

[Add cover note regarding real property alienation]

LEASE

Dated the _____ day of _____, 20__

1. Parties:

Landlord:

[insert name and mailing of Church]

Tenant:

[insert name and mailing address of Tenant]

2. Location of Building:

[insert address, including county and state]

WITNESSETH: That the Landlord hereby demises and leases to the Tenant, and the Tenant hereby hires and takes from the Landlord, for the Term and upon the rentals later specified, the premises described below, in the Building.

3. Leased Premises and Services:¹

The Tenant’s use of the leased premises is restricted to the areas and services described in this Lease. The Tenant shall not make use of any other area or service without the prior written consent of the Landlord. Any additional area or service granted by the Landlord may, at the Landlord’s discretion, result in a modification of this Lease and in an increase in the base and additional rent.

¹ Describe space to be occupied by the Tenant and any ancillary or additional spaces or services that the Landlord is to provide (e.g. kitchen facilities, staff administrative time, parking, etc.).

4. Term:²

Lease term begins on _____, 20__

Lease Terms ends on _____, 20__

5. Base Rent:

The base rent for the Term is \$_____ per year.

6. Additional Rent:

The Tenant pays its share of utilities and certain services as additional rent.

Utilities and services furnished to the leased premises for the benefit of the Tenant shall be paid for by the Tenant as additional rent based on the proportion of space the Tenant leases. This includes the pro-rata portion of the water, gas, electricity and the Landlord’s insurance for the leased premises. The Landlord shall not be liable for any interruption or delay in any of these services for any reason.

7. Payment of Rent:

Monthly payment of base rent: \$_____

Date of first payment: _____, 20__

The base rent is payable monthly in advance on the first day of each calendar month for the Term. The additional rent shall be paid to the Landlord within five days after the Landlord issues an invoice to the Tenant for such additional rent. The base rent and additional rent shall be paid to the Landlord at the address listed in Paragraph 1 of this Lease or as may be otherwise directed by the Landlord in writing.

8. Security:

Amount of security deposit: \$_____

The Tenant has deposited the security deposit with the Landlord³ as security for the full and faithful performance by the Tenant of all the

² If the Term, including any renewal or extension options, is for a period of 5 years or longer, this Lease requires the approval of the Standing Committee of the Diocese of New York, the Bishop of New York and the appropriate New York State Supreme Court.

³ The security must be kept in its own separate account and may not be “co-mingled” with the funds of any other party. Once the security has been deposited in the account, the Landlord must notify the Tenant in writing of the name and address of the bank where the security is being held and the amount of such deposit.

terms, covenants and conditions of this Lease, which sum (with interest, but net of administrative expenses described below) shall be returned to the Tenant at the expiration of the Term, provided the Tenant has fully and faithfully carried out all of the terms, covenants and conditions on the Tenant's part to be performed including the payment of real estate taxes as described in Paragraph 30 below. The Landlord may deduct from the security any expenses incurred in connection with the Tenant's violation of any agreement in this Lease. If the Landlord uses the security or any part of it during the Term, the Tenant shall on demand pay the Landlord for the amount used. The security shall be deposited in an interest-bearing account and any interest earned shall be for the benefit of the Tenant. The Landlord shall receive as an administrative fee the amount equal to one percent (1%) per annum upon the security.

If the Building is sold subject to this Lease, the Landlord shall have the right to transfer the security to the purchaser for the benefit of the Tenant and the Landlord shall be considered released by the Tenant from all liability for the return of such security. The Tenant agrees to look to the new landlord solely for the return of such security, and it is agreed that this shall apply to every transfer or assignment made of the security to a new landlord. The security deposited under this Lease shall not be mortgaged, assigned or encumbered by the Tenant without the written consent of the Landlord.

9. Peaceful Possession:

The Landlord will provide the Tenant with peaceful possession of the leased premises as long as the Tenant complies with the terms of this Lease.

