

LEASE AGREEMENT

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This LEASE AGREEMENT is made as of *September 1, 2019* between the TOWN OF STUART, VIRGINIA, whose principal place of business is 100 Patrick Avenue, Stuart, Virginia 24171 (Lessor), and PATRICK HENRY COMMUNITY COLLEGE REAL ESTATE FOUNDATION, whose present place of business is at 645 Patriot Ave., Martinsville, VA 24112 (Lessee).

In consideration of the rents, covenants, and agreements to be performed, Lessor demises and leases to Lessee, and Lessee takes, accepts, and rents from Lessor, the premises described herein for the period, at the rental, and upon the terms and conditions hereinafter set forth.

Section 1. DEMISED PREMISES

1.1. Demised Premises. Lessor demises and leases to Lessee, and Lessee rents from Lessor a portion of those certain premises, now known as the New Stuart Fire Department Station (hereinafter "the SFD station"), which premises consist of the former Food Lion grocery store building containing an area of approximately 4830 square feet (Demised Premises). The boundaries and location of the Demised Premises are outlined as "Area B" on Sheet A-2 of the official building plans which are incorporated by reference herein as Exhibit A. The Demised Premises are to be built out as more particularly set forth in Exhibit A. Exhibit A sets forth the general layout of the SFD station, but Lessor reserves the right to construct other buildings or improvements or to relocate or add any buildings, improvements, parking areas, and other common areas in the SFD station, provided that the size and relative location of the Demised Premises shall not be materially altered.

1.2. Use of Additional Areas. The use and occupation by Lessee of the Demised Premises shall include use in common with others so entitled of the common areas, employees' parking areas, service roads, loading facilities, sidewalks, and parking areas, and other facilities, all as may be designated from time to time by Lessor; subject, however, to the terms and conditions of this Agreement and to reasonably uniform rules and regulations as prescribed from time to time by Lessor.

Section 2. TERM

2.1. Commencement Date. The term of this Lease shall commence on the earlier of the following dates: (1) the date that is fifteen (15) business days after Lessor, or Lessor's supervising architect, notifies Lessee in writing that the premises are ready for Lessee's fixtures and equipment or (2) the date on which Lessee shall open the leased premises for business to the public. If the expiration of such fifteen-day period does not occur on the first day of a month, or Lessee shall have opened the Demised Premises for business on a day other than the first day of a month, then the term shall commence on the first day of the month next succeeding the expiration of such fifteen-day period, or next succeeding the opening for business as the case may be.

2.2. Length of Term. The initial term of this Lease shall be for a period of ten (10) lease years following the commencement date as provided in Section 2.1.

2.3. Lease Year. The term "lease year" shall mean the 12-month period beginning with the commencement Date and each successive 12-month period during the term of this Lease.

2.4. Option to Renew. Lessee is given two (2) options to extend the term of this Lease by periods of five (5) years each. Lessee may exercise the first option at any time by notice in writing to Lessor served at least six (6) months prior to the end of the initial term, and each successive option may be exercised by similar notice at least six (6) months prior to the end of each successive respective term, if Lessee shall not be in default. Except as the terms may not be relevant or applicable, and except as to any further options, all the terms and conditions of the Lease shall apply for the extended periods except that the fixed rental for any renewal period shall increase by five percent (5%) over the initial term or the first renewal period, whichever may apply.

Section 3. RENT

3.1. Payment of Rent. Lessee covenants and agrees to pay rent to Lessor, which shall begin on the commencement date as provided in Section 2.1. The rent shall be paid in equal monthly installments on the first day of each and every month in advance. Rent shall be mailed to and payable to or at such other place as may be designated in writing from time to time by Lessor.

3.2. Fixed Rent. Lessee shall pay to Lessor for the first eighty four (84) months of the leased term, without any prior demand, and without any deduction or setoff, a fixed minimum rent of Three thousand three hundred twenty seven and 91/100 dollars (\$3,327.91) per month, payable as provided in Section 3.1. Lessee shall pay to Lessor for the last thirty six (36) months of the leased term, without any prior demand, and without any deduction or setoff, a fixed minimum rent of One thousand three hundred four and 10/100 dollars (\$1,304.10) per month, payable as provided in Section 3.1. The purpose and intent of paying \$3,327.91 per month during the first 84 months of the lease term, rather than paying \$1,304.10 per month during the entire lease term, is to reimburse Lessor \$170,000 expended to build out the Demised Premises to suit Lessee. Said \$170,000, shall be prepayable by Lessee, in whole or in part. Upon complete payment of said \$170,000, the monthly rental thereafter shall be \$1,304.10, regardless of when such complete payment is made.

