



This Document Prepared By:
PEGASUS TOWER COMPANY, LTD.
P. O. Box 233, Richlands, Virginia 24641

TOWER SITE LEASE AGREEMENT

Date: _____ Initial Lease Period: 5 Years Number of Renewal Terms: 8

Grantor/Landlord: **SILER SLAGLE AND CLYDIE O. SLAGLE**
Address: **433 Carl Slagle Road, Franklin, North Carolina 28734**
Phone: **(828) 524-3353** Facsimile: _____ E-mail: _____

Grantee/Tenant: **PEGASUS TOWER COMPANY, LTD., a Virginia Corporation**
Address: **P. O. Box 233, Richlands, Virginia 24641** Phone: **(276) 964-7416**

Property Description: See attached Schedule "A", which Landlord's real estate, together with all easements shown thereon for ingress, egress and utilities, is herein referred to as the "Property".

1. **Subject & Purpose.** On the terms and conditions set forth herein, the Landlord does hereby lease, let and demise unto the Tenant all of the Property. The Property shall be used by the Tenant as a wireless communications tower and transmitter site and such other uses as may be allowed by law. Upon payment of the rent, the Landlord covenants that the Tenant shall peaceably and quietly have, hold and enjoy the Property and access thereto without interference of any kind by the Landlord.
2. **Term.** The term of this Lease shall commence on the date hereof and continue for the Initial Lease Period set forth above at 11:59 p.m. unless the Tenant, during the original or any renewal term hereof, provides the Landlord with ninety (90) days prior written notice of its intent to terminate this Agreement prior to its scheduled expiration, in which event this Lease shall terminate on the date set forth in said written notice.
3. **Rent.** The Tenant will pay to the Landlord rent calculated at either 10% of earned Revenues, as hereafter defined, received from Tenant's sub-tenants during the previous calendar month or \$750.00 per month, whichever calculation is greater, throughout the initial and any renewal term hereof and to be payable by the 10th day of the month following receipt thereof. In no event shall the Tenant be obligated to pay any rent until the Tenant receives rent from its sub-tenants. Any rental sum not paid before the 30th day of each month shall, in addition to other remedies as hereafter stated, entitle the Landlord to charge a \$25.00 late charge. For purposes of this Agreement, "Revenue" shall mean all earned and collected rents received from the Tenant's sub-tenants except for sums that the sub-tenants pay to the Tenant as reimbursement for expenses that the Tenant advances and pays on behalf of its sub-tenants.
4. **Upkeep and Repair.** The Tenant shall be responsible for any upkeep and maintenance of the Property as the Tenant may deem necessary. The Tenant shall be responsible for installing and/or maintaining at its sole expense and in its sole discretion the easement and access road to the Property.
5. **Damage/Injury.** The Tenant shall be responsible for any damages caused to the Landlord by any intentional or negligent act, misfeasance or malfeasance of the Tenant, and agrees

Initials of Landlord: SS Initials of Tenant: _____
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to indemnify and hold the Landlord harmless from any and all liability arising from the Tenant's use and occupancy of the Property.

