[Letterhead of Church]

December \_\_\_, 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,

First let me say thank you for the time you and your board members took this summer to meet with members of St. Paul’s Rock Creek Parish. It was helpful to talk through issues in a detailed way and important to simply spend time creating more relationships between our organizations. As a result of those conversations, you and other representatives of Christian Family Montessori School have raised several concerns regarding the School’s use of facilities at St. Paul’s Church Rock Creek Parish, and about the Lease Agreement between St. Paul’s Church (legally, the Vestry) and the School. As I hope you know, we are supportive of your school and its mission. In light of this, and because of the long-term nature of our rental relationship, the Church has given much thought and consideration to these concerns. We appreciate that the evolving and dynamic nature of the programs operated by the School since it first located at the Church might cause the school to periodically reassess the adequacy of the leased space for the School’s purposes.

The executed Lease Agreement is what we have used as a guide to our responses, as the Lease is the document that governs our interactions. The document may not necessarily fully align with the School’s current expectations or assessment of its need at any particular time. However, we must use the Lease Agreement in resolving or addressing issues and concerns raised by either organization. A review of the Lease Agreement in light of some of the key issues and concerns raised recently is below.

• *Use + Cost of Building*. Under the Lease Agreement, the School generally has use of certain portions of the building from 7am to 7pm Mondays through Fridays and 8am to 5pm Saturdays (other than on any December 24th and December 25th). 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.

If the School fails to vacate the premises by the end of a day (for example, by 7pm on a Monday), the School may incur additional charges for security costs. The Church has the right to charge the School, under Section 1.04 of the Lease Agreement, for the Church’s security systems or personnel costs incurred for the School’s use of the building and grounds beyond the specified times. Effective 30 days from the date of this letter, the Church will charge for security costs any time the School is using lease facility space outside of dates and times agreed to in the Lease. The charge will be the Church’s hourly cost plus a 25% surcharge, billed in quarter-hour increments.

. The Church’s security personnel may begin an inspection of and secure those areas leased to and used by the School after the end of the specified times. The School may be charged for such security costs when it does not vacate the premises in a timely manner, even if other persons are using different portions of the building and grounds after the end of the specified times.

• *Common Areas in the Building*. The School has the right under the Lease Agreement to use areas within the building during specified times “in common with others.” 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 or occupants of a building, 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.

• *Bathroom Facilities*. The School Wing, which is part of the premises leased to the School, has bathroom facilities. The School notes that the Lease Agreement provides for the School to use other bathrooms in the building as well.

Bathrooms are located off the Gallery, adjacent to the School Wing, and near the Dining Hall in the building. The bathrooms are part of the common areas within the building and are not part of the premises leased for the School’s sole use during at any specified time. Students and staff of the School routinely use both the Gallery Bathroom and the Dining Hall Bathroom.

The School asked that the Church consider installation of a partition or other barrier in the Gallery so that during the specified times the School has the right to use the School Wing and the Dining Hall, access to the Gallery Bathroom would be limited and more easily monitored. . The School cites concerns for the safety and well-being of the students as the basis of the request.

The Church 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.

•*Use of the Facilities by Church*. The Church has the right to use areas within the building, including the School Wing and the Dining Hall, and the grounds, under section 1.04 of the Lease Agreement, during those times when the School does not have the right to such use them. 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 the Lease Agreement, unless the Church has consented to such use. The Church will exercise its right to use all areas within the building, including the School Wing and the Dining Hall, and the grounds at those times when the School does not have the right to use them under the Lease Agreement.

The Church also has the right to use the grounds and the common areas within the building during the times specified under the Lease Agreement for the School to use the School Wing and the Dining Hall.

•*Communications between Church and School*. If the School is being asked by the Church’s security personnel to leave before the designated time, the School Director should notify \_\_\_.

Under the Lease Agreement, the Church has agreed to use reasonable efforts to inform the School of the times that the premises will be used by the Church. To this end, the Rector, Parish Administrator, or another person designated by the Church will endeavor to give the School’s Director at least 3 days prior written notice of the date and time that the Church proposes to use the Dining Hall if such proposed use will occur during any time that the School has the right to use the Dining Hall under the Lease Agreement and confirm that the Dining Hall will not be occupied by the School during such proposed date and time. The Church reiterates its intention to use the School Wing and the Dining Hall at any time that the Lease Agreement does not grant the School the right to use the School Wing and the Dining Hall.

•*Utilities*. The School installed meters or sub-meters for certain utilities in the Building and did not obtain the Church’s approval for the installation of them. The installation of utility meters or sub-meters in the Building and the alterations the School made or caused to be made to the Premises in connection with such installation are inconsistent with the provisions of the Lease Agreement and constitute a breach.

Section 8.02 of the Lease Agreement provides that the Church 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 pursuant to Section 8.02 of the Lease Agreement. 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. As you know, the Church is almost done with the installation of separate electric meters. We will provide an invoice to the School for half of the installation cost. After installation, the School will be responsible for paying for its own electricity and will be receiving a separate bill. It is the Church’s intention to complete separate meters for gas and water/sewer in the timeline allowed for in the Lease Agreement.

Alterations by the School are addressed in Section 12.01 of the Lease Agreement. It states that the School “shall not make or permit to be made any alterations to the Premises without the prior written consent” of the Church. The Lease Agreement contains provisions concerning the process, conditions and standards for the School to make alterations to the building. We bring to your attention that, under Section 12.05 of the Lease Agreement, the Church may, in its sole discretion, correct or remove any alterations made without the prior written consent of the Church at the School’s expense.

The School is required, under Section 8.04 of the Lease Agreement, to pay the Church the amount of the “Tenant’s Utility Costs” shown on monthly invoices prepared by the Church, except to the extent the School pays any of the Tenant’s Utility Costs directly to a supplying utility company. The term “Tenant’s Utility Costs” is defined in the Lease Agreement to mean the cost of utilities for the premises, including, without limitation, the costs of water, power, fuel, heating, lighting and air conditioning.

Gross Rental Conversion. The Lease Agreement includes a provision for the School to pay to the Church, as part of the Gross Rent, its “share of operating costs for the Building, Grounds and other common areas”. It is the intention of the Church to adjust this amount in 2016 to more accurately reflect our costs of common areas, such as the cost of cleaning and maintaining the Gallery bathrooms.

• *Parking*. An area designated for parking by the School is clearly shown on an exhibit to the Lease Agreement as the Tenant Parking Area. 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 Church’s consent to use parking areas in addition to the Tenant Parking Area. In response to such requests, the Church has permitted the School to use additional parking areas from time to time. However, the Lease Agreement does not impose an obligation on the Church to make additional parking areas available for the School’s sole use.

• *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 Church 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.

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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,

Larry Dorman, Senior Warden

On behalf of the Vestry of St. Paul’s Rock Creek Parish