The Landlord covenants that the Tenant, on paying the base rent and additional rent and performing the covenants and conditions contained in this Lease, shall and may peaceably and quietly have, hold and enjoy the leased premises for the Term.

10. Use:⁴

Permitted Use:

A private apartment for the Tenant, his/her spouse and dependent children to live in.

General office use to operate the Tenant's business or activity of

during the hours of _____ to _____ on Monday through Friday and _____ to _____ on Saturday [and Sunday].

The Tenant may use the leased premises for the Permitted Use only and for no other purpose without the prior written consent of the Landlord.

The Landlord reserves the right to restrict the Tenant's use of the leased premises on certain dates or events including Holy Days, Holy Week and Easter Week services, funerals and weddings. The Tenant agrees to use the leased premises in a manner that is consistent with the Landlord's mission as an Episcopal Church in the Diocese of New York and shall not use or permit the leased premises to be used for any purpose that interferes with the Landlord's mission or operation of the Church without the prior written consent of the Landlord.

The Tenant shall not allow the leased premises to be used for any unlawful or hazardous purpose. The Tenant is satisfied that the leased space is zoned for the use stated. The Tenant shall obtain any necessary certificate of occupancy or other certificate permitting the Tenant to use the leased space for the stated use.

11. Observation of Laws, Ordinances, Rules and Regulations:

The Tenant must obey and comply with all laws, ordinances, rules and regulations applicable to the Tenant's use of the leased premises.

The Tenant agrees to observe and comply with all laws, ordinances, rules and regulations of the Federal, State, County and Municipal authorities applicable to the Tenant's use of the leased premises [and to the business to be conducted by the Tenant in the leased premises]. If the Tenant's use of the leased premises does not comply with such laws or ordinances or if any changes or alterations to the leased premises are necessary for compliance with such laws or ordinances due to the Tenant's use or occupation, the Landlord shall have the option to terminate this Lease. If the Landlord does not terminate

⁴ This section may need to be revised for specific tenant uses. This section contemplates either an apartment or office use and any language inapplicable for a specific use should be stricken.

this Lease, all necessary changes or alterations (and obtaining all required approvals, permits or certificates therefor from the applicable governmental authorities) shall be the responsibility of the Tenant, with the costs thereof borne by the Tenant, and must be made in compliance with Paragraph 14. The Tenant agrees not to do or permit anything to be done in the leased premises, or keep anything in the leased premises, which will increase the rate of fire insurance premiums, or which will obstruct or interfere with the rights of the Landlord or other tenants, or conflict with the regulations of the Fire Department or with any insurance policy. If any increase in insurance premiums results from the Tenant's occupancy of the leased premises, or from any act or omission on the part of the Tenant, the Tenant agrees to pay such increase as additional rent.

12. Subletting and Assignment:

The Tenant shall not (1) assign this Lease, (2) sublet any of the leased premises or (3) permit any other person to use or occupy the leased premises without the Landlord's prior written consent .

13. Tenant Default and Landlord Remedies:

The Landlord shall have certain remedies if the Tenant defaults under this Lease.

The Landlord may give 5 days written notice to the Tenant to correct any of the following defaults:

(1) failure to pay base rent or additional rent; (2) improper assignment of this Lease or, improper subletting of all or part of the leased premises; (3) improper use of the leased premises or improper conduct by the Tenant or other occupant of the leased premises; or (4) failure to fully perform any other provision in this Lease.

If the Tenant fails to correct any default within the 5 day-period, the Landlord may cancel this Lease by giving the Tenant a written 3 day notice stating the date the Term will end. On that date the Term and the Tenant's rights in this Lease automatically end and the Tenant must leave the leased premises and give the Landlord the keys. The Tenant continues to be responsible for rent, expenses, damages and losses.

