



Presbytery of the Cascades

503-227-5486

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Portland, OR 97239

Presbytery of the Cascades
Lease Template
Updated February 2024

This lease template and the accompanying “Lease Cover Letter to Lessee” was updated in May of 2021, incorporating verbiage around Covid-19 precautions and guidelines. Please use the accompanying “Lease Covid Cover Letter to Lessee” for all leases for church property.

Also, please note these lease approval requirements as per the Trustees Manual of Operations:

- 1). *“A particular church shall not lease its real property used for purposes of worship, or lease for more than five years any of its other real property, without the written permission of the Presbytery transmitted through the session of the particular church.” (G-4.0206b)*
- 2). *Any lease involving the use of the sanctuary or any lease extending more than five years shall be submitted to the Board of Trustees for recommendation to Presbytery. The Board of Trustees shall pay particular attention to the liability issues involved.*
- 3). *As part of the request to Presbytery for approval of such a lease, a congregation shall submit a copy of the certificate of insurance of the potential lessee in an amount equal to or greater than the coverage of the Presbyterypolicy/standards.*

If you are drafting a lease that meets any of the above criteria, please submit a copy of it to the Board of Trustees for approval by forwarding the lease to: mrm@potc.life

Information regarding the meeting schedule for the Trustees can also be found on the Presbytery website (<https://www.cascadespresbytery.org/calendar/>) or by emailing Missional Resource Manager, Thomas Lundy, staff liaison to the Board of Trustees mrm@potc.life or calling: 503.227.5486

LEASE

LESSOR: [CHURCH NAME] (the “Church”), a Washington non-profit corporation, located at [church address, city, state, zip]

LESSEE: [ORGANIZATION NAME] (the “[organization name]”), a Washington non-profit corporation located at [organization address, city, state, zip]

Lessor hereby agrees to lease to Lessee certain portions (the “Facilities”) of the church building controlled by the Lessor, on the following terms and conditions subject to the prior approval by the Trustees of Presbytery of the Cascades where required. *Comment: All leases of real property for worship purposes and all leases of more than five (5) years require the written approval of the Presbytery Trustees. Book of Order G-4.0206b.*

GENERAL TERMS OF USE

1. FACILITIES:

(a) The Facilities included in this Lease are located at [church name, address, city, state, zip] (the “Building”). The Facilities are a portion of [property location specifications per real property account, taxing city, taxing county]. The Facilities as defined herein are: [list and describe church room(s) identification names, equipment, furniture, and other spaces]. Parking lots and parking facilities are explicitly considered part of the Facilities in this Lease.

(b) Lessor will have regular use of the Facilities at all times other than as specified in Section 2 stipulating Lessee’s Time of Use under this Lease. Lessee shall ensure to the best of its ability that none of Lessor’s equipment or property whether owned or leased is damaged, lost or stolen during such use of the Facilities and/or Lessor’s property.

(c) Lessee shall not erect any exterior structures (e.g., signage and outdoor furniture) without Lessor’s written approval.

2. TIME OF USE:

(a) The Facilities are leased by the Lessor to the Lessee for the period [days of week] between the hours [time of day] plus any written mutually agreed schedule which by this reference is incorporated into and made a part of this Lease, if any. Use of the Facilities by Lessee at any other time is subject to the prior consent of Lessor and any and all local, state and federal regulations or guidelines pertaining to declared public health emergency or other public health concerns, as such regulations may be amended from time to time.

(b) Use of the Facilities is subject to the requirements contained in the attached “Building Use Rules and Regulations” which by this reference is incorporated into and made a part of this Lease. However, such building use regulations may be changed by Lessor at its discretion at any time and may be restricted by local, state or federal guidelines without advance notice. Lessor shall, however, give Lessee prior notice of any changes to the regulations.

3. TERM:

(a) The term of this Lease shall be for a period of [from through dates]. Any holding over by the Lessee after the expiration of the term of this Lease or any extension thereof shall be as tenancy from month to month on the terms of this Lease agreement except that the rent

amount shall increase one hundred and fifty percent (150%) and shall not negate any provision or condition of this lease unless Lessor has prior agreed in writing to a longer extension or a different provision or condition.

