

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (MOA) is entered into by Property Owner and Tenant as follows:

Property Owner:

Mira Mesa Presbyterian Church, Inc., a religious non-profit California corporation
8081 Mira Mesa Blvd.
San Diego, California 92126
Known as the Mira Mesa Presbyterian Church, which is a member Church of the
Presbytery of San Diego and is governed by the Constitution of the PC(USA).

Tenant:

Korean United Presbyterian Church, a religious non-profit California corporation
3010 N. Evergreen
San Diego, California 92110
Known as the Korean United Presbyterian Church, which is a member Church of the
Presbytery of San Diego and is governed by the Constitution of the PC(USA).

The Property Owner is identified within this MOA as “MMPC” and the Tenant is identified as the “KUPC.” They individually are a “Party” and collectively are the “Parties” to this MOA.

Effective Date:

The Effective Date of this Lease is June 1, 2019.

Premises: That portion of the real property located at
8081 Mira Mesa Blvd.
San Diego, CA 92126
described by Attachment A hereto.

1. TERM:

- A. The Initial Term of the MOA shall be for two (2) years, commencing on June 1, 2019, and terminating on May 31, 2021.
 - i. KUPC shall have the right to the automatically exercise one (1) two- (2-) year option to renew the MOA, so long as (i) KUPC is not in default under the terms of the MOA at the time the option is exercised; and (ii) KUPC has not given written notice to the MMPC a minimum of ninety (90) days prior to the end of the Initial Term of the MOA, or of its intent to vacate the Premises.
 - ii. MMPC shall have the right to sell the Property. KUPC shall be notified immediately upon listing the Premises for sale. If sold, the MOA will

terminate ninety (90) days after escrow is opened for the sale unless terminated sooner by KUPC.

B. Termination of MOA.

- i. This MOA will terminate at the end of the Initial Term unless continued through an option period as provided above. Under any circumstances, this MOA will cease no later than May 31, 2023, (assuming option was exercised by KUPC) or earlier if KUPC notifies MMPC that it will not exercise an option.
- ii. The KUPC may be reorganized or disestablished as a Church of the Presbytery. Should such action occur within the Presbytery of San Diego this MOA shall automatically terminate thirty (30) calendar days after the reorganization or disestablishment becomes effective. Notwithstanding such a reorganization, this MOA may remain in effect upon mutual agreement of MMPC and the church that is a successor to the KUPC.
- iii. This MOA will automatically terminate thirty (30) calendar days after KUPC ceases affiliation with the Presbytery of San Diego or the PC(USA). Such severing of the affiliation could be by reason of:
 - (iii.a) Being disestablished as a member Church of the Presbytery of San Diego; in such case the property would be transferred to the Presbytery of San Diego pursuant to the trust clause of the *Book of Order*; or
 - (iii.b) Being dismissed to another denomination or council.
- iv. KUPC shall remove any personal property used on the Premises, including vehicles, within fifteen (15) calendar days after termination of this MOA. Any personal property remaining on the Premises after that 15-day period has transpired shall be considered to have been abandoned in place and become the property of MMPC without any remuneration to KUPC.

2. RENT AND PAYMENTS:

- A. KUPC shall pay a initial rent in the amount of Two-Thousand One Hundred dollars (\$2,100.00) per month while their property in Point Loma is for sale. Once the Property in Point Loma is sold, the base rent shall increase to Two Thousands Five Hundred dollars (\$2,500.00) per month for the term of this MOA, payable on first (1st) day of each month of the Term.
- B. During the final year of the Initial Term and any option extension, the Base Rent shall be subject to adjustment in accordance with any increase in the Consumer Price Index (CPI) Adjustment over the first two (2) years of that term period; provided, however, the Base Rent shall never be adjusted downward. If any CPI Adjustment results in a decrease of the CPI from the CPI from the prior Lease term period, the Base Rent shall remain the same for the ensuing Option to Renew. For purposes of this Lease, "CPI Adjustment" shall mean the ratio of (a) the Consumer Price Index most recently published prior to the

specified date the CPI Adjustment is to be determined, divided by (b) the Consumer Price Index most recently published as of the Effective Date. "Consumer Price Index" shall mean the Consumer Price Index for San Diego Metropolitan Area published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Lease is to be made, then "Consumer Price Index" shall mean the Consumer Price Index for Los Angeles Metropolitan Area published by the United States Bureau of Labor Statistics. In the event neither index is in existence, then the most comparable governmental index published in lieu thereof shall be substituted therefor.

