

LEASE AND SHARED USE AGREEMENT

THIS LEASE AND SHARED USE AGREEMENT (“Lease”) is entered into this _____ day of _____, 2020 (“Effective Date”) between the KIRK IN THE HILLS (“the Kirk”), a Michigan not-for-profit corporation, and the SYNOD OF THE COVENANT (“SOC”), an Ohio not-for-profit corporation, each of which may also be referred to as a “Party” or collectively as the “Parties”.

WHEREAS SOC’s corporate offices are too large for its purposes, and SOC needs an office space within which to conduct its ministry; and

WHEREAS, the Kirk has one room, containing approximately 400 square feet, that it is willing and able to lease to SOC on the terms and conditions provided below.

NOW THEREFORE, the parties agree as follows:

1. Leased Premises: Beginning September 14, 2020 (the “Commencement Date”), on the terms and conditions provided herein, the Kirk leases to SOC, and SOC hereby leases from the Kirk, the office space shown on the site plan attached hereto (the “Office” or the “Leased Premises”), together with non-exclusive rights appurtenant for ingress and egress, parking and storage, as more specifically set forth herein.
2. Lease Term: This Lease shall be for a term (the “Term”) of one (1) year from and after the Commencement Date, which term shall be automatically extended from year to year, unless either Party gives the other written notice of its intent not to extend the Lease at least 90 days before the expiration of the Lease Term; provided however, that either Party may terminate the Lease at any time, with or without cause, on 90 days’ written notice to the other. SOC will provide a security deposit in the amount of one month’s Rent (the “Security Deposit”), prior to occupying the room. If Tenant does not vacate the Premises at the end of the Term or otherwise upon termination of this Lease, such holding over shall constitute a month-to-month tenancy at 150 percent of the then existing Rent until properly surrendered and vacated.
3. Rent: During the term of this Lease, SOC shall pay the Kirk rent of \$1,000 per month (“Rent”), which payment shall include utilities, ordinary housekeeping, pest control, routine maintenance, and access to the Kirk’s internet and/or WiFi. Monthly Rent shall be due, payable and received in immediately

available funds on or before the first day of each month and payments shall be mailed or hand delivered to the Kirk at the Church office, which is located on the same property as the Office, or at such other address as the Kirk may designate in writing. The rental income will be used for Mission as designated by Session.

4. Use of Leased Premises: Regular SOC staff to be housed in the Leased Premises will initially be the full-time Executive, the part time office manager, and part-time Stated Clerk (the "Permitted Use") and in a manner consistent with all applicable building, safety, zoning and applicable environmental laws and regulations (collectively, the "Applicable Laws") and for no other purposes whatsoever. Further, SOC covenants not to use the Leased Premises for any purpose inconsistent with the ministry of the Kirk. Small meetings may occur in the Leased Premises and the Synod may request space at the Kirk for other meetings or events conducted in a manner which does not interfere with the Kirk's operations, subject to availability and the advance approval of the Kirk. SOC shall comply with all rules and regulations regarding the use of the Leased Premises, including ingress, egress and the parking lot as established by the Kirk from time to time. SOC shall be solely responsible for the safety and security of its own property.

Before Commencement, the Office will be cleared of all furniture. SOC shall be permitted to repaint, re-carpet and replace any or all window treatments in the Office at its own expense and in a manner consistent with all Applicable Laws and shall apply for and receive any required permits and certificate of occupancy, if required, at its sole expense. All furniture and office equipment will be provided by SOC. SOC has inspected the Leased Premises and accepts them in their current "as-is, where-is condition", without representation or warranty of the Kirk as to condition. Subject to the express terms hereof, SOC shall surrender and deliver the Leased Premises in the same or better condition, free of all personal property and debris at Lease termination. Tenant shall promptly repair all damage to the Leased Premises during the Term of this Lease, failure of which for 15 days, shall permit, but not require, the Kirk to undertake the repair at SOC's sole cost and expense which shall be considered additional Rent hereunder.

In addition to its use of the Office, SOC shall have the non-exclusive right to use the Kirk's refrigerator, restrooms and common areas and facilities on the Kirk property to the extent reasonable and incident to the Permitted Use.

5. Mailbox: The Kirk shall provide an internal mailbox for SOC mail delivery, which shall begin on or after September 14, 2020.
6. Use of Attic Space: Beginning August 3, 2020, SOC may store boxes of books in the "Attic" until soon after September 14, 2020. After September 14, 2020, SOC may place no more than six large filing cabinets in the Attic of the Kirk for storage of SOC's archived records and solely within the space designated by the Kirk within the Attic.
7. Signage: At its sole expense, SOC may install interior directional signs consistent with the style and design of the Church. Before installing any such sign(s), SOC shall present a sketch of the proposed sign(s) to the Kirk for approval, which approval shall not be unreasonably withheld. All such signs must comply with Applicable Laws.
8. Electrical Access: SOC may install a copy machine in the office. The Kirk shall ensure that a NEMA 5-20, 120 VAC, 60 Hz 20 AMP outlet is available in the Office at the sole cost and expense of SOC, if any.
9. Future Changes to Physical Space: SOC may request in the future physical changes inside the Office, such as installing interior walls to form an interior office. SOC must present detailed plans and obtain all required permits, and the sole power to approve or deny such a request belongs to the Kirk. SOC shall bear all expenses related to implementing any approved plans, as well as to restore the Office to its original condition as of the Commencement date.
10. Insurance: At all times during the term of this lease, SOC shall maintain in full force and effect and shall pay all premiums for, a minimum of the following policies of insurance, naming the Kirk as an additional named insured, as their interests appear. The policies must be in a form reasonably acceptable and from a company licensed within the State of Michigan and reasonably satisfactory to the Kirk. All policies of insurance shall also contain mutual waiver of subrogation clauses satisfactory to the Kirk; and SOC and the Kirk, and all parties claiming under them, mutually release and discharge each other from all claims and liabilities arising from or caused by any hazards covered by insurance on the Leased Premises or covered by insurance in connection with property on or activities conducted on the Leased Premises regardless of the cause of the damage or loss. The policies must also include provisions for a minimum of thirty (30) days advance written notice to the Kirk of any intended cancellation or non-renewal.

