

THIS LEASE AGREEMENT, made and entered into as of the 1st day of June 1, 2016, by and between Marvin J. Baker, Jr., and Robin C. Baker, hereinafter collectively referred to as "LANDLORD", and Balzer and Associates Inc., hereinafter collectively referred to as "TENANT".

W I T N E S S E T H:

1.0 THAT LANDLORD, for and in consideration of the rental consideration hereinafter provided, and the covenants and agreements hereinafter set forth, does hereby demise and let unto TENANT, and TENANT does hereby hire from LANDLORD, the approximately 1,100 square foot portion of the 1ST floor of LANDLORD's property located at 128 West Market Street, Suite 103, Harrisonburg, Virginia 22801 as shown on the plans attached as Exhibit "1", hereinafter referred to as the "Premises".

2.0 The renewal term of this Lease for rent shall be for Twenty four (24) months, commencing June 1, 2016 and terminating at midnight 24 months later at 11:59 pm on May 31, 2018 (the "1st Renewal Term").

2.1 Base Rent (A) TENANT shall pay to LANDLORD, without demand and without offset or deduction, in advance on the first (1st) day of each and every month during the initial term of this lease base rent as follows:

Suite 103 \$1,170.45/month from 6/1/2016 to 5/31/2017

Suite 103 \$1,193.85/month from 6/1/2017 to 5/31/2018

(B) In the event that any rent payment is more than five (5) days late, a late charge of ten percent (10%) of the amount due will be assessed monthly. TENANT agrees to pay as additional rent a charge of \$50.00 for each check returned for insufficient funds. This charge will be in addition to any late charge that may be due. If

any of TENANT's check are returned to LANDLORD for insufficient funds, LANDLORD shall thereafter at any time have the options of requiring that all subsequent rent payment for remainder of the term be made in cash or by cashier's check. The imposition and collection of the late charge shall not cause the LANDLORD to waive any rights the LANDLORD may have to declare this lease in default as hereinafter provided. (C) First month's rent and security deposit totally \$2250 is due at lease signing.

2.11 Tenant may renew lease for two (2) consecutive two (2) year terms at following rate:

Second Renewal:

Suite 103 \$1,217.74/month from 6/1/2018 to 5/31/2019

Suite 103 \$1,242.09/month from 6/1/2019 to 5/31/2020

Third Renewal:

Suite 103 \$1,266.93/month from 6/1/2020 to 5/31/2021

Suite 103 \$1,292.26/month from 6/1/2021 to 5/31/2022

Written notice must be given to Landlord prior to 90 days before end of current lease term if Tenant desires to renew at above terms.

2.2 The failure of TENANT to surrender the Premises on the date of the termination of the lease term, and the subsequent holding over by TENANT with or without the consent of LANDLORD, shall at the option of the LANDLORD, result in the creation of a tenancy from month to month at a monthly rental of \$1,790.77 payable on the 1st day of each month during the month to month tenancy. This provision does not give TENANT any right to hold over at the expiration of the original or any renewal term of this Lease. Any such holding over shall not result in renewal or extension of this

Lease, except at the option of LANDLORD, and the month to month tenancy may be terminated at any time by either party given to the other party twenty-five (25) days written notice of the intention to terminate the tenancy. All other terms and conditions of this Lease shall remain in force during any month to month tenancy hereunder.

3.0 If TENANT shall fail to pay any month's installment of rent for a period of fifteen (15) days after the same becomes due and payable, then all of the installments of rent for the whole term thereof shall, at the option of LANDLORD, become due and payable at once without demand, offset or deduction. In addition, in the event of any such non-payment of any month's installment of rent, then at the option of LANDLORD, LANDLORD may declare this Lease thereupon terminated and TENANT shall forthwith surrender without delay to LANDLORD or to LANDLORD's agents complete and peaceful possession of the Premises, leaving same in the condition prescribed in Paragraph 5.0, hereof. In addition, by virtue of such non-payment of any month's installment of rent TENANT shall be deemed to have automatically waived all other notices of any kind or description.

4.0 The Premises herein shall be used by TENANT solely as an engineering and consulting general professional office. In addition, no use shall be made nor acts done in or on said Premises which will increase the existing rate of insurance upon the building of the which the Premises is a part, or cause a cancellation of any insurance policy covering said building or any part thereof, and TENANT shall neither keep nor use in or about said Premises any article which may be prohibited by the standard form of fire insurance policy.

