of the Premises, or any part thereof or any areas adjacent thereto, and the facility and any other businesses operated by Lessee or any other occupant on or from the Premises. Such insurance shall have a minimum combined single limit liability of at least One Million Dollars (\$1,000,000) and shall include broad form contractual liability insurance coverage insuring all of Lessee's indemnity obligations under this Lease. All such policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss, however occasioned, occurring during the policy term. All such insurance shall name both Lessor and [Church A] as named or additional insureds; shall provide for severability of interests; shall provide that an act or omission of one of the named insureds shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for all claims based on acts, omissions, injury and damage, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period.

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Lessee shall furnish Lessor with a certificate of such policy within thirty (30) days after the Commencement Date and whenever required shall satisfy Lessor that such policy is in full force and effect. Each policy shall be endorsed to provide that its coverage shall be primary and noncontributing with any insurance carried by Lessor. Each policy shall be further endorsed to provide that it shall not be canceled or altered without twenty (20) days prior written notice to Lessor. All policies of insurance to be provided for herein by Lessee shall be issued by companies having not less than Best's A rating/Class IX and shall be issued in the names of Lessee and Lessor and for the mutual and joint benefit and protection of the parties. All liability policies shall contain a provision that Lessor, although named as an insured, shall nevertheless be entitled to recovery under said policies for any loss, injury or damage to Lessor, its servants, agents and employees by reason of the negligence of Lessee. Lessee agrees that on or before twenty (20) days prior to the expiration of any insurance policy, Lessee shall deliver to Lessor written notification in the form of a receipt or other similar document from the applicable insurance company that said policy or policies have been renewed, or deliver certificates of coverage from another good and solvent insurance company for such coverage.

10. INDEMNITY AND WAIVER.

10.1 Indemnity. Lessee shall defend, indemnify and hold harmless Lessor from and against any and all claims arising from the Lessee's use of the Property, or from the conduct of the Lessee's business or from any activity, work or things done, permitted or suffered by the Lessee in or about the Premises or elsewhere, and shall further indemnify and hold harmless the Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on the Lessee's part to be performed under the terms of this Lease, or arising from any negligence of the Lessee, or any of the Lessee's agents, contractors or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action brought against the Lessor by reason of any such claim or any action or proceeding brought thereon; and in case any action or proceeding be brought against the Lessor by reason of any such claim, the Lessee upon notice from the Lessor shall defend the same at the Lessee's expense by counsel satisfactory to the Lessor. This indemnification provision shall be applicable during the entire Term and is also applicable to claims presented after the expiration or termination of this Lease in respect of injuries or damages sustained by third persons during the Term.

10.2 Waiver of Liability. Lessor shall not be liable at any time for any loss, damage or injury to the property or person of any person whomsoever at any time occasioned by or arising out of any act or omission of Lessee, or of anyone holding under Lessee or the occupancy or use of the Premises or any part thereof by or under Lessee, or directly or indirectly from any state or condition of the Premises or any part during the Term, other than arising from the willful or negligent acts or omissions of Lessor.

10.3 Waiver of Subrogation. Lessee and Lessor each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required give notice to the insurance carrier that the foregoing mutual waiver of subrogation is contained in this Lease.

11. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this Lease or any interest hereof, or sublet the Premises or any portion thereof, or permit any other person to occupy the Premises or any portion thereof without the express written consent of Lessor, which consent may be withheld at Lessor's sole and absolute discretion. Any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void, and shall constitute a breach of this Lease. Consent to one assignment or subletting shall not constitute a waiver of this provision or consent to any further assignment or subletting. No assignee for the benefit of creditors, trustee in bankruptcy or purchaser at

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any execution sale, shall have any right to possess or occupy the Premises or any part thereof, or claim any right hereunder or assignment. No transfer permitted by this Section shall release Lessee, or change Lessee's primary liability to pay the rent and to perform all other obligations of Lessee under this Lease. Lessor's acceptance of rent from any other person is not a waiver of any provision of this Article. If Lessee's transferee defaults under this Lease, Lessor may proceed directly against Lessee without pursuing remedies against the transferee. Lessor may consent to subsequent assignments or modifications of this Lease by Lessee's transferee, without notifying Lessee or obtaining its consent. Such action shall not relieve Lessee's liability under this Lease.