(b) At the expiration of the Lease or upon any sooner termination, Lessee will quit and deliver up the Facilities and all future erections or additions to or upon the Lessor, peaceably, quietly and in good order and condition, reasonable wear and use thereof excepted, as the same now exists or may be established by Lessor. All of Lessee's moveable interior equipment not permanently attached to walls or to floors shall be retained by the Lessee. Any exterior structures constructed by Lessee, [e.g., signage, outdoor furniture] shall remain as property of Lessee.

4. NOTICE:

During the term of this Lease either Lessor or Lessee may terminate or cancel the Lease without penalty. Both parties agree to give reasonable notice to the other, should either decide to terminate or cancel the lease. Preferably, notice would be given [period of time] in advance, to allow the other party adequate time to make necessary arrangements. If [same period of time] is not possible, a minimum of [new period of time] notice must be offered to the other party.

5. RENT:

Lessee agrees to pay Lessor, on or before the [day of the month] day of each month, \$[amount] for rent. Payment of rent shall be constituted by the physical receipt of payment by the Lessor.

6. DEFAULT:

If the Rent shall be in arrears for ten (10) calendar days after written notice from Lessor or if Lessee shall neglect or fail to do or perform and observe any of the covenants herein contained which on said Lessee's part are to be performed within thirty (30) days of written notice from Lessor (or such longer time as may be reasonably necessary to effectuate a cure, provided that Lessee is diligently pursuing such cure), then and in either of said events Lessor Lawfully may, immediately or any time thereafter, and while said neglect or default continues, and without further notice or demand, enter into and upon the Facilities or any part thereof in the name of the whole and repossess the Lessor's former estate and expel Lessee and those claiming through Lessee and remove Lessee's effects without being taken or deemed guilty in any manner of trespass, and without prejudice of any of the remedies which might otherwise be used for arrearage of Rent or breach of covenant.

7. UTILITIES:

Lessee agrees to pay its pro-rata share of all utilities used in and for the Facilities during the term of the Lease. Lessee's pro-rata share shall be [written numerical pro-rata percent as a proportion of the Facility size and/or time usage] of the utilities costs for the entire building. Utilities are defined to include fuel oil, electricity, natural gas, water and sewage and any other service identified by Lessor. Lessee shall pay all costs incurred for its own phones and/or phone line services and internet services and/or equipment. Lessee's pro-rata share of utilities as given above shall be in addition to the Rent amount stipulated in Section 5 and shall accompany each periodic Rent payment. In addition, Lessee's pro-rata share of utilities shall be governed by the Default conditions of Section 6. *Comment: A church is better served by using the above process to account for utility cost. However, it may be easier to include the cost of utilities into the rent*

as part of Section 5 even though the actual costs may not be totally accurate. If this approach is taken and if the lease is long and has no automatic escalation clause, add language to allow a review and revision of the rent at least every two (2) years to account for any significant utility costs changes.

8. LIABILITY INSURANCE:

Lessee agrees at all times during the term of this Lease, at its own expense, to maintain, furnish and deliver to Lessor liability insurance policies in form and with an insurer reasonably satisfactory to the Lessor. Such policy shall insure both the Lessor and the Presbytery of the Cascades (with Lessor's and the Presbytery's interest being that of an additional insured) and Lessee against all liability for claims or damages to person(s) or property in or about the Facilities during Lessee's use of the Facilities. The amount of said liability insurance shall not be less than \$1,000,000 per occurrence for bodily injury and property damage. Lessor shall be solely responsible for procuring insurance to cover its own activities in the Building.

9. DAMAGE AND INDEMNITY

“Lessee shall hold harmless and indemnify Lessor and the Presbytery of the Cascades from and against any and all claims, actions, suits, damages, judgments, losses, costs, charges, and expenses of any nature whatsoever (including, without limitation, attorneys' fees, costs and disbursements whether or not an action is brought, on appeal or otherwise) suffered or incurred by Lessee, Lessee's members or Lessee's guests stemming from its use of the Building (including the Facilities), and including the infection of COVID-19, exposures of COVID-19 or any other illness or any other injury arising from Lessee's use of the Facilities, including but not limited to, liability and claims arising from the Lessor's negligent acts.”

10. TAXES:

(a) Personal Property Taxes. Tenant will pay any personal property taxes assessed on or attributable to any personal property owned by Tenant and located on the Premises.