4.1 TENANT shall use the Premises with care, and shall not maintain, commit or permit any public or private nuisance on said Premises, or in any way disturb the quiet enjoyment of either LANDLORD or the other renters in the building of which the Premises is a part, shall not commit or permit any waste of the Premises, shall not bring into or keep within the building or the Premises any pet or animal, and shall not destroy or remove without the consent of LANDLORD any of the buildings, fences, or

other fixtures and improvements which are on the Premises at the beginning of, or put on the Premises by LANDLORD during, the term of this lease.

4.2 TENANT shall comply with all governmental regulations, statutes and ordinances affecting the Premises, either in effect now or in the future, and shall also strictly comply with the LANDLORDS's rules and regulations as same may be promulgated from time to time by LANDLORD regarding the use, parking, safety, cleanliness and preservation of good order in an about the Premises, the common areas and the building.

5.0 TENANT covenants and agrees at TENANT's expense to maintain and take good care of the Premises, to keep said Premises clean and in a safe and proper state of repair, to make all necessary repairs to the interior of the Premises, including, but not limited to, all interior and exterior glass, to prevent waste, damage, or injury to the Premises, and to return the Premises to LANDLORD clean and free of all trash, refuse or rubbish and in as good a condition as when received, reasonable wear and tear excepted.

5.1 TENANT shall not alter, decorate or paint the Premises or install any signs or advertisements in or to the Premises, or the building, unless TENANT has received LANDLORD's prior written permission. TENANT shall maintain such advertisements or signs in a good state of repair and shall repair any damage which may have been done to the Premises or the building by the erection, existence, maintenance, or removal of such signs or advertising. TENANT shall indemnify LANDLORD against any loss, costs, or damages resulting from the erection, maintenance, existence, or removal of such signs or advertising. In the event that TENANT constructs or places such signs or advertisements projecting from the exterior of the Premises or the building without the written consent of LANDLORD, LANDLORD reserves the right to remove same at the expense of TENANT.

5.2 No electrical wiring, or equipment, including any radio or television antennae shall be introduced, brought into or installed to, the Premises by TENANT

without the previous written approval of LANDLORD. TENANT shall not interfere, or permit others in and about the Premises to in any manner interfere, with the heating or air conditioning systems, or the appliances for furnishing the same to the Premises.

5.3 TENANT shall not erect any structures on the roof of the building in which the Premises are located, nor use the roof for any purpose without the prior written permission of the LANDLORD.

5.4 LANDLORD may require all alterations, replacements, changes, additions, improvements, and new building service equipment that may be made, erected, installed or affixed in or on the Premises to be removed at TENANT's sole expense at end of lease.

5.5 TENANT shall not place any additional locks on any door in the Premises or the building without the prior written consent of LANDLORD. All keys for all locks must be surrendered to LANDLORD upon termination of this Lease or upon termination of TENANT's right to occupy the Premises.

6.0 TENANT shall pay for all utilities, refuse or trash collection, electricity, internet and telephone service supplied to the Premises. Tenant agrees to pay its prorated share for services not separately metered unless otherwise stated. Water/sewage is not separately metered and is included in the rent.

7.0 LANDLORD shall keep the exterior walls, roof, and the heating and air conditioning systems of the Premises in good repair. TENANT responsible for twice annual preventive maintenance service of HVAC unit, changing the HVAC filters at least 4 times a year and the first \$350.00/year of HVAC repairs.

8.0 TENANT shall obtain and maintain throughout the Original Term and any renewal or extended term of this Lease insurance naming LANDLORD as a coinsured with an insurance company qualified and licensed to do business within the Commonwealth of Virginia for the conduct of TENANTS's business. The insurance