If this Lease is terminated, or base rent or additional rent is not paid on time, or the Tenant vacates the leased premises, the Landlord may in addition to other remedies take any of the following steps: 1) enter the leased premises and remove the Tenant and any person or property; and 2) use eviction or other lawsuit methods to take back the leased premises.

If the Lease is terminated or the Landlord takes back the leased premises, base rent and additional rent for the unexpired Term become due and payable. The Landlord may re-rent the leased premises and anything in it for any term. The Landlord may re-rent for a lower rent and give allowances to the new tenant. The Tenant shall be responsible for the Landlord's cost of re-renting. The Landlord's cost shall include the cost of repairs, decorations, broker's fees, attorney's fees, advertising and preparation for renting. Any rent received from the re-renting shall be applied to the reduction of money the Tenant owes. The Tenant waives all rights to return to the leased premises after possession is given to the Landlord by a court. The Tenant shall not be entitled to any surplus accruing as a result of the re-renting.

The Landlord is hereby granted a lien, in addition to any statutory lien or right to distrain that may exist, on all personal property of the Tenant in or upon the leased premises, to secure payment of the rent and performance of the covenants and conditions of this Lease, the Landlord shall have the right, as agent of the Tenant, to take possession of any furniture, fixtures or other personal property of the Tenant found in or about the leased premises, and sell the same at public or private sale and to apply the proceeds thereof to the payment of any monies becoming due under this Lease, the Tenant hereby waiving the benefit of all laws exempting property from execution, levy and sale on distress or judgment. The Tenant agrees to pay, as additional rent, all attorney's fees and other expenses incurred by the Landlord in enforcing any of the obligations under this Lease.

14. Condition of Leased Premises, Repairs, Alterations and Improvements; Sanitation, Inflammable Materials, Sidewalks:

The Tenant agrees to accept the leased premises in their present condition and the Tenant has certain obligations/requirements regarding the condition and repair of the leased premises.

The Tenant has examined the leased premises, and accepts them in their present condition (except as otherwise expressly provided herein) and without any representations on the part of the Landlord or its agents as to the present or future condition of the leased premises. The Tenant shall maintain and keep the leased premises in good condition, and shall redecorate, paint and renovate the leased premises as may be necessary to keep them in repair and good appearance. Should the Tenant fail to maintain the leased premises as described above, the Landlord may, at its option, perform such obligations on behalf of the Tenant with the cost thereof borne by the Tenant. The Tenant shall quit and surrender the leased premises at the end of the Term in good and "broom-clean" condition, subject to ordinary wear and tear; remove all of the Tenant's property and installations; repair all damages to the leased premises and the Building caused by the move; and restore the leased premises to its condition at the beginning of the Term.

If the Tenant fails to surrender the leased premises in good and clean condition as described above, the Landlord may withhold from the Tenant's Security Deposit the amount equivalent to the cost of the cleaning or repairs required to restore the leased premises to such condition. The Tenant shall not make any alterations, additions, or improvements to the leased premises, including modification to electrical, plumbing, or mechanical systems, without the prior written consent of the Landlord. All erections, alterations, additions and improvements, whether temporary or permanent in character, which may be made upon the leased premises either by the Landlord or the Tenant, except furniture or movable trade fixtures installed at the expense of the Tenant, shall be the property of the Landlord and shall remain upon and be surrendered with the leased premises at the expiration or termination of this Lease, without compensation to the Tenant. The Tenant further agrees to keep the leased premises and all parts thereof in a clean and sanitary condition and free from trash, inflammable material and other objectionable matter. If all or a part of the leased premises are on the ground floor, the Tenant further agrees to keep the sidewalks in front of such ground floor portion of the leased premises clean and free of obstructions, snow and ice.

15. Mechanics Liens:

The Tenant shall not allow any mechanic's liens to be filed against the Building.

If any mechanic's lien or other claim is filed against the leased premises or the Building as a result of alterations, additions or improvements made by the Tenant, the Landlord, at its option, after thirty days' notice to the Tenant, may terminate this Lease and may pay the lien, without inquiring into the validity thereof, and the Tenant shall forthwith reimburse the Landlord the total expense incurred by the Landlord in discharging the lien, as additional rent hereunder.