Section 4. BUILD OUT OF DEMISED PREMISES

4.1 Construction by Lessor. Lessor shall construct, at Lessor's own expense, upon the premises described in Exhibit A, the facilities that consist of the Demised Premises for Lessee's use and occupancy in accordance with the construction plans and specifications, a copy of which has been furnished to Lessee and are incorporated by reference herein as Exhibit A.

- (a) All plans, drawings, and specifications with respect to the Premises required to be submitted by Lessor to Lessee shall comply with and conform to the Building plans filed with the Building Official and with all the rules, regulations, and/or other requirements of any governmental department having jurisdiction over the construction of the Building and/or Premises. Lessor shall prepare drawings in accordance with pre-existing conditions and field measurements.
- (b) Lessee's review of Lessor's Plans is solely to protect the interests of Lessee in the Building and the Premises, and Lessee shall be neither the guarantor of, nor responsible for, the correctness or accuracy of Lessor's Plans or the compliance of Lessor's Plans with applicable Legal Requirements.

4.2 Changes and Additions to Building. The proposed location of the Demised Premises in the SFD Station in which the premises form a part is designated on the plans attached as Exhibit A. The location of the Demised Premises in the SFD Station, shall be subject to such changes as Lessor's architect finds to be desirable in the work to be done by Lessor. Upon request by either party, both parties agree to modify the site plan as shown on Exhibit A and/or the construction plans, to the extent that Lessor's architect certifies to be desirable, and no changes in "Lessor's Work" so certified of the premises for Lessee, or during construction, shall affect, change, or invalidate this Lease. However, any such changes shall not alter the general appearance, relative location, or aggregate amount of floor space of the Demised Premises.

4.3 Construction Guarantees. Lessor guarantees all work performed in Lessor's construction of said Demised Premises and parking lot areas against defective workmanship and materials for a period of one (1) year from the date of completion of such store unit and parking lot areas and shall accordingly at Lessor's own expense repair or replace any such defective workmanship and material that has been called to the attention of Lessor in writing by Lessee within such one (1) year period.

4.4 Lessee Installations.

- (a) If Lessee shall desire to perform and make any installations ("Lessee's Installations") which are not to be performed by Lessor for Lessee and Lessor shall have approved Lessee's choice of contractors and/or subcontractors, Lessor will afford Lessee access to the Premises prior to the completion of Lessor's Work for the purpose of making inspections, taking measurements and making Lessee's Installations (all of which are to be paid for by Lessee), provided that Lessee's Installations will not require any structural change in the Building or the Premises, and further provided that the construction of the Building and/or the Premises and all installations required to be made by Lessor therein shall have reached a point which in Lessor's sole judgment, exercised in good faith, will not delay or hamper Lessor in the completion of the Building and/or the Premises.
- (b) Prior to the commencement of Lessee's Installations, Lessee shall submit to Lessor complete detailed plans and specifications thereof for Lessor's prior written approval. Any entry by Lessee in or on the Premises shall be at Lessee's sole risk and, upon request of Lessor, Lessee shall pay for and deliver to Lessor policies and certificates of insurance in amounts and with such companies as shall be reasonably satisfactory to Lessor, such as, but not limited to public liability, property damage and workmen's compensation, to protect Lessor and Lessee during the period of performing Lessee's Installations. Lessor and Lessor's general contractor shall be named as insured parties in such policies or certificates of insurance and the same shall be continued in effect during the period of the performance of Lessee's Installations.
- (c) All Lessee's Installations shall be in accordance with the rules and regulations of any governmental department or bureau having jurisdiction thereover and shall not conflict with, or be in violation or cause any violation of, Lessor's basic Building plans and/or the construction of the Building, and all Lessee's Installations shall be completed free of all liens and encumbrances. All permits which may be required by Lessee for Lessee's Installations shall be procured and paid for by Lessee only after having obtained Lessor's written approval of such work, or, if Lessor shall deem the same advisable, Lessor may procure such permits and Lessee shall pay for the same. No plans and/or specifications required to be filed by Lessee pursuant to any work contemplated to be performed by it within the Premises shall be filed or submitted to any governmental authority having jurisdiction thereover without first having obtained Lessor's approval to same.
- (d) Notwithstanding anything to the contrary contained herein, prior to the date Lessor has Substantially Completed Lessor's Work, Lessor reserves the right to deny Lessee or its contractor access to the Premises and/or to request Lessee to withdraw therefrom and cease all work being performed by it or on its behalf by any person, firm or corporation other than Lessor, if Lessor shall, in its sole judgment, exercised in good faith, determine that the commencement and/or the continuance of Lessee's Installations shall interfere with, hamper or prevent Lessor from proceeding with the completion of the Building and/or the Premises at the earliest possible date. Should Lessee enter upon the Premises for the purpose of performing any work, the labor employed by Lessee or anyone performing such work for or on behalf of Lessee shall always be harmonious and compatible with the labor employed by Lessor or any contractors or subcontractors of Lessor. Should such labor be incompatible with such Lessor's labor as shall be determined by the sole judgment of Lessor, to be exercised in good faith, Lessor may require Lessee to withdraw from the Premises until the completion of the Building and/or Premises by Lessor.
- (e) Lessee may enter upon Demised Premises to install trade fixtures, equipment, and furnishings during the construction period; provided, however, that such activity on the part of Lessee shall be done only in a manner that will not interfere with construction and that Lessor shall not be liable to Lessee for damage to or loss of such fixtures, equipment, or furnishings. Any equipment or work done, other than those items that Lessor installs or constructs in the Demised Premises on Lessee's behalf shall be paid for Lessee before such work, as outlined above, shall be performed by Lessor. All such additional work

