

# Sample Real Estate Agreement

This real estate lease agreement ("Lease") is made this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, between \_\_\_\_\_ (referred to as "Ministry" in this agreement), and \_\_\_\_\_ (referred to as "Tenant" in this agreement).

Ministry and Tenant, in consideration of rent and covenants herein, enter into this Lease for the following premises, (referred to as "Premises" in this agreement) located at \_\_\_\_\_.

## Lease Term

This Lease shall begin on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, and shall end on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_.

*(OPTION TO RENEW - If there will be an option to renew the lease, it is wise to include a provision regarding the renewal option in the lease.)*

*[HOLDOVER TENANTS - There may be instances when a tenant continues to occupy the leased premises without the ministry's permission after the original lease ends. These tenants are referred to as holdover tenants. It is wise to include a provision regarding holdover tenancies in the lease. This provision can include what the consequences will be if the tenant does not vacate the leased premises upon the termination of the lease agreement. (i.e., Will the lease continue on a month-to-month basis? If so, what will the rental charge be?)]*

## Rent and Payment

Tenant shall pay Ministry total rent in the sum of \$ \_\_\_\_\_, payable in installments of \$ \_\_\_\_\_ per month, with the first payment being due and payable on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_. Subsequent installments shall be paid on the same day of each month thereafter during the Lease term.

If the full amount of any installment is not received by Ministry on or before the \_\_\_\_\_ day after it is due, then a late charge in the sum of \$ \_\_\_\_\_ shall accrue and be immediately due and payable.

*(UTILITIES - It is wise to include a provision regarding the payment of utilities in the lease.)*

## Use of Premises

Tenant shall use the Premises only for the following purpose(s): \_\_\_\_\_.

Tenant shall not use, nor permit the use of, the Premises for any unlawful purposes, and will obey all laws, rules, and regulations of all governmental authorities while using the Premises. Further, Tenant shall not use the Premises for any purpose that is contrary to the mission, purpose, or belief of the Ministry.

*(ACTIVITY RESTRICTIONS - This section can be modified to include specific activities that are to be restricted based on the ministry's specific religious beliefs.)*

If Tenant is not in default under this Lease, Tenant shall be entitled to peaceably possess, hold, and enjoy the Premises. Tenant shall not permit any Premises' waste or misuse.

## Tenant Accepts Premises

Tenant has inspected the Premises and is satisfied with the condition of the Premises. Except as otherwise specified in this Lease:

- (a) Tenant's taking possession of the Premises shall be conclusive evidence of receipt thereof in good order and repair; and
- (b) Tenant acknowledges that Ministry has not made any representation as to the condition or state of repair of the Premises or made any agreements or promises to repair or improve it either before or after execution of this Lease.

## Repairs and Maintenance

**Ministry's obligations** – Ministry agrees, at Ministry's expense, to keep in good repair and working order (except to the extent damaged by Tenant's fault):

- (a) All structural portions of the Premises, including (without limitation) foundations, walls, floors, stairways, roof, and exterior portions thereof; and
- (b) All electrical, gas, water, central heating, central air conditioning, and plumbing equipment and appliances, and any other equipment and appliances furnished by Ministry under this Lease.

**Tenant's obligations** – Tenant agrees:

- (a) To keep, at Tenant's expense, the Premises in a clean and healthful condition;
- (b) To make, at Tenant's expense, all repairs (except such repairs as are Ministry's obligation) which are necessary to maintain the Premises in good repair and condition;
- (c) To comply with all statutes and ordinances concerning the maintenance and repair of the Premises; and
- (d) At the end of the term or any holdover of this Lease to quit or vacate the Premises and to surrender to Ministry possession of the Premises in as good repair and condition as existed at the date of execution of this Lease (after completion of any initial leasehold improvement by Tenant as permitted or required by this Lease), reasonable wear and tear excepted.

**Ministry's right to enter Premises** – Ministry shall have the right to enter the Premises at all reasonable times for purposes of showing the Premises, examining its condition or use, and performing Ministry's obligations.

## Alterations

Without Ministry's prior written consent, Tenant shall make no alteration of or addition to the Premises, including (without limitation) painting, wallpapering, and carpeting.

Upon termination of this Lease, or when Tenant abandons, quits, or vacates the Premises, whichever occurs first, any alteration or addition made pursuant to this section shall become Ministry's property and shall remain upon the Premises, all without compensation, allowance, or credit to Tenant. However, Tenant may remove any trade fixtures which Tenant has installed. Tenant shall repair any damage to the Premises caused by Tenant or Tenant's agents in removing any property therefrom.

## Risk of Loss

Ministry shall bear the risk from damage to or loss of improvements and Ministry's real and personal property on the Premises. Ministry shall maintain adequate insurance for its real and personal property on the Premises against loss of damage caused by fire and extended coverage perils.

Tenant shall bear the risk of loss arising from damage to or loss of Tenant's personal property and trade fixtures located on the Premises. Tenant shall maintain adequate insurance for its personal property and trade fixtures located on the Premises. Ministry shall not be liable for any damage to or loss of Tenant's personal property or trade fixtures located on the Premises.

If use of the Premises is for business, Tenant shall bear the risk of loss arising from interruption of business use.

Tenant warrants that it carries liability insurance with minimum liability occurrence limits of \$1,000,000. Tenant will provide Ministry with a certificate of insurance at least \_\_\_\_ days before this Lease commences. The certificate of insurance will indicate that the Tenant has made the Ministry an additional insured on the Tenant's policy with respect to the Premises.

## Indemnification

Tenant agrees to hold harmless, indemnify, and defend Ministry (including Ministry's agents, employees, and representatives) from any and all liability for injury or damage, including, but not limited to, bodily injury, personal injury, emotional injury, or property damage which may result from any person using the Premises for Tenant's purposes, regardless of whether such injury or damage results from the negligence of the Ministry (including Ministry's agents, employees, and representatives).