16. Liability of Landlord:

The Landlord is not responsible for loss or damage occurring in or about the leased premises.

The Landlord shall not be responsible for the loss of or damage to property, or injury to persons, occurring in or about the leased premises, by reason of any existing or future condition, defect, matter or thing in the leased premises, or for the acts, omissions or negligence of other persons or tenants in and about the property. The Tenant agrees to indemnify and save the Landlord harmless from all claims and liability for losses of or damage to property, or injuries to persons, occurring in or about the leased premises. The Tenant also agrees to be responsible for all damages to the leased premises or to the Building arising out of the use of the leased premises or the Building by the Tenant [or the Tenant's officers, employees, volunteers, agents, clientele, invitees or customers/family members or guests].

17. Right to Inspect and Exhibit:

The Landlord may enter the leased premises at reasonable times to make repairs or alterations, and to show it to potential buyers, lenders or tenants.

The Landlord, or its agents, shall have the right to enter the leased premises at reasonable hours during the day or night to examine the same, or to run telephone or other wires, or to make such repairs, additions or alterations as the Landlord shall deem necessary for the safety, preservation or restoration of the Building, or for the safety or convenience of the occupants or users thereof (there being no obligation, however, on the part of the Landlord to make any such repairs, additions or alterations). For three months prior to the expiration of the Term, the Landlord, or its agents, may exhibit the leased premises to prospective tenants, and may place the usual "To Let" signs thereon.

18. Damage by Fire, Explosion, the Elements or Otherwise:

In the event of certain damage to the leased premises, the Landlord and the Tenant shall have certain obligations/rights under this Lease.

If the leased premises or the Building are so damaged or destroyed by fire, explosion, the elements or otherwise during the Term, or previous thereto, as to render the leased premises wholly untenable or unfit for occupancy, or should the leased premises be so badly injured that the same cannot be repaired within ninety days from the happening of such injury, then the Term, at the option of the Landlord, shall cease and become null and void from the date of such damage or destruction. The Tenant shall immediately surrender the leased premises to the Landlord, and shall pay rent only to the time of such surrender, and the Landlord may re-enter and re-possess the leased premises thus discharged from this Lease and may remove all parties therefrom. Should the leased premises be rendered untenable and unfit for occupancy, but yet be repairable within ninety days from the happening of the injury, the Landlord may enter and repair the same with reasonable speed, and the rent shall not accrue after said injury or while repairs are being made, but shall recommence immediately after such repairs are completed. But if the leased premises shall be so slightly injured as not to be rendered untenable and unfit for occupancy, then the Landlord agrees to repair the same with reasonable promptness and in that case the rent accrued and accruing shall not cease. The Tenant shall immediately notify the Landlord in case of fire or other damage to the leased premises.

19. Signs:

No sign, advertisement or notice shall be affixed to or placed upon any part of the leased premises by the Tenant without the Landlord's prior written consent.

20. Subordination to Mortgages and Deeds of Trust:

The Landlord's lender(s) have certain rights with respect to this Lease.

This Lease is subject and is hereby subordinated to all present and future mortgages and other encumbrances affecting the leased premises or the Building. The Tenant agrees to execute, at no expense to the Landlord, any instrument which may be deemed necessary or desirable by the Landlord to further effect the subordination of this Lease to any such mortgage or encumbrance.

21. Sale of Leased Premises:

If the Landlord sells the leased premises or the Building, the Landlord or the purchaser may terminate this Lease upon giving the Tenant ninety days notice.