shall be billed to Lessee, in advance, at Lessor's cost. All such additional work requested by Lessee shall be subject to the reasonable approval of Lessor's architect and mechanical and electrical engineers, and shall be performed in accordance with all governmental ordinances, statutes, and regulations.

4.6 Parking Area and Maintenance. Lessor shall at all times at Lessor's own expense construct and maintain during the term of this Lease a parking area substantially as designated on the site plan attached as Exhibit A. The parking area shall be for the use of all lessees of Lessor in the SFD Station and for the use of the customers, employees, visitors, and invitees of said lessees for driveway, walkway, or parking purposes. The parking area shall be kept in good order and repair and reasonably free from snow, ice, and obstruction by Lessor. Lessor reserves the right to allow the common areas to be used for special promotional events and for truck, trailer, and sidewalk sales. Lessor shall designate an area in said parking area for the parking of employees' cars. Lessee's employees shall be permitted to park their cars only in the area designated for employee parking.

Section 5. CONDUCT OF BUSINESS BY LESSEE

5.1 Use of Premises. Lessee shall occupy and use the Demised Premises exclusively for educational and workforce training purposes, or any other related use and for no other purpose whatsoever. Lessee shall continuously and uninterruptedly during the term of this Lease conduct Lessee's customary business activity during all normal business days and evenings.

5.2 Restrictions on Use. Lessee shall not use nor permit the Demised Premises to be used for any purpose other than that set forth above, and further covenants and agrees to execute and comply promptly with all statutes, ordinances, rules, orders, regulations, and requirements of federal, state, county, and town governments regulating the use by Lessee of the Demised Premises. Lessee will not use or permit the use of the premises in any manner that will tend to create a nuisance or tend to disturb other Lessees or occupants of the SFD Station or tend to injure the reputation of the SFD Station. The restrictions set forth in this paragraph shall extend to all agents and employees of Lessee. No auctions for fire or bankruptcy sales may be conducted in the Demised Premises without the previous written consent of Lessor.

Section 6. MAINTENANCE AND REPAIRS

6.1 Maintenance by Lessee. Lessee shall at all times keep the Demised Premises including, but not limited to, the maintenance of molding, partitions, doors, door frames and checks, fixtures, equipment, appurtenances, and all interior heating, ventilating, air-conditioning, lighting, and plumbing fixtures, in good order, condition, and repair, including reasonable periodic painting as may be required; any damage by unavoidable casualty excepted, except for structural portions of the premises, which shall be maintained by Lessor, but if Lessor is required to make repairs to structural portions by reason of Lessee's negligent acts or omissions to act, Lessor may add the cost of such repairs to the rent that shall become due, unless Lessor is indemnified by insurance. Lessee shall keep the Demised Premises and all other parts of the SFD Station free from any and all liens arising out of any work performed, services furnished, supplies or materials delivered, or obligations incurred by or for Lessee, and agrees to bond against or discharge any mechanic's or materialmen's lien within fifteen (15) days after written request by Lessor. Lessee shall reimburse Lessor for any and all costs and expenses incurred by Lessor by reason of the filing of any such liens and/or the removal or payment, payable within fifteen (15) days after receipt by Lessee of a written statement by Lessor.