6. Alterations/Improvements. The Tenant may construct wireless communications tower(s), transmitter/equipment building(s) and guy wires on the Property that are necessary to effect the purposes of the Tenant, all of which improvements shall remain the property of the Tenant and may be removed by the Tenant at any time. The Landlord understands that much of the personal property to be placed on the Property will be owned by the Tenant's sub-tenants, and in this regard, the Landlord waives any right to claim a landlord's lien against any of the improvements, fixtures or personal property to be placed upon the Property. The Landlord agrees that any property of the Tenant that remains on the Property for ninety (90) days after the termination of this Lease shall be deemed abandoned by the Tenant and shall be thereafter owned by the Landlord without further consent of the Tenant.
7. Utilities and Taxes. The Tenant shall be responsible for payment of all utility charges incurred on the Property during the term of this Agreement. The Tenant shall pay all real estate and personal property taxes assessed against the Property and all improvements thereon during the term of this Agreement.
8. Insurance. The Tenant shall be responsible for maintaining any insurance coverage that the Tenant may desire and shall maintain a policy of public liability insurance coverage in the minimum amount of \$2,000,000.00. **Tenant shall name the Landlord as an additional insured.**
9. Events of Default. Each of the following events shall be deemed a breach of this Agreement: (a) Failure by Tenant to pay rent, additional rent, late charges or interest thereon as and when due; (b) Failure by either party to comply with any term or requirement of this Agreement; (c) Filing or having filed against it, a petition in bankruptcy, a petition for receivership, and/or an assignment for benefit of creditors by or against the Tenant while still operating as Tenant hereunder, or if Tenant assigns its entire interest in the Property, by the Tenant's assignee which is, at the time of such action, operating as Tenant under this Lease; and (d) The Tenant's inability to quietly and peacefully enjoy the use and benefit of the Premises due to acts or omissions of the Landlord, specifically including any interference arising due to liens, encumbrances, unpaid taxes and the like which could, in the Tenant's reasonable judgment, cause the Tenant to lose its exclusive rights to the Premises hereunder.
10. Remedies Upon Default. A non-defaulting party may, upon thirty (30) days prior written notice to the defaulting party and the failure of the defaulting party to cure such default within thirty (30) days after receiving such notice, either (i) declare this Agreement terminated, or (ii) in case of a breach by the Landlord, the Tenant may, in its sole discretion, elect to remedy the Landlord's breach, which such remedy shall not operate or be construed as a waiver of the Tenant's rights herein to recover the cost of such remedy from the Landlord by setoff or otherwise, and the Landlord shall indemnify the Tenant from any and all costs, expenses, reasonable attorney fees and litigation expenses as may be incurred by the Tenant in performing the Landlord's obligations hereunder. Upon termination, the Tenant may remove its property from the Property and vacate the Property within thirty (30) days after such termination. The Landlord acknowledges that

Property is being leased because of its location and altitude, which is uniquely suited for the Tenant's purposes. In this regard, the Tenant's rights hereunder shall be specifically enforceable in equity in a Court of competent jurisdiction.

11. Option to Renew. The Tenant shall have the option to renew this Lease for the number of renewal periods set forth above, each of which shall be of the same length as the Initial Period. The Tenant will be deemed to automatically renew this Lease without further action unless the Tenant sends written notice to the Landlord of its intent not to renew at least thirty (30) days prior to the expiration of the initial or any renewal term of this Lease. Upon renewal, the Lease shall continue in effect upon the same terms and conditions as herein set forth.
12. Restrictive Covenant. In consideration of the terms of this Agreement, the Landlord covenants and agrees that during the term of this Lease the Landlord, its successors or assigns, will not use any portion of the Property or any other real estate now or hereafter owned by the Landlord within **two (2)** air miles from the center of the Property (collectively "Restricted Land") for the provision of communication tower sites or wireless communications. The parties intend by this Agreement for the Tenant to be the sole party to market or use the Restricted Land for wireless communications facilities. The Landlord agrees that this restriction on the use of the Restricted Land is commercially reasonable, not an undue burden on the Landlord, not injurious to the public interest, and shall be specifically enforceable in a Court of competent jurisdiction.
13. Right of First Refusal. DELETED.
14. Condemnation. If a proceeding is instituted by any governmental authority pursuant to which the Property, in whole or in part, is proposed to be taken or condemned, Landlord will provide written notice of such proceeding to the Tenant within five (5) business days. If the condemning authority takes all of the Property, or such part thereof that renders it unsuitable to a material extent for the Tenant's purposes, this Agreement will terminate without further liability to either party as of the date that title to the Property vests in the condemning authority. The Landlord agrees that the Tenant may make its own claim with the condemning authority for the Tenant's damages arising from the condemnation. The Landlord agrees to cooperate with the Tenant in any such claim, but nothing herein shall give the Tenant the right to participate in any award or settlement payable to the Landlord, unless such award or settlement specifically includes damages for a claim submitted to the condemning authority by the Tenant.
15. Non-Disturbance. The Landlord shall obtain for the benefit of the Tenant and its subtenants a commercially reasonable subordination, non-disturbance and attornment agreement (a "Non-Disturbance Agreement") from each holder of a mortgage, deed of trust, deed to secure debt or other similar instrument now or hereafter encumbering the Property (a "Mortgage"), confirming that the Tenant's right to quiet possession of the Property during the term of this Lease, including any extensions hereof, shall not be disturbed as long as the Tenant is not in default hereunder. No such subordination shall be effective unless the holder of such Mortgage shall, either in the Mortgage itself or in a separate agreement with the Tenant and its subtenants, agree that in the event of a foreclosure or conveyance in lieu of foreclosure of the Landlord's interest in the Property, such holder shall recognize and confirm the validity and existence of this Lease and the

related rights of the Tenant and its subtenants hereunder, and this Lease shall continue in full force and effect and the Tenant shall have the right to continue its use and occupancy of the Property in accordance with the provisions of this Lease as long as the Tenant is not in default of this Lease beyond applicable notice and cure periods. The Landlord shall execute in a timely manner whatever instruments may reasonably be required to evidence the provisions of this paragraph.

