

LEASE AGREEMENT

THIS LEASE is made by and between the SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS, a California non-profit religious corporation, which owns and operates the _____ SEVENTH-DAY ADVENTIST CHURCH, hereinafter referred to as "Lessor", and _____, hereinafter referred to as "Lessee", in reference to the following facts:

- A. Lessor is the owner of certain real property ("Premises") situated in the County of _____, commonly known as _____, California, upon which
(insert address)
Lessor operates and maintains church facilities.

- B. Lessee is a for profit organization which is desirous of using Lessor's property for it authorized activities as follows:

NOW THEREFORE, in consideration of the covenants and mutual promises of the respective parties, as hereinafter set forth, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the described Premises upon the following terms and conditions:

- 1) **Description of Premises.** The Premises leased to the Lessee by Lessor shall be limited to the following:
 - a) _____

 - approximately _____ square feet in area.
 - b) The parking lot.

- 2) **Term of Lease.** The term of this Lease shall be _____ months, commencing on _____ and expiring on _____.

- 3) **Renewals and Extensions.** Unless specifically stated in this Lease or included in a written addendum to this Lease, no right of renewal or extension is granted by the Lessor to the Lessee. If a written addendum provides for renewal or extension, the addendum shall provide for rent adjustments. Under no circumstance shall the right to renew or extend this Lease be granted for more than four renewal terms or extended for greater than four additional years. This restriction does not prevent the Lessor and Lessee from entering into additional subsequent Leases.

- 4) **Surrender of Premises; Holding Over.** Lessee shall have surrendered the Premises

when (a) the move-out date has passed and no one is using the Premise within Lessor's reasonable judgement; or (b) all Premise keys and access devices have been turned in to Lessor, whichever comes first. Upon surrendering the Premises, Lessee shall promptly surrender and deliver the Premises to Lessor in as good condition as received, reasonable wear and tear excepted. Lessee has no right to retain possession of the Premises or any part thereof after the termination of this Lease. Any holdover tenancy consented to by Lessor shall be from month to month at ten percent (10%) above the monthly rent payable in the month prior to the termination of this Lease and shall be subject to all of the terms and conditions of this Lease.

The consent by Lessor to allow the Lessee to hold over is not to be construed as or an agreement to a renewal of the lease. Lessor reserves all rights and powers described above as Remedies and Defaults.

5) **Rent.** As a material part of the consideration to be rendered to Lessor for the use of said Premises, Lessee agrees to pay Lessor a monthly rent of \$_____, due in advance of each month on the _____ day of each month. Said amount shall be paid to the _____ Church at _____, California, _____, or otherwise as Lessee is instructed by Lessor. Upon each anniversary of the starting date of this lease, monthly rent shall increase by _____% from the previous year, unless otherwise provided in any addendum that extends this Lease. There will be a seven (7) day grace period for lease payment. All late payments will incur a 10% penalty.

6) **Use of the Premises.** Lessee agrees to use said Premises for the limited purpose of conducting its commercial services and other related activities and for no other purpose without the prior written consent of Lessor.

a) Lessee also agrees to use said Premises only during the following times:

_____ - _____ AM to _____ PM.

_____ - _____ AM to _____ PM.

_____ - _____ AM to _____ PM.

Lessee agrees that it shall not use the Premises at other times without the prior written consent of Lessor.

b) After each use of the Premises Lessee agrees to:

(1) Return all chairs, tables, and other furniture used for its church services to their prior location or arrangement and in good order.

(2) Clean the kitchen floor, sinks, counter tops, and other kitchen equipment or furniture, after Lessee's use of the kitchen area or equipment and furniture.