(b) Real Property Taxes. Landlord's Property is exempt from real or personal property taxes. Should Tenant's use of the Premises cause all or any portion of the Property, including the Premises, to become non-exempt, Tenant will pay when due all real property taxes and all other fees and assessments attributable to the Premises and, promptly after payment, will provide Landlord with evidence reasonably satisfactory to Landlord that such taxes have been timely paid. If Tenant fails to pay when due any taxes affecting the Property or the Premises, Landlord will have the right, but not the obligation, to pay such taxes and invoice Tenant for the full amount of the taxes paid by Landlord on Tenant's behalf and charge the amount back to Tenant with interest at the rate of fifteen percent (15%) per annum and subject to a late charge in an amount equal to fifteen percent (15%) of the amount of such late payment, due by 5:00 pm on the following day. Such amounts paid by Landlord on behalf of Tenant are due and payable on demand. Landlord may exercise any and all remedies available to it at law and/or equity in order to collect such payment. Acceptance of any untimely payment by Tenant or voluntary payment by Tenant to Landlord to reimburse Landlord for any taxes paid by Landlord on behalf of Tenant shall not constitute a waiver of any remedy at law and/or equity as a result of Tenant's failure to pay such tax, assessment, or charge when due.

11. LIENS:

Lessee shall not permit any lien of any kind, type or description or duration to be placed or imposed upon the Facilities, the Building, or any part thereof or upon the real property upon which it stands.

12. MAINTENANCE AND REPAIR:

(a) Lessee's Responsibilities:

During Lessee's use of the Facilities, Lessee shall maintain the Facilities in a clean and safe manner.

Lessee shall ensure, through its own workforce or use of a custodial service, the cleaning of the Facilities prior to use by Lessor in compliance with any local, state or federal guidelines to stop the spread of COVID-19 and other communicable diseases.

Lessee shall not overload the floors in such a way as to cause any undue or serious stress or strain upon the Facilities.

Lessee shall not do or permit anything which would increase the fire hazard to the Facilities nor which would increase the fire insurance rates on the Facilities. If Lessor's fire insurance rates are increased as a result of Lessee's use or misuse of the Facilities, Lessee agrees to reimburse the full amount of such increase in insurance expense to Lessor upon request, documentation, and itemization of the increase by the Lessor's insurer. *Comment: If Lessee caused such an increase it should be responsible for it, so to continue the good and useful utility of the real property by all parties.*

Lessee will provide and maintain adequate custodial supplies for Lessee's customary and pro-rata use of the Facilities including: restroom supplies, waste receptacles, toilet paper, soap, paper towels, and additional cleaning supplies as needed to remain in compliance with the additional sanitary requirements under local, state and federal regulations. *Comment: If Lessor provides this service, change "Lessee" to "Lessor" and think about what the costs may be and if it needs to be built into the rent.*

Lessee shall keep Lessee's personal property in (list and describe specific room(s); closet(s); behind divider, etc.) when the Facilities are not being used by Lessee. Lessee shall be responsible for restoring Lessee's personal property from its storage.

Lessee shall abide by all local, state and federal laws and regulations, including but not limited to, regulations imposed by Washington and Federal Occupational Safety and Health Administration ("OSHA"), the Washington Department of Health ("DOH"), and all applicable executive orders issued by the Washington Governor and/or the President of the United States, as such regulations may be amended from time to time.

(b) Lessor's Responsibilities:

Lessor, at its sole cost and expense except as otherwise specifically provided in this Lease, shall maintain the Building in good condition and repair and in a clean and safe manner.

Lessor shall provide and maintain adequate custodial supplies for its customary use of the Building. Lessor shall provide and maintain electric light bulbs and fire extinguishers for the entire Building.

Lessor reserves the right to make any structural or cosmetic changes to the Facilities at any time, but will advise Lessee of any such changes. Major alterations that impede the day-to-day use by Lessee, short of unforeseen emergencies, shall require thirty (30) days' written notice to Lessee. Lessor shall use its best efforts to cause such alterations, repairs or improvements to be performed in a quality, workmanlike manner that is designed to minimize interference with Lessee's use and operation in the Facilities.