required shall be broad form comprehensive general liability insurance (written on an occurrence basis), including contractual liability coverage insuring the obligations assumed by TENANT hereunder and an endorsement for personal injury and all risk property insurance. Such liability insurance shall be in the minimum amount typically carried by prudent TENANTS engaged in similar operations, but in no event shall be in an amount less than \$1,000,000, combined single limit per occurrence. Such property insurance shall be in the amount not less than required to replace all fixtures, property, plate glass, and other contents located on the Premises. All such insurance shall contain an endorsement that such insurance shall remain in full force and effect notwithstanding that the insured may have waived its claim against any person prior to the occurrence of a loss, provide that the insurer waives all right of recovery by way of subrogation against LANDLORD, and contain an endorsement prohibiting cancellation, failure to renew, reduction in amount of insurance or change of coverage (1) as to the interest of LANDLORD by reason of any act or omission of TENANT, and (2) without the insurer's giving LANDLORD thirty (30) days prior written notice of such action. LANDLORD reserves the right from time to time require TENANT to obtain higher minimum amounts of insurance. TENANT shall deliver a certificate of such insurance and receipts evidencing payment of the premium for such insurance (and, upon request, copies of all required insurance policies, including endorsements and declaration) to LANDLORD on or before the Lease commencement date and at least annually thereafter.

8.1 TENANT shall be responsible for and carry its own insurance on all items of personal property in the Premises, and LANDLORD shall be a co-insured upon such insurance, and in the event of fire, theft or other casualty it is expressly understood and agreed that LANDLORD shall not bear any responsibility to TENANT for any such loss unless negligence by LANDLORD is proven.

9.0 TENANT shall be responsible for and shall repair any loss or damage resulting to the Premises caused by the negligence, act, carelessness, abuse,

commission or omission of TENANT, its agents, contractors, sub-contractors, employees, guests, or invitees.

10.0 TENANT covenants to vacate the Premises immediately upon termination of this Lease and to indemnify LANDLORD for all damages and claims resulting from the failure to do so. TENANT further covenants not to vacate or abandon the Premises at any time during the term of this Lease. If TENANT abandons, vacates or surrenders said Premises during the term of the Lease by reason of his own volition, or upon process of law, or otherwise, any personal property belonging to TENANT and left on the Premises shall be deemed to be abandoned and become the sole property of LANDLORD at the option of LANDLORD.

11.00 LANDLORD reserves the right to enter the Premises at reasonable times for the purposes of making necessary maintenance and repairs, or to make additions, modifications or alterations to any part of the building in which the Premises are located, or to examine or inspect the Premises to determine whether TENANT has complied with the obligations regarding the care and maintenance of the Premises, and for showing the Premises to prospective renters. In the event of an emergency, LANDLORD may enter the Premises at any time without prior notice to TENANT.

12.0 Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of LANDLORD, expressed or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or material man for the performance of any labor or the furnishing of any materials for any improvements, alteration, or repair of the Premises or any part thereof, nor as giving TENANT any right, power of authority to contract for, or permit the rendering of, any services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof, including any mechanic's or materials man's liens.

13.0 LANDLORD and LANDLORD's agents shall not be liable to TENANT, or to any other person, or any firm, partnership, limited liability company, corporation or other entity coming into, visiting or working in or on said Premises for any claims or damages for personal injuries or damage to property arising from the use and occupancy of said Premises by TENANT and TENANT's agents, contractors, subcontractors, employees, guests and invitees.

14.0 TENANT shall not assign this Lease or sublet the whole or any portion of the Premises without prior written consent of the LANDLORD, which shall not be unreasonably withheld.

15.0 TENANT shall indemnify, save and hold harmless LANDLORD against all liabilities, charges, expenses, attorney's and other fees, losses, costs injuries, damages, claims, actions and causes of action incurred by LANDLORD due to TENANT'S negligence and or breach of lease terms.

15.1 On account of, or through the use of, or connected with, the Premises or improvements of any part thereof by TENANT or by any person, firm, partnership, joint venture, limited liability company, corporation, or other entity (i) for any purpose inconsistent with the provisions of this Lease, or (ii) for the death or injuries to persons or for loss of, or for damage to, property arising out of or in connection with, the use and occupancy of the Premises, by TENANT, by TENANTS's agents, employees, guests invitees, contractors, sub-contractors, laborers, or material men; or

15.2 Arising out of, or directly or indirectly due to, any failure of TENANT in any respect to promptly, faithfully, and fully satisfy TENANTS's obligations under this Lease.