22. Rules and Regulations of Landlord:

- (1) The Tenant's use of the leased premises must not interfere with the mission, comfort or right of the Church, its members or other tenants.
- (2) Smoking is not permitted.
- (3) The Tenant must give the Landlord the keys to all locks. Doors must be locked at all times. Windows must be locked when the Tenant is out.
- (4) Dogs, cats, and other animals are not allowed in the leased premises.
- (5) The Tenant shall conserve energy.
- (6) Additional Rules as attached as Exhibit A to this Lease⁵

The Rules and regulations regarding the leased premises, as well as any other and further reasonable rules and regulations which may be made by the Landlord, shall be observed by the Tenant [and by the Tenant's officers, employees, volunteers, agents, clientele, invitees and customers/family members and guests]. The Landlord reserves the right to rescind any presently existing rules applicable to the leased premises, and to make such other and further reasonable rules as, in its judgment, may from time to time be necessary or desirable. Such new rules shall be effective upon notice to the Tenant and shall have the same force and effect as if originally made a part of this Lease. Such other and further rules shall not, however, be inconsistent with the proper and rightful enjoyment by the Tenant of the leased premises.

⁵ Additional rules may be added as an exhibit to this Lease or item (6) should be stricken.

23. Notices:

The Landlord’s address for notices is c/o _____ at _____

All notices and demands, legal or otherwise, incidental to this Lease, or the occupation of the leased premises, shall be in writing. If the Landlord desires to give or serve upon the Tenant any notice or demand, it shall be sufficient to send a copy thereof by registered mail, addressed to the Tenant at the leased premises, or to leave a copy thereof with a person of suitable age found on the leased premises, or to post a copy thereof upon the door to the leased premises. Before the expiration of the Term, the Tenant shall provide the Landlord in writing a new address for notices to be effective after the expiration of the Term. Notices from the Tenant to the Landlord shall be sent by registered mail or delivered to the Landlord at the address given in this Paragraph or to such party or place as the Landlord may from time to time designate in writing. Notices sent by registered mail shall be deemed received three (3) days after such notice is sent. Notices delivered to the Tenant at the leased premises shall be deemed received the date of delivery.

24. Bankruptcy, Insolvency, Assignment for the Benefit of Creditors:

The Landlord has certain rights if the Tenant becomes bankrupt or insolvent or assigns property for the benefit of its creditors.

If (1) the Tenant assigns property for the benefit of creditors, (2) the Tenant files a voluntary petition or an involuntary petition is filed against Tenant under any bankruptcy or insolvency law, or (3) a trustee or receiver of the Tenant or the Tenant’s property is appointed, the Landlord may give the Tenant 30 days notice of termination of this Lease. If any of the above is not fully dismissed within the 30 days, the Term shall end as of the date stated in the notice. The Tenant must continue to pay rent, damages, losses and expenses without offset.

25. Holding Over by Tenant:

The Landlord has certain rights if the Tenant does not vacate the leased premises at the end of the Term.

If the Tenant remains in the leased premises after the expiration of the Term without having executed a new written Lease with the Landlord, such holding over shall not constitute a renewal or extension of this Lease. The Landlord may, at its option, elect to treat the Tenant as one who has not removed at the end of his Term, and the

Landlord shall be entitled to all the remedies against the Tenant provided by law in that situation, or the Landlord may elect, at its option, to construe such holding over as a tenancy from month to month, subject to all the terms and conditions of this Lease, except as to duration thereof, and in that event the Tenant shall pay monthly rent in advance at the rate provided herein as effective during the last month of the Term and such additional rent in the manner described in Paragraph 6 above.

26. Eminent Domain, Condemnation:

The Landlord has certain rights if the Building or leased premises is taken by Eminent Domain.

If the property, the Building or any part of the leased premises is taken by public or quasi-public authority under any power of eminent domain or condemnation, this Lease, at the option of the Landlord, shall terminate and the Tenant shall have no claim or interest in or to any award of damages for such taking.

27. Delivery of Lease:

No rights are to be conferred upon the Tenant until this Lease has been signed by the Landlord, and an executed copy of the Lease has been delivered to the Tenant.