12. DEFAULTS; REMEDIES.

12.1 Events of Default. The occurrence of any of the following shall constitute a default by Lessee:

(a) Failure by Lessee to pay rent when due if the failure continues for three (3) days after notice has been given to Lessee that the rent is delinquent.

(b) Failure by Lessee to perform any provision of this Lease required of it other than payment of rent if the failure is not cured within ten (10) days after notice has been given to Lessee. If, however, the failure cannot reasonably be cured within the cure period, Lessee shall not be in default of this Lease if Lessee commences to cure the failure within the cure period and diligently and in good faith continues to cure the failure.

(c) The occurrence of any of the following: (i) Lessee makes a general assignment or general arrangement for the benefit of creditors; (ii) a case proceeding under any law, either now in effect or hereafter enacted, relating to bankruptcy, insolvency, reorganization or other debtor relief is commenced by or against Lessee and is not dismissed within thirty (30) days; (iii) a trustee, receiver, or other custodian is appointed to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease and possession is not restored to Lessee within thirty (30) days; or (iv) Lessee's interest in this Lease or substantially all of Lessee's assets located at the Premises are subjected to attachment, execution or other judicial seizure which is not discharged within thirty (30) days.

Notices given under this Section shall specify the alleged breach and the applicable Lease provisions, and shall demand that Lessee perform the provisions of this Lease or pay the rent that is delinquent, as the case may be, within the applicable period of time or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Lessor so elects in the notice. The purpose of the notice requirements in this Section is to extend the notice requirements of the unlawful detainer statutes. Such notice shall, however, be in lieu of and not in addition to any notice required under the unlawful detainer statutes.

12.2 Lessor's Remedies. Lessor shall have the following remedies if Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law:

(a) Lessor may terminate Lessee's right to possession of the Premises at any time. No act by Lessor other than giving notice of termination to Lessee shall terminate this Lease. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession. On termination, Lessor shall have the right to recover from Lessee:

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(i) The worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease.

(ii) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided.

(iii) The worth at the time of the award of the amount by which unpaid rent for the balance of the Term after the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided.

(iv) Any other amount, including court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.

The phrase "worth at the time of the award" as used in clauses (a) and (b) above is to be computed by allowing interest at the rate of ten percent (10%) per annum, but not to exceed the then legal rate of interest. The same phrase as used in clause (c) above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(b) Lessor may exercise the remedy provided in California CIVIL CODE ' 1951.4, *i.e.*, Lessor may continue this Lease in full force and effect, and collect rent as it becomes due, so long as Lessor does not terminate Lessee's right to possession. After Lessee's default and for so long as Lessor does not terminate Lessee's right to possession of the Premises, if Lessee obtains Lessor's consent (which shall not be unreasonably withheld during any such period of Lessee default), Lessee shall have the right to assign or sublet its interest in this Lease, but Lessee shall not be released from liability. If Lessor elects to relet the Premises as provided in this Section, rent that Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from Lessee to Lessor other than rent due from Lessee; (ii) second, all costs, including for maintenance, incurred by Lessor in reletting; and (iii) third, rent due and unpaid under the Lease. After deducting the payments referred to in this Section, any sum remaining from the rent Lessor receives from reletting shall be held by Lessor and applied in payment of future rent as rent becomes due under this Lease. If, on the date rent is due under this Lease, the rent received from the reletting is less than the rent due on that date, Lessee shall pay to Lessor, in addition to the remaining rent due, all costs, including for maintenance, Lessor incurred in reletting which remain after applying the rent received from the reletting.