16.0 In the event of total or partial destruction of the Premises, LANDLORD shall have a reasonable time in which to rebuild or repair the same, and in such case the rental installments shall be equitably and proportionately abated (according to the loss of use), either entirely or partially, as the case may be (i.e.,

entirely abated for total destruction and partially abated for partial destructions), provided, however, that LANDLORD shall have the option to decide whether or not to repair the Premises, and in the event LANDLORD elects not to repair or rebuild the Premises, then this Lease, upon notice by LANDLORD to TENANT, shall be automatically terminated. In the event LANDLORD shall elect to rebuild the Premises, LANDLORD may do so by restoring the Premises to a condition substantially similar to that existing prior to the date of such destruction, and during the time of such rebuilding the rent reserved hereunder shall cease but on the completion of such rebuilding the rent reserved herein shall at once begin again, unless TENANT is responsible for such destruction, in whole or in part, pursuant to the provisions of this Lease, in which event the rent reserved herein shall not abate.

17.0 If, due to the exercise of the right of eminent domain, or the seizure of a portion of space in the Premises by lawful authority under the right of eminent domain, substantial alteration or reconstruction of the remaining portions of the Premises is required, in the opinion of LANDLORD, this Lease may be terminated by LANDLORD on the earlier of the date from which title vests in the condemning authority, or TENANT is dispossessed by the condemnation. TENANT hereby waives any right he may have in and to any condemnation award or sum paid under threat of condemnation as a result of a complete or partial taking of the Premises, and any proceeds of any condemnation award shall be solely the property of LANDLORD.

18.0 Waiver by LANDLORD of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained, or of LANDLORD's right to have TENANT strictly perform all terms, conditions and obligations of the Lease.

19.0 The subsequent acceptance of rent hereunder by LANDLORD shall not be deemed to be waiver of any preceding breach by TENANT of any term, covenant, or condition of this Lease, other than the failure of TENANT to pay the

particular rental so accepted, regardless of LANDLORD's knowledge of such preceding breach at the time of the acceptance of such rent.

20.0 Blank.

20.1 Blank.

21.0 Upon default by TENANT of any of the terms and covenants herein contained, LANDLORD may terminate this Lease and distrain for rent, or any other compensation due under any provisions hereof, without prejudice to any right or remedy, whether by statute or common law that might otherwise be used by LANDLORD, without liability as to prosecution or claim for the following:

21.1 Default in the payment of rent for a period of ten (10) days or more.

21.2 Abandonment, desertion or vacation of the Premises by TENANT

21.3 Breach of any of the covenants of this Lease.

22.0 It is recognized that if TENANT is adjudged a bankrupt, or makes a general assignment for the benefit of creditors, or if a receiver is appointed for the benefit of creditors, or if a receiver is appointed on account of the insolvency of TENANT, such could impair or frustrate TENANT's performance of this Lease. Accordingly, it is agreed that upon the occurrence of any such event, LANDLORD shall be entitled to request of TENANT or its successor in interest adequate assurance of future performance in accordance with the terms and conditions hereof. Failure to comply with such request within ten (10) days of delivery of the request shall entitle LANDLORD to all of the right set forth above including the right to terminate this Lease and distrain for rent, or to pursue any other right or remedy.

23.0 The terms, conditions, covenants, agreements and obligations contained herein shall apply to and be binding upon the heirs, devisees, personal representatives, successors and assigns of the parties hereto.

24.0 This Lease contains the entire agreement among the parties and supersedes all prior agreements and understandings of the parties pertaining to the Premises. No change, modification, or waiver of any of the provisions of this Lease shall be binding unless in writing and executed by the parties hereto.

25.0 All notices hereunder shall be in writing and shall be deemed to have been given when sent to LANDLORD or TENANT at the addresses listed herein by first class mail. All notices hereunder shall also be sufficient when served personally upon any of the parties.

LANDLORD: 600 North Main St.
 Harrisonburg, Virginia 22802

TENANT: _____

26.0 All rights and remedies accruing to LANDLORD hereunder are cumulative and the use of one remedy shall not be deemed to be either an election of remedy or waiver of any other remedies available to LANDLORD.