- a. Comprehensive general public liability insurance against claims for bodily injury, death and property damage occurring in, on or about the Office in the amount of not less the Three Million (\$3,000,000) Dollars in case of bodily injury or death to a person; Five Thousand (\$5,000) Dollars in case of property damage; and
 - b. Insurance covering buildings, furnishings, equipment and improvements in the amount of Three Million (\$3,000,000) Dollars against all casualties included under standard insurance industry practices within the classification of "wind, fire and extended coverage and vandalism and malicious mischief."
 - c. SOC must also carry workers' compensation coverage in compliance with state law.
 - d. SOC shall deliver satisfactory evidence of such policies to the Kirk prior to Commencement and prior to any expiration prior to policy renewals.
11. Personal Property: All personal property placed or moved into the Office shall be at the risk of SOC or the owner thereof; the Kirk shall not be liable for any damage to said personal property.
12. Casualty: If the Office is destroyed or is so damaged or injured by fire or other casualty during the term of this lease, to the extent the Office is rendered untenable, the Kirk shall have the right to cancel this Lease, and in the event of such cancellation, the rent shall be paid only to the date of such fire or casualty. The cancellation shall be in writing. The Kirk shall not be liable for any damage or loss of fire due to interruption of electrical service, loss of heating, cooling, bursting pipes, water damage or other casualty.
13. Right of Entry: During the duration of this Lease, the Kirk, its officers, agents and representatives, shall have the right to enter the Office during reasonable hours to examine the same and to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation thereof or of the building.
14. Default: SOC shall be in default on this Lease on occurrence of one or more of the following events:
- a. SOC's failure to pay Rent or any other sum due pursuant to this Lease for a period of 3 days after written notice to SOC from the Kirk;

- b. SOC's failure to perform any of the conditions and covenants of this Lease (other than payment of money to the Kirk) for a period of 10 days after written notice from the Kirk to SOC;
- c. An attachment or execution against SOC's property or interest under this Lease which is not satisfied or released within 30 days thereafter;
- d. SOC's abandonment of the Leased Premises.

On SOC's default of this Lease, the Kirk shall have any and all legal rights and remedies provided by Michigan law. The Kirk's rights shall be cumulative and failure to exercise any right promptly or a single waiver of any such right shall not be construed as a waiver or future waiver of said right.

- 15. Notices: Written notices mailed or hand delivered to the Office or to the Kirk at the Church office, both of which will be located within the same property, shall constitute sufficient notice to comply with the terms of this Lease.
- 16. Costs and Fees: If either party shall seek judicial recourse to enforce this Lease, the prevailing party shall be liable to pay the other party's reasonable attorney's fees and costs, incurred in the enforcement hereof, without limitation for all appellate, administrative, bankruptcy and judicial proceedings.
- 17. Severability: If any provision of this Lease shall be invalid or unenforceable, the remainder of this Lease and shall not be affected thereby.
- 18. Choice of Law: This Lease shall be governed by Michigan law.
- 19. Conclusion of Lease: Whenever the lease ends, SOC will bear the cost to restore the room to its original setting to include, at the sole discretion of the Kirk, the removal of any walls, partitions, doors, etc.
- 20. Assignment and Subletting. SOC may not assign, sublet, or otherwise transfer or convey its interest, or any portion of its interest, in the Leased Premises, or allow any third-party to occupy the Leased Premises without the prior written consent of the Kirk. The Kirk shall have sole discretion regarding its approval of proposed assignments or subleases.
- 21. Indemnity. Tenant agrees to indemnify and defend the Kirk against and hold the Kirk harmless from any liability, loss, damage, cost, or expense (including

attorney fees) based on any claim, demand, suit, or action by any person or entity with respect to any personal injury (including death) or property damages, from any cause regarding SOC's use of the Leased Premises, except for liability resulting from the intentional acts or gross negligence of the Kirk or its employees or agents.

IN WITNESS WHEREOF, the Parties have executed this Lease on the Effective Date as set forth above.

SYNOD OF THE COVENANT

By: _____

Witness

Print Name: _____

Its: _____

Witness

Date: _____

THE KIRK IN THE HILLS

By: _____

Witness

Print Name: _____

Its: _____

Witness

Date: _____