- C. KUPC shall reimburse MMPC within 15 business days of presentation of a notice of any utility charges pursuant to paragraph 3.B, below.
- D. KUPC shall reimburse MMPC within 15 business days of presentation any maintenance costs pursuant to paragraph 8.A, below.
- E. KUPC shall reimburse MMPC within 15 business days of presentation of any insurance costs pursuant to paragraph 11.A, below.

3. UTILITIES:

- A. KUPC shall not pay charges for water, sewer, gas, and trash collection during the Term of this MOA, unless otherwise expressly agreed in writing by both parties.
- B. If MMPC incurs any liability for utility or connection charges for which KUPC is responsible to pay and MMPC pays such amounts, KUPC will, upon receipt of written notice from MMPC, reimburse MMPC such amount.
- C. KUPC will be responsible for obtaining its own telephone, computers, printers, copiers, Internet service, and television signal service, at no cost to MMPC.

4. SOLE PERMITTED USE:

- A. KUPC shall share use and share occupancy of the Premises with MMPC only for business offices, worship services and meetings related to the operation and functions of KUPC.
- B. Scheduling by KUPC for use of facilities shall be accomplished through the Management Committee of MMPC. Decisions of Management Committee may be appealed to the Session of MMPC.
- C. KUPC has provided MMPC a calendar indicating their normal hours of monthly operations. This includes two weekly worship services in addition to other events. Those other events total an average of seventy four (74) hours per month of facility usage and is

covered by the base rent. Additional hours of monthly use may incur extra charges. Early requests for additional facility use will help reduce scheduling conflicts.

- D. MMPC does rent their property to other entities and organizations which may impact facility availability.
- E. KUPC may not use the Premises for any other purpose without the prior written consent of MMPC, which may be withheld for any reason whatsoever, even one with which others might differ.
- F. KUPC shall not permit any parties other than members and guests of KUPC to enter the Premises, unless provided for by a separate lease agreement between the MMPC and a third party.
- G. KUPC may not sub-lease any portion of the Premises to any other party.

5. KUPC IMPROVEMENTS:

- A. KUPC agrees to accept the Premises as-is. Any requirements for maintenance, refurbishment, or other improvements, shall be at KUPC's sole expense pursuant to clause 8, below.
- B. KUPC shall not make any structural alterations, additions, or improvements, or permanently install equipment and fixtures in or about the Premises without the prior written consent of MMPC. The request to make such changes shall identify the specific scope of the change and the identification of the licensed contractor(s), if any, that will enter the Premises to make the changes. Work may not proceed until any required governmental permits have been obtained and the MMPC has provided written permission for the changes.
- C. KUPC may not add additional structures to any portion of the Premises, whether portable buildings or more permanent structures, for purposes that are not permitted under any local or State of California Code or ordinance, or any other regulatory agency or entity having jurisdiction over the Premises. Further, KUPC, at its sole expense, shall obtain all necessary permits for any use that requires such permits (*e.g.*, Use Permits), or variations from zoning or other Code requirements.
- D. KUPC, at its sole expense, shall obtain all appropriate approvals for any design and construction work, and the cost of installing any utilities (*e.g.*, electricity) or improvements (*e.g.*, ramp to meet Americans with Disabilities Act (ADA) requirements) to serve any additional structures that are added to the Premises, as may be required to meet State or local Code or ordinance, and any other code or regulatory requirements.

- E. KUPC agrees that, upon termination of the MOA for whatever reason, any changes made to the Premises will be removed as requested by MMPC or become the real or personal property of MMPC with no remuneration to KUPC for residual value.

6. MAINTENANCE OF PREMISES:

- A. MMPC is responsible for all repair of damage caused by force majeure, “wear and tear” through routine use, weathering of interior or exterior surfaces over time.
- B. KUPC is responsible to remove any trash generated during their use of facilities and place inside locked dumpster maintained on site.
- C. KUPC is responsible to return any joint use areas to proper setup after use.
- D. KUPC is responsible for damage caused by KUPC or by anyone involved in KUPC’s activities on the Premises. In the event that KUPC does not timely repair the damages, MMPC may repair the damages and submit the cost of such repairs to KUPC for reimbursement to MMPC.
- E. MMPC is responsible for routine janitorial services of portions of the building used by KUPC that are not for KUPC’s exclusive use. MMPC shall keep the building free of insects and rodents or other animals. KUPC is responsible for janitorial services within the spaces exclusively used by the KUPC (see attachment A).
- F. MMPC is responsible for maintain exterior areas including surface treatments for exterior portions of the building(s), lawns and parking lots clean and free of graffiti and trash or other eyesores that are visible from outside the Premises.
- G. MMPC shall be responsible for maintaining a centrally monitored alarm system for buildings on the Premises. That system shall protect against intrusion.
- H. MMPC shall change keys or door codes as necessary to maintain the security of the exterior perimeter of buildings and interior spaces.
- I. MMPC shall maintain keys or door codes for individual offices or work areas occupied by KUPC. KUPC shall maintain a record of all of those to whom keys and/or door codes have been issued.