(c) Lessor may, at any time after Lessee commits an event of default, seek appointment of a receiver to collect rent. Neither the filing of a petition for appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this Lease.

(d) Lessor may, after expiration of Lessee's cure period in Section, unless there is an emergency, correct or remedy any failure of Lessee not timely cured. The reasonable cost paid by Lessor to correct or remedy any such default shall immediately become due and payable to Lessor as additional rent.

12.3 No Waiver. Lessor's failure to take advantage of any default or breach of covenant on the part of Lessee shall not be, or be construed as a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of Lessor to insist upon the performance by Lessee of any term, covenant or condition hereof, or to exercise any rights given him on account of any such default. A waiver of a particular breach or default shall not be deemed to be a waiver of the same or any other subsequent

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breach or default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Lease.

12.4 Default by Lessor. Lessor shall be in default if Lessor fails to perform any provision of this Lease required of it and the failure is not cured within thirty (30) days after notice has been given to Lessor. If, however, the failure cannot reasonably be cured within the cure period, Lessor shall not be in default of this Lease if Lessor commences to cure the failure within the cure period and diligently and in good faith continues to cure the failure. Notices given under this Section shall specify the alleged breach and the applicable Lease provisions. If Lessor shall at any time default beyond the applicable notice and cure period, Lessee shall have the right to cure such default on Lessor's behalf. Any sums expended by Lessee in doing so, and all reasonably necessary incidental costs and expenses incurred in connection therewith, shall be payable by Lessor to Lessee within thirty (30) days following demand therefor by Lessee; provided, however, that Lessee shall not be entitled to any deduction or setoff against any rent otherwise payable to Lessor under this Lease.

12.5 Mitigation. Lessor and Lessee shall each exercise best efforts to mitigate the damages caused by the other party's breach of this Lease. Efforts to mitigate damages shall not be construed as a waiver of the non-breaching party's right to recover damages.

12.6 Right of Lessor to Re-Enter. In the event of any termination of this Lease, Lessor shall have the immediate right to enter upon and repossess the Premises, and any personal property of Lessee may be removed from the Premises and stored in any public warehouse at the risk and expense of Lessee.

13. EMINENT DOMAIN.

13.1 Total Taking. If during the Term there shall be a total taking by a public authority under the power of eminent domain, then the leasehold estate of Lessee in the Premises shall cease and terminate as of the date on which Lessee is obligated to vacate the Premises. "Total taking" is defined to be the taking of the entire Premises under the power of eminent domain or a partial taking of so much of the Premises as to prevent or substantially impair the conduct of Lessee's business therein in a commercially reasonable manner.

13.2 Partial Taking. If during the Term there shall be a partial taking of the Premises, this Lease shall terminate as to the portion of the Premises taken upon the date Lessee is obligated to vacate the Premises pursuant to eminent domain proceedings, but this Lease shall continue in force and effect as to the remainder of the Premises. The monthly Base Rent payable by Lessee for the balance of the Term shall be abated in the ratio that the area of the Premises taken bears to the total area of the Premises at the time of such taking. "Partial taking" is defined to be the taking of only a portion of the Premises under the power of eminent domain which does not constitute a "total taking" as defined above.

13.3 Taking for Limited Time. If as a result of any such condemnation proceedings, a leasehold interest or a right of possession only is so condemned or taken under the power of eminent domain, and is for a limited period of time less than the then unexpired Term, Base Rent due and owing from Lessee shall be abated in full during such limited period, and this Lease shall otherwise continue in full force and effect and the award shall be payable to Lessor; provided, however, that if the taking is for a period of more than one (1) year, either party shall have the right to terminate the Lease by giving written notice of termination to the other within thirty (30) days following such taking.