## Tenant's Personal Property

Tenant shall remove from the Premises, all of Tenant's personal property as of the date of the termination of this Lease, or when Tenant vacates the Premises, whichever occurs first. If Tenant fails to remove said personal property within said time, Ministry shall be entitled to recover any fees, expenses, or other damages incurred by Ministry due to Tenant's failure.

## Condemnation

*(There may be instances when a governmental entity takes the leased premises for public use under its eminent domain power. As such, it is wise to include a condemnation section regarding how the lease will be handled if that situation were to arise.)*

## Security Deposit

Tenant has deposited a security deposit with Ministry in the sum of \$\_\_\_\_\_ .

*(It is wise to include a provision in the lease explaining how the security deposit will be used and the security deposit return process.)*

## Termination

*(If a ministry wants to have the option to terminate the lease for a reason other than the tenant's default, a ministry can accomplish this by including a termination provision in the lease. A termination provision can be written to allow only the ministry to terminate the lease for a reason other than default, or a termination provision can be written to allow either the ministry or the tenant to terminate the lease for a reason other than default.)*

## Defaults and Remedies

**Defaults by Tenant** – A default by Tenant will have occurred under this Lease if:

- (a) Tenant fails to pay the full amount of any installment on or before the date due;
- (b) Tenant fails to observe or perform any other provisions of this Lease for thirty (30) days after Ministry has given Tenant notice of the Tenant's failure;
- (c) Tenant files a petition in bankruptcy for an arrangement under any present or future federal or state bankruptcy law, or is adjudicated a bankrupt or insolvent, or makes an assignment for benefit of creditors, or admits in writing Tenant's inability to pay debts as they become due;
- (d) Tenant abandons, quits, or vacates the Premises; or
- (e) Tenant remains at the Premises past the end of the term of this Lease without consent of Ministry.

**Remedies and Obligations of Ministry if Default by Tenant** – If a default by Tenant has occurred under this Lease, Ministry has the following remedies and obligations:

- (a) The right to re-enter and repossess the Premises, and the right to remove all persons and property from the Premises, all in a lawful manner;
- (b) The right to give Tenant notice of Ministry's termination of this Lease as of a date specified in the notice; and
- (c) The right to collect from Tenant by any lawful means:
  - (1) Any unpaid rent due;
  - (2) The balance of the total rent contracted for in this lease agreement, determined by crediting to such total rent:
    - a. Monthly (or other) installments of rent paid by Tenant, and
    - b. Rent received by Ministry as the result of re-letting the Premises.
  - (3) Any other amount which Tenant owes Ministry under this Lease or as allowed by law; and
  - (4) The attorney's fees, costs, and expenses recoverable by Ministry.

**Defaults by Ministry** – A default by Ministry will have occurred under this Lease if Ministry fails to observe or perform any obligation imposed upon Ministry by this Lease for thirty (30) days after Tenant has given Ministry notice of the nature of Ministry's failure.

**Remedies of Tenant for Default by Ministry** - If a default by Ministry has occurred under this Lease and is continuing, Tenant has the following remedies:

- (a) The right to bring an action against Ministry to recover such damages as Tenant may have incurred as a result of Ministry's default.
- (b) The right to claim an eviction [State laws vary significantly on this issue].

**Provisions Applicable to Defaults and Remedies –**

- (a) Failure or omission of either party to exercise any remedy shall not constitute a waiver or bar or abridge exercise of a remedy upon any subsequent default.
- (b) Receipt of rent by Ministry with knowledge of default by Tenant shall not constitute a waiver as to such default or as to a remedy available in respect of such default.
- (c) No right or remedy of either party shall be exclusive of any other right or remedy, and each and every right or remedy shall be cumulative and in addition to any other right or remedy given by this Lease or now or hereafter existing at law or in equity. Termination of this Lease by Ministry shall not prohibit Ministry from recovering any monies due or to become due pursuant to this section.
- (d) Each party is entitled to recover attorney fees, costs and expenses incurred by reason of exercising his remedies under this Lease.

**Assignment and Subletting**

Tenant shall not assign, mortgage, or encumber this Lease, nor sublet or permit the Premises or any part thereof to be used or occupied by others, without prior written consent of Ministry.

**Notice**

A notice to be given under this Lease shall be in writing and either delivered in person or mailed, postage pre-paid and addressed: If to Ministry, at \_\_\_\_\_ ; and if to Tenant, at the address of the Premises, or at such other address as Tenant shall designate in writing delivered to Ministry.

## Disputes

*(It is wise to include a provision in the lease regarding how disputes arising under the lease will be resolved. Alternative dispute resolution provisions (e.g., mediation) may be included here.)*

## Miscellaneous

This Lease contains the entire agreement of the parties and supersedes all prior written or oral agreements relating to the subject matter.

Any change in, or modification or discharge of, this Lease shall be in writing signed by all persons who at the time are parties to this Lease.

Any headings preceding the text of the paragraphs and sub-paragraphs herein are inserted solely for convenience of reference and do not constitute a part of this Lease nor affect its meaning, construction, or effect.

If any provision of this Lease is held invalid, illegal, or otherwise unenforceable, the remainder of the Lease, other than the invalid, illegal, or unenforceable provision(s), shall not be affected and such provisions in this Lease shall be valid and enforceable to the fullest extent permitted by law.

This Lease and its terms shall be construed under the laws of the State of \_\_\_\_\_ .

Dated this \_\_\_\_\_ day of \_\_\_\_\_ , 201\_\_\_\_ .

Ministry

Tenant

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position with Ministry

\_\_\_\_\_  
Position with Tenant

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