7. SIGNS:

KUPC may, at its own expense, place on the Premises, at locations agreed upon by KUPC and MMPC, any signs that are permitted by applicable zoning ordinances. KUPC shall maintain the signs in good condition, and repair all damage to the Premises resulting from the removal of

signs installed by KUPC. MMPC may require KUPC to modify any signs that are considered to be inappropriate.

8. REAL PROPERTY TAXES:

MMPC and KUPC are non-profit, tax-exempt religious organizations and are eligible for an exemption from real property taxes. MMPC and KUPC shall use their best efforts to maintain tax exempt status for the Premises during the MOA Term. Any property taxes applied to the Premises based on actions taken by KUPC and participants in its programs, or by change in public law, will be paid fully by the KUPC on a timely basis.

9. INSURANCE:

- A. KUPC shall, at its sole cost and expense, purchase and keep enforced during the MOA Term, liability insurance for personal injury and workers' compensation, with the combined single limit coverage of one million dollars (\$1,000,000.00). All such insurance shall ensure the performance by KUPC of the indemnity provisions of this MOA. The MMPC shall be named as an additional insured on the policy for those provisions specifically related to the KUPC's use or occupancy of the Premises. KUPC agrees that its insurance policy will provide to MMPC written notice of cancellation of insurance or changes in the policies no later than thirty (30) days after such event. KUPC agrees if it does not keep such insurance in full force and effect, MMPC may obtain the necessary insurance and pay the premium and submit the cost of such insurance to KUPC for reimbursement to MMPC. KUPC shall also maintain insurance, at its own cost, for its personal property located on the Premises.
- B. MMPC agrees to procure and maintain throughout the term of this MOA, a policy of Commercial General Liability (CGL) insurance on the Premises in an amount and with coverage determined by MMPC, but in any event not less than one million dollars (\$1,000,000.00), insuring MMPC against liability arising out of ownership, use or occupancy of the Premises, including coverage for loss of or damage to the Premises in the full amount of its replacement value. Such insurance shall also protect the MMPC from any actions of or to any third party associated in any way to KUPC.

10. QUIET POSSESSION:

KUPC may occupy and enjoy the Premises for the full MOA Term and any extensions thereof, subject to the provisions of this MOA, so long as KUPC is not in default in its performance of this MOA.

11. INDEMNIFICATION:

- A. KUPC agrees to defend, indemnify and hold MMPC, and its directors, officers, employees and agents, harmless from and against any and all claims, demands, actions, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) relating to or arising from KUPC's use of the Premises under this MOA. MMPC agrees

to defend, indemnify and hold the KUPC, and its directors, officers, employees and agents, harmless from and against any and all claims, demands, actions, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) relating to or arising from the condition of the Premises under KUPC's exclusive control or from the actions of any ministry of MMPC in its use of the Premises.

12. ATTORNEY FEES:

In the event of any legal action or proceeding brought by either Party against the other under this MOA, the prevailing Party shall be entitled to recover reasonable attorney's fees, costs and expenses.

13. HEADINGS:

All section and paragraph headings are for reference and convenience only and do not alter, amend, explain, interpret or otherwise affect the terms and conditions of this MOA.

14. MISCELLANEOUS PROVISIONS:

- A. This MOA shall be governed by, construed and enforced in accordance with the laws of the State of California.
- B. This MOA contains the entire agreement between the Parties and cannot be amended or modified except by written agreement signed by both Parties.
- C. All provisions, whether covenants or conditions applying to both Parties shall be deemed as both covenants and conditions under this MOA.

This Memorandum of Agreement shall become effective on the date the last signature is affixed below.

Executed at:MMPC

By: Property Owner
Mira Mesa Presbyterian Church
A California Non-profit Religious Corporation

By: Tenant
Korean United Presbyterian Church
A California Non- Profit Religious Corporation

By: _____

By: _____

Name_____

Name_____

title_____

title_____

Date: _____

Date: _____

Spaces to be Occupied

The following spaces of the MMPC are to be used and/or occupied as indicated under provisions of the parent memorandum of agreement.

Exclusive Use

KUPC Pastor Office (next to MMPC Pastor Office)

Shared Use

Conference Room, (2-week advance request)

Sanctuary (2-week advance request)

Youth Room (2-week advance request)

Preschool Class Rooms (2-week advance request)

Spaces in parking lot on the West side of the MMPC campus and gravel parking lot on East side (as spaces are available at the time use desired)