13.4 Allocation of Condemnation Award. All compensation and damages awarded for the taking of the Premises, or any portion or portions thereof, shall, except as otherwise herein provided, belong to and be the sole property of Lessor; provided however, that Lessee shall be entitled to any

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award amount expressly allocated to Lessee pursuant to such award, for diminution in value of its leasehold hereunder or for the value of any unexpired Term, together with any award that may be made for the taking of or injury to, or on account of any cost or loss Lessee may sustain in loss of Lessee's business and the removal of Lessee's merchandise, fixtures, equipment and furnishings.

13.5 Effect of Termination. If this Lease is terminated, in whole or in part, pursuant to any of the provisions of this Article, all rentals and other charges payable by Lessee to Lessor hereunder and attributable to the Premises taken, shall be paid up to the date upon which Lessee is obligated to vacate the Premises, and the parties shall thereupon be released from all further liability in relation thereto.

14. SUBORDINATION AND ESTOPPEL.

14.1 Subordination. Lessee agrees that this Lease shall be subject and subordinate to any mortgage or trust deed that now is, or (at Lessor's election) may hereafter be, placed upon the Premises or upon the real property of which the Premises are a part, and to any and all advances to be made thereunder, and to the interest thereon, and to renewals, replacements and extensions thereof; provided, however, that subordination of this Lease to the lien of any mortgage or deed of trust that is placed on the Premises hereafter shall be contingent upon the mortgagee or beneficiary thereof providing Lessee a non-disturbance, attornment and subordination agreement in form reasonably satisfactory to Lessee. If any mortgagee or beneficiary elects to have this Lease be prior to the lien of its mortgage or deed of trust, then, in such event, upon such mortgagee's or beneficiary's notifying Lessee in writing to that effect and complying with the requirement for delivery of a non-disturbance and attornment agreement, if applicable, this Lease shall be deemed prior to the lien of such mortgage or deed of trust, whether this Lease is dated or recorded prior to or subsequent to the date of such mortgage or trust deed, and in such event, upon any foreclosure of such mortgage or trust deed, the mortgagee or beneficiary shall be bound by all of the terms of this Lease. Subject to the foregoing, Lessee shall, upon written demand of Lessor, execute such instruments as may be required at any time, and from time to time, to subordinate the rights and interests of Lessee under this Lease to the lien of any mortgage or deed of trust at any time placed upon the Premises or upon the real property of which the Premises are a part. In the event of the foreclosure of any mortgage or trust deed to which this Lease is subordinated, the right of Lessee to continue to occupy the Premises, pursuant to the terms of this Lease, shall not be disturbed so long as Lessee is not in default hereunder.

14.2 Estoppel Certificate. Lessee shall execute and deliver to Lessor, within ten (10) days after receipt of Lessor's request, any estoppel certificate or other statement to be furnished to, and relied upon by, any prospective purchaser of or any lender against the Premises. Such estoppel certificate shall acknowledge and certify each of the following matters, to the extent each may be true: that the Lease is in effect and not subject to any rental offsets, claims or defenses to its enforcement; the commencement and termination dates of the Term; that Lessee is paying rent on a current basis; that the Lease constitutes the entire agreement between Lessee and Lessor relating to the Premises; that Lessee has accepted the Premises and is in possession thereof; that the Lease has not be modified, altered or amended except in specified respects by specified instruments; and that Lessee has no notice of any prior assignment, hypothecation or pledge of rents or the Lease.

15. HAZARDOUS MATERIALS.

15.1 Compliance With Laws. Each party shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or polluting materials, substances or wastes,

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including, without limitation, any “hazardous substances,” “hazardous wastes,” “hazardous materials” or “toxic substances” under any such laws, ordinances or regulations (collectively, “Hazardous Materials”).

15.2 Permits and Licenses. Lessee shall not store, use, manufacture, process, distribute, treat, transport, handle, emit, discharge, release or threaten release into the environment, or dispose of any Hazardous Materials on or around the Premises (or allow any of the foregoing) without Lessor's written consent. If Lessor's consent is obtained, Lessee shall at its own expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into or through any sanitary sewer serving the Premises.