13. THIRD PARTY USE AND LESSEE'S REPRESENTATIONS AND WARRANTIES:

Lessee shall not sublet or allow any third party to use any part of the Facilities. Lessee represents and warrants that it will require all officers, agents, employees, invitees and guests to adhere with all local, state and federal regulations concerning COVID-19 or any other declared pandemic at all times while located on the Facilities. Lessee further represents and warrants that it is solely responsible for overseeing and ensuring that all officers, agents, employees, invitees and guests adhere with such regulations at all times while using the Building or the Facilities. Lessee takes sole responsibility for remedying any actions in violation of such regulations, whether that responsibility is financial or otherwise.

14. BULLETIN BOARDS:

Bulletin boards in the Facilities are reserved for announcement of Lessor's activities and for groups authorized by the Lessor. Any displays attached by Lessee to walls shall first be approved in writing by Lessor and be fastened in such a way as to not damage the walls (i.e., drafting tape shall be used and not masking tape, pins or hooks).

15. PARKING LOT:

Lessee and its members and guests may use the Parking Lot(s) during Lessee's time of use of the Facilities. Lessee shall assume full responsibility for safety on the Parking Lot(s) during Lessee's time of use. Lessor shall assume full responsibility for safety on the Parking Lot(s) at all other times.

16. EMERGENCY REPAIRS:

Should extraordinary unexpected, non-structural damage occur to Facilities (e.g., floods, sewer-line breaks, water-line breaks, wind/hail damage), Lessor shall pay for such repair costs and charge to Lessee its pro rata share of expenses unless otherwise agreed to in a writing signed by both parties.

When appropriate, each party will pursue insurance claims and any such insurance coverage will go towards each party's pro rata share of repair expenses. In the event the insurance coverage is insufficient to cover the cost of repair, each party will be responsible for the remainder of its pro rata share.

Alternative: If extraordinary cleaning is required to the Facilities due to unforeseen circumstances (e.g. flood, sewer line break) not the fault of either party hereto, both parties agree to pay fifty percent (50%) of any such cleaning costs applicable to the Facilities. Each party will pursue insurance claims, as appropriate.

ACCOUNTABILITY

17. LIAISON COMMITTEE

There shall be a Liaison Committee consisting of at least one person representing the Lessee and one person representing the Lessor. The Liaison Committee shall meet twice a year or as needed. The Liaison committee shall:

Determine procedures for coordination of activities that satisfy the terms and conditions of this lease.

Consider any proposed changes and/or alterations in the areas covered by this Lease, in the Facilities, or in permanent equipment.

Attempt to address and resolve any questions or conflicts involved in the Lessor/Lessee relations.

The members of the Liaison Committee shall act reasonably and in good faith in discussing and negotiating the above or any other item, but in the event the Liaison Committee is unable to agree, the terms of this Lease shall prevail.

18. ARBITRATION:

Any dispute arising from this Lease shall be submitted to binding arbitration through the American Arbitration Association.

19. ATTORNEY FEES:

If Lessee defaults hereunder and Lessor retains an attorney to secure possession of the Facilities or to collect delinquent Rent, Lessee agrees to pay Lessor’s attorneys’ fees and costs incurred by Lessor in respect thereto. Furthermore, in any dispute submitted to arbitration, the prevailing party (as determined by the arbitrator) shall be entitled to recover its reasonable attorneys’ fees and costs incurred. The arbitrator shall determine such award.

20. ANTITHETICAL ACIONS:

If Lessee commits any act or does anything which is determined, in Lessor’s sole discretion, which injures, tarnishes damages, or negatively effects the reputation and goodwill associated with Lessor, Lessor shall be entitled to exercise any remedies set forth in this Lease or available at law or equity immediately upon discovery of such action and, notwithstanding any other provision in this Lease, Lessor shall have no cure period for any violation hereunder.

21. NONPROFIT USE AND SAVINGS BELOW MARKET RENT:

Lessor and Lessee acknowledge and affirm (i) that both Lessor and Lessee are nonprofit entities, (ii) that both are exempt from taxation under IRC 501(c)(3), (iii) that the use of the leased property has been and will remain during the lease term for nonprofit purposes only, and (iv) that the rent payable under the lease has been established to reflect the savings below market rent resulting from the exemption from taxation of both Lessor and Lessee.

IN WITNESS WHEREOF, the parties have executed this Lease as of the dates written below.

Lessor [church name]

By: _____

Date: _____

Print Name: _____

Title: _____

Lessee [legal name]

By: _____

Date: _____

Print Name: _____

Title: _____