

MOUNTAIN EMPIRE REGIONAL BUSINESS INCUBATOR, INC.

P. O. Box 408
Duffield, VA 24244

LEASE AGREEMENT

This Lease Agreement is made and entered into the _____ day of _____ 2016, by and between Mountain Empire Regional Business Incubator, Inc. P.O. Box 408, Duffield, Virginia 24244, hereinafter referred to as "Lessor," and _____, hereinafter referred to as "Lessee."

SECTION I—Description of Premises – Lessor operates a small business incubator facility located in the regional industrial park near the Town of Duffield, Scott County, Virginia. Lessee hereby leases space designated as _____ on the facility floor plan.

SECTION II—Use of Premises – Lessee's premises are to be used for _____. Human habitation and/or lodging of any kind on the premises is prohibited, as is storage of any non-related equipment or material. Lessee shall not allow any waste or nuisance on the premises, nor use or allow the premises to be used for any unlawful purpose. Likewise, to the best of Lessor's knowledge, neither Lessor nor any other party has stored, handled, installed or disposed of any hazardous substances in, on, or about the property or within the vicinity of the property.

SECTION III—Term and Rent – The term of this lease shall be for a period of _____, commencing on the ____ day of _____ 2016, and terminating on the ____ day of _____ 2017. Lessee shall pay a total rent of _____, with _____ due at the execution of the lease and on the ____ day of each month thereafter. A security deposit in the amount of _____ is collected on this date. It is expected that the premises will be left in the same condition as that prior to signing the lease agreement.

SECTION IV – Repairs and Maintenance – Lessee shall maintain its premises in good repair and order at all times, normal wear and tear expected. Any out of pocket expenses necessary, in Lessor's judgment, to return the property to its original condition shall be billed to Lessee.

SECTION V—Alterations – Lessee shall, at its own expense, have the right to make alterations, additions, or improvements to the premises, if necessary or desirable to adapt the premises for the purposes of Lessee's use, with all such alterations, additions, or improvements to be approved in advance and in writing by Lessor. No changes, alterations or additions to or on the premises shall be made that will endanger the safety of persons utilizing the property, or that will impair the structural soundness or diminish the value of the building or the premises.

SECTION VI—Utilities – Lessor agrees to provide electrical, water and sewer services. Lessee shall arrange and pay for all other utilities furnished on the premises for the term of this lease, including but not limited to, telephone services, gas and garbage, and shall pay for the installation of any such utilities.

SECTION VII—Insurance and Taxes – Lessee shall, at its expense, carry public liability insurance on the leased premises containing a minimum limit of **Five Hundred Thousand Dollars (\$500,000)** per occurrence, and shall furnish Lessor with a Certificate of Insurance showing such insurance has been maintained, with Lessor named as an additional insured as its interest may appear. Lessor shall maintain all public or common areas in a condition free from all physical and fire hazards. Lessor shall adequately insure the building and all public or common areas for fire, casualty, hazard and liability. Lessee shall maintain the demised premises in hazard-free condition, and in addition to being responsible for carrying liability insurance, shall be responsible for insuring Lessee's personal property. Lessee agrees to pay all taxes, assessments or other governmental charges that shall or may during the term of the lease be imposed in connection with the operation of the business.

SECTION VIII—Indemnification – Lessee shall defend, indemnify and save Lessor harmless from and against all liability, loss, cost damage, or expense sustained by Lessor, including reasonable attorney's fees, in connection with any claim in any way related to or arising from Lessee's use or occupancy of the premises. This obligation shall survive the expiration or termination of this Agreement.

SECTION IX – Bankruptcy or Insolvency – It is expressly agreed that if, at any time during the term of this lease, Lessee shall be adjudged bankrupt or insolvent by any Federal or State Court or competent jurisdiction, Lessor may, at its option, declare this lease to be terminated and canceled, and may take possession of the demised premises. In the event of such bankruptcy or insolvency of Lessor, or in the event the premises are sold, Lessee may elect to terminate this lease. Lessee, by signing this lease, acknowledges that the real estate is actually owned by the industrial development authority of Lee, Wise, and Scott Counties and the City of Norton, otherwise known as the Duffield Development Authority, and hereinafter referred to as "DDA", and that in the event of the bankruptcy or solvency of Lessor, the continuation of this lease would be negotiated with DDA.

SECTION X – Damage or Destruction by Fire or Natural Causes – If during the term of this lease, the building on the demised premises is destroyed by fire, natural causes or other casualty, or so damaged thereby that it cannot be repaired with reasonable diligence within sixty (60) days, this lease shall terminate as of the date of such damage or destruction. However, if said building can, with reasonable diligence, be repaired within sixty (60) days, said building shall be repaired by Lessor as quickly as is reasonably possible, and this lease shall remain in full force and effect; provided, however, that rent shall be abated for any part of said building rendered unfit for occupancy for the period that such unfitness continues.

SECTION XI – Default – If any monthly installment of rent as herein called for remains overdue and unpaid for ten (10) days, Lessor shall impose a penalty of five (5) percent of the monthly rental amount of each month overdue. If any monthly installment of rent and interest as herein called for remain overdue and unpaid for thirty (30) days, Lessor may, at its option, at any time during such default, declare this lease terminated and take possession of the demised premises. Should Lessee fail or neglect to keep and perform each and every one of the covenants, conditions and agreements contained herein and, in the current Tenant Policy, Lessee shall, within thirty (30) days after receiving written notice, cure such default, and if not, Lessor may, at its option, declare this lease terminated and take possession of the demised premises. In the event of default by Lessee, Lessee shall be liable for reasonable attorney fees incurred by Lessor to obtain possession of the premises, or in the enforcement of any covenant, condition, or agreement contained herein, whether through legal proceedings or otherwise, and whether or not any such legal proceedings be prosecuted to a final judgment. Lessor shall be deemed to be in default under the lease if it shall fail to provide the premises in the condition agreed upon free from any interference with Lessee's use and enjoyment thereof, or to provide any obligations undertaken by Lessor under this lease. In the case of Lessor's default, Lessee shall have each and all of the following remedies:

Lessee shall have the option of canceling this lease for any substantial default by Lessor. Such default shall include but not be limited to, denying Lessee access to the premises for any reason other than Lessee's prior default, or failure to perform with all reasonable speed and efficiency any repair, which is the obligation of Lessor under this lease. In addition, if any default by Lessor is due to its failure to make necessary repairs with reasonable dispatch after notice from Lessee that such repairs are needed. Lessee may cause the repairs to be made at its own expense. The reasonable expense of such repairs may then be deducted by Lessee from its next due rent.

In the event Lessor should determine that its small business incubator project is no longer economically feasible to continue, and the Lessor's Board of Directors decides to terminate the project, Lessor shall give 90 days' written notice to Lessee of its intention to terminate the project, and Lessee shall have those remedies as provided in Section IX herein above.

SECTION XII—Entire Agreement – This lease, together with Exhibits attached hereto and made a part hereof, represents the entire understanding between the parties, and there are no collateral or oral agreements or understandings, and this lease shall not be modified, changed or terminated unless in writing of equal dignity signed by both parties.

SECTION XIII—Governing Law – This lease is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the parties have executed this lease on the ____ day of _____ 2016.

MOUNTAIN EMPIRE REGIONAL BUSINESS INCUBATOR, INC.

BY: _____, _____
Signature Title

ATTESTED: _____

_____ (Tenant)

BY: _____, _____
Signature Title

ATTESTED: _____