- (3) Dispose of all food remnants and other trash in the designated trash containers.
 - (4) Turn off all lights, heating and air conditioning and kitchen appliances.
 - (5) Lock all doors.
- c) Lessee shall have the right to use parking spaces or parking areas near or adjacent to the Premises that are designated by Lessor for the use of Lessee and its employees, guests, and invitees. All such parking shall be on a nonexclusive, non-assigned basis and shall be used only during the times specified in this agreement, and for one hour before and one hour after said designated times. Lessee shall not use or permit its employees or invitees to use any spaces which have been specifically reserved by Lessor or for such other uses as have been designated by appropriate governmental entities as being restricted to certain uses. Lessee shall at all times comply and cause its employees and invitees to comply with any parking rules and regulations as Lessor may from time to time reasonably adopt. At no time will Lessee use any parking spaces for storage or containers of any type or description. Lessor assumes no liability or risk for any damage that may occur to the automobile or other property of Lessee, its employees, invitees, or others in any parking area of the Premises.
- d) Unless otherwise indicated herein, Lessee shall use its own sound system.
- e) Lessee agrees to pay Lessor for any damage that Lessee's use may cause to any of Lessor's furniture, appliances and equipment.
- 7) **Prohibited Activities.** Lessee shall, at no time, allow the use, consumption, manufacture or sale of tobacco products, vaping devices (e.g., e-cigarettes), alcoholic beverages, marijuana products, illegal drugs and illegal substances within said Premises and other buildings, other areas and parking lots of Lessor.
- 8) **Tax and Assessments.** Lessor represents that it is a tax-exempt organization and that it is entitled to a religious and/or welfare exemption from property taxes for the Leased Premises. Lessee, as a “for-profit” entity”, not entitled to the religious and/or welfare exemption agrees to pay and hold Lessor harmless for any property taxes assessed because of loss of exemptions related to that portion of property utilized by Lessee, in addition to the agreed rent. The Lessor agrees to inform the Lessee about the increase in taxes within twenty-five (25) days of such information becoming available to Lessor, and if Lessee does not accept the burden of additional taxes, Lessor shall have the right to terminate this Lease, without penalty or further obligation to Lessee.
- 9) **Use and Insurance Requirements.** Lessee shall not use or permit said Premises, or any part thereof, to be used for any purpose or purposes other than the agreed purpose for which said Premises are leased. Lessee shall not occupy or use said Premises in such a manner that would invalidate or increase the cost of any fire and liability insurance over the normal rates applicable to the activities of Lessee and Lessee shall, at its sole cost, comply with any and all requirements pertaining to the use of said Premises, of any insurance organization or company, necessary for maintenance of reasonable fire and

public liability insurance.

- 10) **Lessee's Liability Insurance.** Lessee shall maintain for the duration of this Lease, at its sole cost, general liability and property damage insurance policies covering said Premises and its use by Lessee in the amount of at least TWO MILLION DOLLARS (\$2,000,000.00) per occurrence with an annual aggregate of THREE MILLION DOLLARS (\$3,000,000.00). All general liability, property damage and fire policies shall name the _____ SEVENTH-DAY ADVENTIST CHURCH AND SOUTHERN CALIFORNIA CONFERENCE OF SEVENTH-DAY ADVENTISTS, THEIR OFFICERS, AGENTS, EMPLOYEES AND VOLUNTEERS, as additionally named insureds. The policies shall be issued by an insurer rated A Class VII or better. Lessee shall deliver to Lessor certificates of insurance and additional insured endorsements evidencing the existence and amounts of such insurance prior to or on the date of commencement of this Lease. Lessee shall not use or occupy the Premises until such certificates of insurance and additionally insured endorsements have been delivered.

No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days written notice to Lessor. Lessee shall, at least thirty (30) days prior to the expiration of such policies, furnish Lessor with renewals thereof.

Lessee understands and agrees that Lessor's general liability and property insurance policies do not cover Lessee's personal property housed at the Premises. Lessee understands and acknowledges that Lessee is advised to obtain property contents insurance at Lessee's sole expense to cover Lessee's personal property.