15.3 Notice to Other Party. Each party shall immediately notify the other party in writing of: (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (b) any claim made or threatened by any person against the notifying party or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith.

15.4 Indemnity. Each party shall indemnify, defend (by counsel reasonably acceptable to the other party), protect, and hold the other party, and each of the other party's employees, agents, attorneys, successors and assigns, free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by that party's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the Premises, or that party's failure to comply with any Hazardous Materials Law.

16. GENERAL PROTECTIVE PROVISIONS.

16.1 Holding Over. Lessee agrees that upon the expiration or termination of this Lease, including any period of month-to-month tenancy pursuant to Section 2 above, Lessee shall immediately and peaceably to yield up and surrender the Premises; notice to quit or vacate is hereby expressly waived. Lessee shall be liable to Lessor for any and all damages incurred by Lessor as the result of any failure by Lessee, timely, to surrender possession of the Premises as required herein. If Lessee should hold over after the expiration of the Term for any cause, such holding over shall be deemed a tenancy at sufferance or, at the sole discretion of Lessor, a tenancy from month-to-month only, in which event such month-to-month tenancy shall be upon the same terms, conditions and provisions set forth in this Lease, including the Base Rent in effect as of the expiration of the Term.

16.2 No Merger. The voluntary or other surrender of this Lease by Lessee, or mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

16.3 No Recordation. Neither Lessor nor Lessee shall record this Lease or a short form memorandum hereof without the prior written consent of the other party.

16.4 Entry by Lessor. Lessor shall be entitled, at all reasonable times and upon reasonable notice, to go on the Premises for the purpose of inspecting the Premises, or for the purpose of

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inspecting the performance by Lessee of the terms and conditions of this Lease, or for the purpose of posting and keeping posted thereon notices of non-responsibility for any construction, alteration or repair thereof, as required or permitted by any law or ordinance.

16.5 Quitclaim. At the expiration or earlier termination of this Lease, Lessee shall execute, acknowledge and deliver to Lessor, within five (5) days after written demand from Lessor to Lessee, any quitclaim deed or other document reasonably required by any reputable title company to remove the cloud of this Lease from the Premises.

17. MISCELLANEOUS PROVISIONS.

17.1 Arbitration. Any disputes which arise between Lessor and Lessee under this Lease with respect to any of its provisions shall be subject to final, binding arbitration upon written request by either party in accordance with this Section; provided, however, that in no event shall Lessor be required to arbitrate any such dispute that can fairly be made the subject of an action by Lessor to recover possession of the Premises from Lessee pursuant to the unlawful detainer provisions of California law. Any such dispute will be submitted before the American Arbitration Association ("AAA") within thirty (30) days after the requesting party gives notice in accordance with the AAA's Commercial Arbitration Rules as modified by this Section; a decision will be issued within thirty (30) days after the close of the record; and judgment upon the award may be entered in any court having jurisdiction over the judgment. The substantive law of California shall be applied by the arbitrator, and this requirement will be deemed jurisdictional. This arbitration provision shall be deemed self-executing. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party notwithstanding such failure to appear. Nothing herein shall restrict or limit Lessor's access to the remedy of unlawful detainer in the event of Lessee's failure to pay any installment of rent or perform any covenant when and as required hereunder. If the parties disagree on the choice for an arbitrator, the parties shall jointly request the AAA to furnish a list of five available attorneys, businessmen, or both, experienced generally in commercial matters. After receipt of such list and an opportunity to consider the names, each party may designate in writing to the AAA not more than two names to be eliminated from the selection process. If more than one name remains after such eliminations are made, the selection of the arbitrator shall be made by lot from the remaining names. If either party makes demand upon the other for arbitration, the arbitration shall be conducted at the AAA offices in San Diego, California. The parties may mutually agree to another location. The expenses, wages and other compensation of any witnesses called before the arbitrator shall be borne by the party calling the witnesses. Other expenses incurred, including wages of participants, and preparation of briefs and data to be presented to the arbitrator, shall be borne separately by the respective parties. The fee for the arbitration, the arbitrator's fees and expenses and the cost of any hearing room shall be borne by Lessor and Lessee equally.