16. Hazardous Substances. The Landlord represents and warrants that neither the Landlord nor, to the best of Landlord's knowledge, any third party has used, generated, stored, or disposed of any Hazardous Materials in, on or under the Property. "Hazardous Materials" shall mean petroleum or any petroleum product, asbestos, and any other substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable Federal, State, or Local law, rule, regulation, order or ordinance. The Tenant shall indemnify, defend and hold the Landlord harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney's fees and consultant's and expert's fees) resulting from the presence or release of any Hazardous Materials on the Property if caused by the Tenant. The Landlord shall indemnify, defend any breach of the Landlord's representations and warranty set forth above, and hold the Tenant harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney's fees and consultant's and expert's fees) resulting from (i) the presence or release of any Hazardous Materials on the Property unless caused by the Tenant, or (ii) any breach of any representation or warranty of the Landlord contained in this paragraph.
17. Notices. Any notice required to be given by this Agreement shall be sent by certified mail, return receipt requested at the addresses set forth above, which addresses may be changed upon written notice from the changing party to the other.
18. Governing Law. The laws of the State within which the property is located shall govern this Agreement.
19. Assignment & Binding Effect. This Agreement shall be binding upon the parties hereto, their successors and assigns, and the parties agree that the Tenant shall have the right to assign all or a part of its rights and benefits hereunder. Should the Tenant assign all of its rights hereunder, it shall provide the Landlord with written notice thereof and the Tenant shall have no further liability hereunder.
20. Agent Services. Unless otherwise listed and initialed by the parties, the parties represent that this Agreement has been reached between them directly and that neither party has procured the services of a real estate agent in this transaction. If a real estate agent is involved, the following terms are applicable:

Broker: _____ Commission: _____ % Paid by: _____
21. Merger And Modification. This Agreement represents the entire agreement between the parties hereto. The parties agree that there have been no prior representations of any nature whatsoever concerning this transaction that are not incorporated in full herein. This Agreement may only be amended, modified or terminated by subsequent written agreement between the parties hereto.

22. Further Assurances. Each party agrees to each furnish to the other upon request and without delay such truthful certificates and estoppels as may be reasonably requested from time to time, and shall execute such other and further documents as may be reasonably necessary to effect the terms and provisions of the Agreement.

WITNESS the following signatures and seals to this seven page Agreement:

Siler Slagle (SEAL)
Siler Slagle

Clydie O. Slagle (SEAL)
Clydie O. Slagle

PEGASUS TOWER COMPANY, LTD.

By: _____
Gary E. Hearl, President

ACKNOWLEDGEMENT PAGE FOLLOWS:

STATE OF NC
COUNTY OF MACON

I, Wilma J. Anderson, a notary public for said county and state, do hereby certify that **SILER SLAGLE** personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 8th day of May, 2006.

My commission expires:

11-15-07

Wilma J. Anderson
Notary Public

(Official Seal)

STATE OF NC
COUNTY OF MACON

I, Wilma J. Anderson, a notary public for said county and state, do hereby certify that **CLYDIE O. SLAGLE** personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this 8th day of May, 2006.

My commission expires:

11-15-07

Wilma J. Anderson
Notary Public

(Official Seal)

STATE OF VIRGINIA
COUNTY OF TAZEWELL

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that Gary E. Hearl, President of Pegasus Tower Company LTD, a Virginia corporation, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this _____ day of _____, 20____.

My Commission Expires:

Notary Public

(Official Seal)

SCHEDULE "A"
to Ground Lease Agreement Between
SILER AND CLYDIE O. SLAGLE
and
PEGASUS TOWER COMPANY, LTD.

Description of Leased Property

, together with an easement from a state maintained road to the Site in a minimum width of either (i) 25 feet, or (ii) the minimum width necessary to comply with any applicable governmental requirements, whichever is greater, to allow for ingress to and egress from the Site by vehicle and for utilities, which Site shall be used solely for the purpose of placing communications facilities thereon for sublease to others.

Initials of Landlord: SS Initials of Tenant: _____
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