- 11) **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Lessor and its officers, employees, agents and volunteers from and against any and all claims, damages, costs or fees (including attorney's fees) of any kind or nature arising out of or related to the use or occupancy of the Premises by Lessee.
- 12) **Limitations of Liability.** Lessor shall not be liable for injury or damage to persons or property in or about the Premises, whether such damage or injury is caused by or results from any of the physical or mechanical aspects of the Premises, or from any other cause or any other conditions arising upon the Premises, or from other sources or places, except for the gross negligence or willful misconduct of Lessor. Notwithstanding Lessor's negligence or breach of this Lease, Lessor shall under no circumstances be liable for injury to Lessee's operations or for any loss of income or profit therefrom.
- 13) **Waste and Alterations.** Lessee shall not commit or suffer to be committed any waste upon said Premises. Lessee covenants that the Premises shall not be altered without the prior written consent of Lessor unless otherwise provided in this Lease. Unless otherwise agreed to by Lessor, Lessee agrees to return the leased Premises to Lessor in its original condition upon the termination of this Lease. Lessee shall be liable for any and all expenses incurred by Lessor in restoring the Premises to its original condition, reasonable wear and tear excepted.

- 14) **Maintenance by Lessor and Right of Re-entry.** Lessor shall maintain the structure, exterior and roof of the leased building, parking lot, driveways, sidewalks, sewer, plumbing, electrical wiring, air conditioning, heating and ventilation in good repair at all times. Lessee shall permit Lessor and its agents to enter into and upon said Premises, during the time of Lessee's use, at all reasonable times for the purpose of inspecting the same or for the purpose of making repairs.
- 15) **Assignment.** Lessee shall not assign its rights under this Lease, or any interest therein, and shall not sublet said Premises or any part thereof, or any right or privilege thereto, or suffer any other person to occupy or use said Premises, or any portion thereof, without the prior written consent of Lessor. Furthermore, this Lease shall not, nor any interest therein, be assignable, as to the interest of Lessee by operation of law, without the prior written consent of Lessor.
- 16) **Default.** Any of the following events or occurrences shall constitute a material breach of this Lease by Lessee and, after the expiration of any applicable grace period, shall constitute an event of default (each an Event of Default):
- a) The failure by Lessee to pay any amount in full when it is due under the Lease;
 - b) The failure by Lessee to perform any obligation under this Lease, which by its nature Lessee has no capacity to cure;
 - c) The failure by Lessee to perform any other obligation under this Lease, if the failure has continued for a period of ten (10) days after Lessor demands in writing that Lessee cure the failure. If, however, by its nature the failure cannot be cured within ten (10) days, Lessee may have a longer period as is necessary to cure the failure, but this is conditioned upon Lessee promptly commencing to cure within the ten (10) day period and thereafter diligently completing the cure. Lessee shall indemnify and defend Lessor against any liability, claim, damage, loss or penalty that may be threatened or may in fact arise from that failure during the period the failure is uncured.
 - d) Any of the following: A general assignment by Lessee for the benefit of Lessee's creditors; any voluntary filing, petition, or application by Lessee under any law relating to insolvency or bankruptcy, whether for a declaration of bankruptcy, a reorganization, an arrangement, or otherwise; the abandonment, vacation, or surrender of the Premises by Lessee without Lessor's prior written consent; or the dispossession of Lessee from the Premises (other than by Lessor) by process of law or otherwise;
 - e) The appointment of a trustee or receiver to take possession of all or substantially all of Lessee's assets; or the attachment, execution or other judicial seizure of all or substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, unless the appointment or attachment, execution, or seizure is discharged within thirty (30) days; or the involuntary filing against Lessee, or any general partner of Lessee if Lessee is a partnership, of

- (1) a petition to have Lessee, or any partner of Lessee if Lessee is a partnership, declared bankrupt, or
 - (2) a petition for reorganization or arrangement of Lessee under any law relating to insolvency or bankruptcy, unless, in the case of any involuntary filing, it is dismissed within sixty (60) days; or
- f) The abandonment of the Premises by Lessee.