27.0 Each party hereto agrees for themselves, and for their respective successors, predecessors, directors, officers, stockholders, affiliates, attorneys, employees, and agents, that each party has the full right and authority to enter into this Lease and all transactions contemplated herein, that this Lease has been duly executed and delivered by each party, or on their behalf by their duly authorized representatives, and constitutes the valid and binding agreement of each party enforceable in accordance with its terms, and that each party has executed this Lease voluntarily without duress and with the opportunity to obtain the advice of counsel.

28.0 Each of the parties hereto represent and warrant that the execution and delivery of this Lease, the consummation of the transactions herein contemplated, and fulfillment of the terms hereof, will not conflict with or result in any violations of, or

constitute a breach or default, under any material written agreement, instrument, judgment, decree, order, law or regulation to which any party hereto is subject or by which such party is bound.

29.0 A breach or default of this Lease shall entitle the non-breaching or non-defaulting party to all available remedies at law or in equity, including but not limited to, injunctive relief, compensatory and punitive damages, in order that such remedies shall be cumulative and not alternative, and the election of one (1) remedy for a breach or default shall not preclude pursuit of other remedies, provided, however, that nothing herein shall be construed to permit the recovery of punitive damages or economic losses for a breach or default of this Lease, except to the extent such damages are otherwise recoverable. The parties hereto also agree that no modification, waiver, termination, rescission, discharge or cancellation of this Lease, and no waiver of any provisions of, or breach or default under, this Lease shall affect the right of any party thereafter to enforce any other provisions of this Lease or to exercise any right or remedy in the event of any other breach or default, whether or not similar.

30.0 The parties hereto agree that if any part, term, or provisions of this Lease is determined by court of competent jurisdiction to be illegal or in conflict with the laws of the Commonwealth of Virginia, the validity of the remaining portions or provisions of this Lease shall not be affected thereby, and the rights and obligations of the parties shall be construed and enforced as if this Lease did not contain the particular part, term or provision determined to be invalid.

31.0 Parking. No parking is provided for TENANT or TENANT's employees. TENANT and TENANT's employees are responsible for finding parking off site.

32.0 Other Terms: Signage must be approved by city of Harrisonburg and Landlord. Tenant's improvement plans need to be reviewed and approved by Landlord. Landlord will review no later than 30 days after receipt. If Tenant is not going to use the

track lighting currently inside space, Tenant to let Landlord know so Landlord can remove. The Premises resides within Harrisonburg's Downtown Historic District, and is also listed on the National Register of Historic Places. Therefore, all modifications not already listed in attachment B, must strictly adhere to The Secretary of the Interior's Standards for Rehabilitation. Prior to commencing any demolition or construction, all proposed design work, restoration, renovation and rehabilitation must be approved by the Landlord and/or the Landlord and National Park Service) NPS which shall not be unreasonably withheld. The intent of this paragraph is to establish the expectation and requirement that all subsequent Tenant improvements must adhere to all State and Federal Preservation Guidelines and be appropriately reviewed prior to commencing any work.

One month's rent as security deposit and first month's rent are due at lease signing. Security deposit will be refunded upon completion of all terms of this lease by Tenant.

33.0 Nothing in this Lease is intended to, or shall be deemed to, constitute a partnership or joint venture between the parties.

34.0 This Lease is intended to confer rights and benefits only upon the parties named in this Lease, and this Lease is not intended to confer any rights or benefits upon any other person, firm, partnership, limited liability company, corporation or other entity, and no such other person, firm, partnership, limited liability company, corporation or other entity shall have any legally enforceable rights under this Lease.

35.0 This Lease is executed by the parties in one (1) or more counterparts, each copy of which have the same force and effect as an original, and together they shall constitute one (1) Agreement.

36.0 The masculine, as used in this Lease, shall include the feminine and neuter, and the singular shall include the plural, and *visé versa*.

37.0 Time is expressly made the essence of this Lease.

38.0 This Lease shall be governed and construed according to the laws of the Commonwealth of Virginia without reference to conflicts of laws principles.

39.0 The parties hereto expressly agree that any suit regarding this Lease shall be brought in a Court of competent jurisdiction within Rockingham County, Virginia, and/or the City of Harrisonburg, Virginia.

WITNESS the following signatures and seals; and

Marvin J. Baker, Jr., Landlord

Robin C. Baker, Landlord

Balzer and Associates, Inc., Tenant

Exhibit "1"

Suite 103: Approximately 1,100 square feet