17.2 Conditions and Covenants. All of the provisions of this Lease shall be deemed as running with the land, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

17.3 No Waiver. No failure by either Lessor or Lessee to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, condition, agreement and term of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

17.4 Time of Essence. Time is of the essence of this Lease and of each provision.

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17.5 Inurement. Each and all of the covenants, conditions and restrictions in this Lease shall inure to the benefit of and shall be binding upon the successors in interest of Lessor, the authorized encumbrancers, assignees, transferees, subtenants, licensees and other successors in interest of Lessee.

17.6 Brokers. Each of the parties represents and warrants that it has dealt with no brokers or agents, and that there are and will be no claims for brokers' commissions or finder's fees in connection with the execution of this Lease, for which the other party is or would be liable. Each party agrees to indemnify and hold the other party harmless from any cost, liability and expense (including attorneys' fees) which the other party may incur as the result of the untruth or invalidity of the foregoing representation and warranty. Lessee shall indemnify and hold Lessor harmless from any cost, liability and expense (including attorneys' fees) which Lessor may incur as the result of any actual or alleged claim that Lessor is or may be obligated to pay any commission in connection with any assignment or sublease of all or any part of the Premises.

17.7 Attorneys' Fees. In case suit shall be brought for any unlawful detainer of the Premises, for the recovery of any rent due on the provisions of the Lease, because of the breach or alleged breach of any other covenant herein contained on the part of either party to be kept or performed, or for declaratory relief, the prevailing party shall recover from the non-prevailing party all costs and expenses incurred therein, including reasonable attorneys' fees and attorneys' fees and expenses incurred in enforcing any judgment.

17.8 Notices. All rents or other sums, notices, demands or requests from one party to another may be personally delivered, sent by overnight express delivery service or sent by certified mail, postage prepaid, to the addresses stated in this section. Notices shall be deemed received upon actual delivery to the addressee with respect to personal or express service delivery and three (3) days after deposit in the mails with respect to mailing. Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this Section to the other party; provided, however, that each address for notice must include a street address and not merely a post office box. All notices, demands or requests from Lessee to Lessor shall be given to Lessor addressed to both of the following addresses:

All notices, demands or requests from Lessor to Lessee shall be given to Lessee addressed as follows:

17.9 Counterparts. This Lease may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

17.10 No Partnership. This Lease shall not be construed to constitute any form of partnership or joint venture between Lessor and Lessee.

17.11 Construction.

(a) Section titles or captions contained in this Lease are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or any provision hereof.

(b) Unless defined otherwise, the words used in this Lease shall be construed according to their plain meaning in the English language. The language used in this Lease shall not be interpreted strictly for or against either party. The word "including" is used in a non-exclusive sense. The word "law" includes federal, state and local constitutions, statutes, orders, writs, injunctions, decrees, ordinances, requirements, laws, rules and regulations. The word "termination" is used in an

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all-inclusive sense, that is, it includes the concepts of the expiration of this Lease by lapse of time, rescission and ending by reason of default. The word "transfer" is used in an all-inclusive sense, that is, it includes each and every manner of disposing of any interest in or rights, privileges or obligations under any part of this Lease, including any sale, gift or assignment. The word "notice" means notices, requests, demands and other communications, and includes all payments to be made and all materials to be submitted for review or approval and all approvals or disapprovals. The term "rent" means Base Rent and all other sums required to be paid by Lessee pursuant to the terms of this Lease. The term "representative" means officers, directors, partners, employees, agents and authorized contractors of a party when acting in such capacity.

(c) If any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.

(d) The singular includes the plural and vice-versa, and the masculine includes the feminine and neuter, whenever the context so requires.

(e) No provision in this Lease is to be interpreted for or against either party because that party or his legal representative drafted such provision.