28. Lease Provisions Note Exclusive:

The Landlord's rights and remedies stated in this Lease are not exclusive, but are additional to all rights and remedies the Landlord would otherwise have by law.

29. Insurance:

The Tenant is required to carry the following types of insurance:

- (1) comprehensive insurance for general liability.
- (2) commercial property insurance (if an office use).
- (3) insurance against sexual misconduct if the Permitted Use involves children.
- (4) _____

[list any additional required insurance]

30. Real Estate Taxes:⁶

The Tenant is required to pay any real estate taxes levied on the leased premises as a result of the Tenant's use of the leased premises.

Estimated Tax Amount (if real estate taxes are payable after the end of the Term): \$ _____

Interest Rate (if the Tenant fails to reimburse the Landlord as required by this Paragraph): \$ _____

The Tenant shall pay real estate taxes levied on the leased premises for the Term imposed by the municipality in which the leased premises is located as a result of the Tenant's use of the leased premises, whether or not such taxes are actually payable during the Term. If such real estate taxes are payable after the expiration of the Term, the Tenant shall pay to the Landlord Estimated Tax Amount which represents the estimated amount of real estate tax that will be payable on the leased premises for the Term. If such amount is more than the amount of the actual tax payable, the Landlord will refund to the Tenant the difference between the Estimated Amount actually paid to the Landlord and the amount of the tax. The refund shall be paid to the Tenant within thirty (30) days after the

⁶ Note, the renting of space to certain entities or for certain uses can effect your real property tax-exempt status. As real estate taxes may vary by county or municipality, a local attorney should be contacted to assist with this "pass-through" tax provision to ensure that the Tenant is responsible for any real estate taxes levied due to the Tenant's use of the leased premises.

Landlord receives the statement of real estate taxes payable from the applicable municipality or county. The refund shall be sent to the Tenant at the address designated by the Tenant as its address for notices after the expiration of the Term as set forth in Paragraph 23 above. If the amount of the real estate taxes is greater than the estimated amount, the Landlord shall promptly notify the Tenant in writing of the difference between the actual tax and the Estimated Tax Amount paid to the Landlord. The Tenant shall pay to the Landlord the amount of such difference within thirty (30) days after notice. If the Tenant does not reimburse the Landlord for such difference within said thirty (30) day period, this amount shall bear interest, payable on demand, for each day until paid at the Interest Rate.

31. Not-For-Profit Tenants:

If the Tenant is a not-for-profit organization, the Tenant must provide proof of this status to the Landlord.

If the Tenant is a not-for-profit organization, on or before the commencement of the Term, the Tenant shall provide the Landlord with proof of its not-for-profit status reasonably acceptable to the Landlord. During the Term, if the Tenant is required to file a Form 990 with the Internal Revenue Service, the Tenant will provide the Landlord with a copy of its annual Form 990 within ten days after filing such Form, and will provide upon request from the Landlord any additional information or documentation regarding the Tenant's finances and not-for-profit status. If the not-for-profit status of the Tenant should change in any way during the Term, the Landlord may terminate this Lease. The Tenant shall immediately notify the Landlord in writing of any change in the Tenant's not-for-profit status.

32. Lease Binding on Heirs, Successors, Etc.:

This Lease is binding on all successors or assigns of the Landlord and the Tenant.

All of the terms, covenants and conditions of this Lease shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and assigns of the parties hereto. However, in the event of the death of the Tenant, if an individual, the Landlord may, at its option, terminate this Lease by notifying the executor or administrator of the Tenant at the leased premises.

33. Changes to Lease:

This Lease may only be changed by an amendment in writing signed by both the Landlord and the Tenant.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals the day and year first above written.

LANDLORD:

[insert name of Church]

By: _____
[the Rector]

By: _____
[Church Officer]

Approved by the vestry of _____
Church

By: _____
[Clerk]

TENANT:

Name: