

[Letterhead of Church]

November ___, 2015

Ms. Wendy Shenk-Evans, Director
Christian Family Montessori School
201 Allison St., NW Ste. B
Washington, DC 20011

Re: Lease with St. Paul's Church Rock Creek Parish

Dear Ms. Shenk-Evans,

Representatives of Christian Family Montessori School (the "School") have raised several concerns regarding the School's use of facilities at St. Paul's Church Rock Creek Parish since the School began its operations on site in 2011. The Vestry of St. Paul's Church (the "Landlord") has given due consideration to these concerns and has undertaken a review of the lease agreement, dated March 8, 2011 (the "Lease Agreement"), pursuant to which the Landlord leased certain of its facilities to the School as described in the Lease Agreement, in order to address them. I am sending this letter on behalf of the Vestry to address some of these concerns.

The Landlord is of the view that the provisions of the Lease Agreement, which address many of these issues and concerns, are dispositive and provide adequate guidance to the parties of their rights, obligations and conduct under the Lease Agreement. As discussed below, the Lease Agreement provides as follows about these issues and concerns. Please note that defined terms used below have the meaning given such terms in the Lease Agreement and the exhibits thereto unless otherwise defined in this letter.

- *Security Costs.* The Lease Agreement provides for the use by the School of certain portions of the Building from 7am to 7pm Mondays through Fridays and 8am to 5pm Saturdays. In addition, the School may use portions of the Building and Grounds at other times, to the extent and as provided in the Lease Agreement; however, the School does not have use of the Building and Grounds on December 24th and December 25th of any year (such dates and times are collectively referred to in this letter as the "Tenant Occupancy Periods"). (Sections 1.01, 1.02 and 1.03)

The Landlord has the right pursuant to Section 1.04 of the Lease Agreement to charge the School for the Landlord's security systems or personnel costs incurred for the School's use of the Building and Grounds after the end of a Tenant Occupancy Period.

In order for the School to avoid incurring charges for the Landlord's security systems or personnel, the School should vacate the premises timely. The Landlord's security personnel may begin an inspection of and secure those areas leased to and used by the School after the end of any Tenant Occupancy Period. The School's failure to vacate the premises timely by the end of a Tenant Occupancy Period (for example by 7pm on a Monday) may result in additional amounts owed by the School to the Landlord. The School may be subject to charges for such security costs if it fails to timely vacate the premises by the end of a

Tenant Occupancy Period even if other persons may be using different portions of the Building and Grounds at the end of that Tenant Occupancy Period.

• *Common Areas in the Building.* While a summary description of the facilities leased to the School is included on the page titled “Basic Lease Information” in the Lease Agreement, a more detailed description is included in Article I, which provides that the School leases the School Wing and the Dining Hall in the Building during the times specified in the Lease Agreement. In addition, the School has the right to use areas within the Building during specified times, which are referred to in this letter as Tenant Occupancy Periods, “in common with others” and to use the Church’s Grounds as shown on exhibits to the Lease Agreement.

Even though common areas are not designated on the exhibits to the Lease Agreement, such term is generally understood to mean that part of a premises that is used by all tenants, and for which the landlord retains control and has responsibility for maintaining in a reasonably safe condition, such as a stairway.

The students and staff of the School customarily access the Dining Hall from the School Wing by walking through the Building’s Gallery. As such term is applied within the context of the School’s use of facilities in the Building, it is reasonable to treat areas within the Gallery as common areas since students and staff of the School use the area as a passageway between the School Wing and the Dining Hall.

• *Other Use of the Facilities.* Under section 1.04 of the Lease Agreement, the Landlord has the right to use the areas within the Building, including the School Wing and the Dining Hall, and the Grounds during those times when the School does not have the right to such use them under the Lease Agreement (such dates and times are referred to in this letter as the “Non-Tenant Occupancy Periods”). The School has acknowledged the Landlord’s right to such use in Section 1.05 of the Lease Agreement. The Lease Agreement does not give the School the right to use any of the facilities on Sundays or any other time not specifically provided for in Sections 1.01, 1.02 and 1.03, unless the Landlord has consented to such use. (Section 1.04) The Landlord has and exercises its right to use all areas within the Building, including the School Wing and the Dining Hall, and the Grounds during Non-Tenant Occupancy Periods.

The Landlord also has the right to use the Grounds and the Common Areas within the Building during Tenant Occupancy Periods. So, both the Landlord and the School have the right to use the Grounds and the Common Areas within the Building during Tenant Occupancy Periods.

• *Sub-meters.* Under Section 8.02 of the Lease Agreement, the Landlord may “at any time during the Term of the Lease have separate meter(s) for water, sewer, or other utilities installed on the Premises” and the School is obligated to pay for 50% of the installation cost.

The School has installed meters or sub-meters for certain utilities in the Building and did not obtain the Landlord’s approval for the installation of them. However, the Lease Agreement does not give the School the right to install meters or sub-meters for water, sewer, electricity, gas or other utilities in the Building.

Alterations by the School are addressed in Section 12.01 of the Lease Agreement, which states that the School “shall not make or permit to be made any alterations to the Premises without the prior written consent of the Landlord.” Exhibits B and B-1 to the Lease Agreement contain provisions concerning the process, conditions and standards for the School to make alterations to the Building. For example, the Lease Agreement provides for payment by the School to the Landlord of a \$4,000 fee to review and approve Plans for alterations to the Premises (Section 1.06 of Exhibit B to the Lease Agreement).

The School’s installation of utility meters or sub-meters in the Building and the alterations it made or caused to be made to the Premises in connection with such installation were made without obtaining the prior written approval of the Landlord, are inconsistent with the provisions of the Lease Agreement and constitute a breach under the Lease Agreement. Pursuant to Section 12.05 of the Lease Agreement, the Landlord may, in its sole discretion, correct or remove any alterations made without the prior written consent of the Landlord at the School’s expense.

- *Bathroom Facilities.* The School Wing, which is part of the premises leased to the School, has bathroom facilities. The School notes that the Lease provides for its use of other bathrooms in the Building. There is a bathroom located off the Gallery in the Building, adjacent to the School Wing (the “Gallery Bathroom”). There is also a bathroom adjoining the Dining Hall (the “Dining Hall Bathroom”) in the Building. However, neither the Gallery Bathroom nor the Dining Hall Bathroom is part of the premises leased for the School’s sole use during Tenant Occupancy Periods. The Gallery Bathroom and the Dining Hall Bathroom are part of the common areas within the Building. Students and staff of the School have customarily used both the Gallery Bathroom and the Dining Hall Bathroom.

The School has requested the Landlord to install a partition or other barrier in the Gallery so that during Tenant Occupancy Periods access to the Gallery Bathroom will be restricted to the School’s sole use. The School cites concerns for the safety and well-being of the students as the basis of the request.

The Landlord appreciates these concerns. However under the Lease Agreement, the School only has use of the Gallery Bathroom and the Dining Hall Bathroom in common with other persons who use the Building. The School’s request to have a partition or barrier erected near the Gallery Bathroom is inconsistent with the fact that, under the Lease Agreement, the Gallery Bathroom is used in common with other persons in the Building. While use of the bathrooms in common with others presents certain considerations for the School, the School accepted the premises as being suitable for the purposes for which they are leased by its execution of the Lease Agreement (Article 4 of the Lease Agreement).

- *Grounds.* The Grounds designated on Exhibit A-1 to the Lease Agreement encompass about 86 acres of land on which are located numerous burial sites, the Landlord’s church, business office and other facilities related to the operation of Landlord’s cemetery business as well as open spaces. The School regularly uses the playground area located adjacent to the School Wing.

- *Parking.* An area designated for parking by the School is clearly shown on Exhibit A-1 to the Lease Agreement as the Tenant Parking Area. There is no ambiguity under section 29.01 of the Lease Agreement about the parking area available for the School’s use.

The School has raised concerns that the Tenant Parking Area may be inadequate to accommodate the School's future operations. Under the Lease Agreement, the School may request the Landlord's consent to the use of parking areas in addition to the Tenant Parking Area. In response to such requests, the Landlord has consented to the School's use of such additional parking areas from time to time. However, the Lease Agreement does not impose an obligation on the Landlord to make additional parking areas available for the School's sole use.

- *Utilities.* Section 8.04 of the Lease Agreement provides that the Landlord will give the School "an invoice for Tenant's Utility Costs for each month during the Term" of the Lease Agreement. The term "Tenant's Utility Costs" means the cost of utilities for the Premises, including, without limitation, the costs of water, power, fuel, heating, lighting and air conditioning. Pursuant to the Lease Agreement, the School must pay the Landlord the amount of the Tenant's Utility Costs shown on the invoice, except to the extent the Tenant pays any of the Tenant's Utility Costs directly to the supplying utility company.

- *Deletion of Lease Provision.* A suggestion has been made to delete Section 8.03 of the Lease Agreement because it is inconsistent with Section 8.02. Section 8.03 provides for the Landlord to segregate the heating, air conditioning, ventilation, electrical, water and sewer systems in the Building. By contrast, Section 8.02 addresses the installation of electrical, gas, water and sewer meters. There is no inconsistency between these sections of the Lease Agreement as one addresses the segregation of systems within the Building and the other addresses the installation of meters.

- *Communications between Landlord and School.* The School acknowledges that the Landlord may use the Premises on Sundays and the Dining Hall on any day, provided in each case such area is unoccupied by the School at the time. Pursuant to Section 1.05(a) of the Lease Agreement, the Landlord has agreed to "use reasonable efforts to inform the Tenant of the times that the Premises will be in use for Landlord's Program Use." As described in Article 1 of the Lease Agreement, the Premises consist of the School Wing and the Dining Hall.

By this letter, the Landlord gives notice of its intention to use that portion of the Premises consisting of the School Wing and the Dining Hall for the Landlord's Program Use during any Non-Tenant Occupancy Period that is a Sunday, which use will be in accordance with and subject to the terms of the Lease Agreement. The [title of person] or another person designated by the Landlord will endeavor to give the School's Director at least [3] days prior written notice of the date and time that the Landlord proposes to use the Dining Hall during a Tenant Occupancy Period and confirm that the Dining Hall will not be occupied by the School during such proposed date and time.

- *Maintenance Service Contracts.* The School, at its sole cost and expense, is required to enter into and maintain service contracts with respect to the Building Systems serving the Premises pursuant to Section 14.02 of the Lease Agreement, which service contracts are reasonably acceptable to the Landlord. The term "Building Systems" is defined in Section 8.03 to mean, collectively, the Building's heating, ventilation and air conditioning, electrical, water and sewer systems.

Ms. Wendy Shenk Evans, Director

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Please contact us if there are any questions concerning the topics addressed in this letter. Be assured the Vestry will review issues and concerns that arise from time to time under the Lease Agreement and endeavor to respond to them.

Regards,