17) **Remedies.**

- a) Upon the occurrence of an Event of Default, Lessor, in addition to any other rights or remedies available to Lessor at law or in equity, shall have the right to terminate this Lease and to recover possession of the Premises from Lessee. Upon the occurrence of an Event of Default, Lessor shall also have the right to re-enter the Premises and remove all persons and property from the Premises. Lessor may store the property removed from the Premises in a public warehouse or elsewhere at the expense and for the account of Lessee. Upon expiration of six (6) months, the Lessor is entitled to distribute, remove, or sell the Lessee's property to recoup the costs of moving, storing and disposing itself of the Lessee's property.
- b) No security or guaranty for the performance of Lessee's obligations that Lessor may now or later hold shall in any way constitute a bar or defense to any action initiated by Lessor for unlawful detainer or for the recovery of the Premises, for enforcement of any obligation of Lessee, or for the recovery of damages caused by a breach of this Lease by Lessee or by an Event of Default.
- c) Except where this is inconsistent with or contrary to any provisions of this Lease, no right or remedy conferred upon or reserved to either party is intended to be exclusive of any other right or remedy, or any right or remedy given or now or later existing at law or in equity or by statute.

18) **Notices.**

- a) Form of Notice. All notices provided for under this Lease must be in writing and addressed to the parties to this agreement at the addresses shown below;

Lessor: Asset Management Department
 Southern California Conference of Seventh-day Adventists
 1535 E. Chevy Chase Drive
 Glendale, CA 91206

Lessee:

_____ Name

Address

Address

- b) Method of Notice. Notices must be given by (i) personal delivery, (ii) a nationally recognized, next-day courier service, (iii) first-class registered or certified mail, postage prepaid;
 - c) Receipt of Notice. A notice will be effective upon receipt by the party to which it is given or, if mailed, upon the earlier of receipt or the third business day following mailing.
- 19) **Attorneys' Fees.** If any action or proceeding at law or in equity is brought to recover any rent or other sums under this Lease, or for or on account of any breach of or to enforce or interpret any of the covenants, terms, or conditions of this Lease, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees as part of the prevailing party's costs.
- 20) **Counterparts and Facsimile Signatures.** This Lease may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Lease may be executed and delivered by facsimile or other electronic signature (including portable document format) by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received.
- 21) **Miscellaneous Provisions.**
- a) This Lease is subject and subordinate to all existing agreements and to all mortgages and deeds of trust which may now or hereafter affect the real property of which said Premises form a part, and to all renewals, modifications, replacements and extensions thereof. Lessee agrees to execute any instruments for the benefit of Lessor as may be necessary to effectuate this provision.
 - b) The waiver by Lessor of any breach of any term, covenant, or condition herein contained, shall not be deemed to be a waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained, and the acceptance of rent shall not constitute a waiver of any breach of any term of this Lease, except for the payment of rent accepted.
 - c) Each party agrees, on demand, to execute and deliver to any other party or parties to this Lease such other documents and shall take such other action as may be reasonably required to carry out the terms and purposes of this Lease.
 - d) This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

- e) This Lease supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Lease which is not contained herein shall be valid or binding, unless executed in writing, signed by all parties to this agreement, and said agreement, addendum, statement, amendment or promise specifically refers to this lease agreement.
- f) Any individual signing this Lease on behalf of a corporation or partnership represents and warrants that he or she has the full authority to sign this Lease on behalf of the corporation or partnership which he or she represents and the authority to bind said corporation or partnership to the terms of this Lease.
- g) The Lease has been negotiated and entered into in the State of California, and shall be governed by, construed and enforced in accordance with the laws of the State of California.
- h) **Severability.** If any provision of this Lease or the application thereof shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of this Lease nor the application of the provision to other persons, entities or circumstances shall be affected thereby, but instead shall be enforced to the maximum extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on this _____ day of _____, 20_____.

Lessor:

**SOUTHERN CALIFORNIA CONFERENCE
OF SEVENTH-DAY ADVENTISTS**

By: _____
Warren Tetz
Director, Asset/Risk Management
AssetMgmt@scsda.org; (818) 546-8420

_____ **SEVENTH-DAY
ADVENTIST CHURCH**

By: _____
_____, **Pastor**

_____ (e-mail)
_____ (phone)

By: _____
_____, **Treasurer**

_____ (e-mail)
_____ (phone)

Lessee:

By: _____
_____ (printed name)
_____ (title)
_____ (e-mail)
_____ (phone)