17.12 Applicable Law. The laws of the State of California shall govern the validity, performance and enforcement of this Lease. This Lease shall be deemed made and entered into in San Diego County.

17.3 Entire Agreement. This Lease constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, fully supersedes any and all prior understandings, representations, warranties and agreements between the parties hereto, or any of them, pertaining to the subject matter hereof, and may be modified only by written agreement, signed by all of the parties hereto.

17.14 Binding Power. Each person executing this Lease warrants and represents that he or she is duly authorized to execute this Lease on behalf of Lessor or Lessee.

IN WITNESS WHEREOF, the undersigned have executed this Lease in duplicate as of the dates specified immediately under their respective signatures.

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Lessor:

[CHURCH A]

By: _____
Its: _____

By: _____
Its: _____

Lessee:

[CHURCH B]

By: _____
Its: _____

By: _____
Its: _____

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EXHIBIT A DIAGRAM OF PREMISES

[ATTACH A SITE PLAN, IDENTIFYING THE “CHURCH BUILDING” AND THE “DAY CARE BUILDING” LABELED AS SUCH, AND ALSO IDENTIFYING THE LOCATION OF THE CLASSROOMS LESSEE IS ALLOWED TO USE ON SUNDAYS.]

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EXHIBIT B RULES AND REGULATIONS

Lessee and its employees, agents, licensees and visitors shall at all times observe faithfully, and comply strictly with, the Rules and Regulations set forth on this Exhibit B. Lessor may from time to time reasonably amend, delete or modify existing rules and regulations, or adopt reasonable new rules and regulations for the use, safety, cleanliness and care of the Premises and the Property, and the comfort, quiet and convenience of occupants of the Property. Modifications or additions to the Rules and Regulations shall be effective upon notice to Lessee from Lessor. In the event of any breach of any rules or regulations or any amendments or additions to such Rules and Regulations, Lessor shall have all remedies which this Lease provides for default by Lessee, and will, in addition, have any remedies available at law or in equity, including the right to enjoin any breach of such Rules and Regulations. Lessor shall not be liable to Lessee for violation of such Rules and Regulations by any other tenant, its employees, agents, visitors or licensees, or any other person. In the event of any conflict between the provisions of this Lease and the Rules and Regulations, the provisions of the Lease shall govern. Lessee shall not be in default until written notice of a violation of one or more of the Rules and Regulations is given to Lessee.

- A. There shall be no smoking in the Premises or elsewhere on the Property.
- B. The plumbing facilities shall not be used for any purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Lessee who shall, or whose employees, agents and invitees shall, have caused it.
- C. Lessee shall not deface wall, ceilings, glass, partitions, floors, doors, wood, paint, stone or metal work of the Premises by marking, nailing, drilling or otherwise defacing.
- D. Lessee shall not use, keep or permit to be used or kept, any foul or obnoxious gas or substance in the Premises or permit or suffer the Premises to be used or occupied in any manner offensive or objectionable to Lessor or other occupants of the Property by reason of any noise, odors and/or vibrations.
- E. Keys for the Premises shall be provided to Lessee by Lessor and Lessee shall return to Lessor any such keys upon termination of the Lease. Lessee shall not change locks or install other locks on doors of the Premises without providing Lessor with appropriate keys for such locks.
- F. Lessee shall not burn any trash or garbage at any time in or about the Property.
- G. No waiver of any rule or regulation by Lessor shall be effective unless expressed in writing and signed by Lessor or its authorized agent.
- H. Lessee shall abide by any additional rules or regulations which are ordered or requested by any governmental or military authority.

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Appendix A: Safeguarding God's People Statement

The Episcopal Diocese of San Diego and its congregations will not tolerate sexual misconduct involving its clergy, employees, volunteers or anyone using its facilities. Anyone entering into a property usage agreement with the diocese or one of its churches will be compliant with the training requirements found on www.edsd.org/safeguarding.

I have understand and agree to the requirements stipulated above.

Signature

Name

_____Date