6.2 Repairs by Lessor. If Lessee refuses or neglects to repair properly the premises as required in Section 6.1 in a reasonable time after written demand by Lessor not less than fifteen (15) days after written notice has been given to Lessee, Lessor may make such repairs without liability to Lessee for any loss or damage that may accrue to Lessee's merchandise, fixtures, and/or other property, or to the loss of business occasioned by reason thereof; and further, upon completion of such repair, Lessee shall pay Lessor's incurred costs occasioned by such repairs upon presentation of the bill so incurred. It is further agreed and understood that the billing of costs so incurred shall include interest at the highest legal rate from the date of completion of the repairs by Lessor.

6.3 Maintenance by Lessor. Lessor shall perform all maintenance and repair of the exterior and structural portions of the SFD Station and its parking lot (including the replacement of glass on exterior walls, if any) and the exterior heating, ventilating, and air conditioning equipment and general Building mechanical, electrical, and plumbing systems, and of the exterior Common Area, including the parking lot, sidewalks, handrails, lighting, roof, downspouts, and gutters, in good order, condition, and repair except that Lessee shall make all such repairs, modifications, or replacements that become necessary by the reason of the negligence of Lessee, Lessee's agents, servants, or employees, unless and to the extent the damage or loss resulting from such negligence is covered under any policy of insurance and such loss or damage is paid to or on behalf of Lessor, pursuant to such insurance coverage.

6.4 Alterations and Fixtures. Lessee shall not make any alterations or additions to the Demised Premises nor make any contract therefor without first procuring Lessor's written consent. All alterations, additions, and improvements made by Lessee to or upon the Demised Premises, except light fixtures, signs, electrical equipment, cases, counters, machines and other removable trade fixtures shall, when made or installed, be deemed to have attached to the freehold and to have become Lessor's property; provided, however, if prior to termination of this Lease, Lessor so directs by written notice to Lessee, Lessee shall promptly remove the additions, improvements, fixtures, trade fixtures, machines, and installations that were placed in the Demised Premises by Lessee and that are designated in that notice, and shall repair any damage occasioned by such removal, and in the event of default by Lessee, Lessor may complete such removals and repairs at Lessee's expense. Lessee shall retain the ownership of all movable equipment, furniture, inventory, and supplies placed in or on the Premises by Lessee and shall have the right to remove such movable equipment, furniture, and supplies prior to termination of this Lease

6.5 Lessor's Right to Inspect. Lessor and Lessor's agents shall have free access to the Demised Premises during all reasonable and regular business hours for the purpose of examining the same and to ascertain if they are in good repair, to make reasonable repairs that Lessor may be required to make, and to exhibit the same to prospective purchasers or Lessees.

6.6 Cleanliness and Waste. Lessee shall keep the Demised Premises and the adjacent walks at all times in a neat, clean, and sanitary condition, free from waste or debris, and shall neither commit nor permit any waste or nuisance.

6.7 Utilities. Lessor shall provide water and sewer service to the Demised Premises gratis. Regardless, Lessee shall pay for all separately-metered electricity, gas, and other utility services provided to the Demised Premises. Lessor shall read the "inside" electric meter monthly and invoice Lessee for electric service at the rate paid by Lessor per kilowatt hour.

Section 7. INSURANCE

7.1 Insurance by Lessee. Lessee agrees that, at Lessee's own cost and expense, Lessee shall obtain, or provide evidence of herein, comprehensive insurance coverage in accordance with Virginia law.

7.2 Insurance by Lessor and Waiver of Subrogation. Lessor shall procure at Lessor's own expense during the terms of this Lease, fire and extended-coverage insurance on the buildings owned by. Lessor shall make no claim for recovery against Lessee for damages to or loss of the Demised Premises or improvements thereon, which damage or loss may arise by fire or any other peril covered by any policy of insurance containing a waiver of subrogation right against Lessee in which Lessor is or may be the insured and when the loss is caused by or results from any acts of carelessness or negligence of Lessee, Lessee's officers, agents, employees, or other persons under Lessee's control. Lessor further covenants and agrees to apply to insurers for waiver of subrogation against Lessee, Lessee's agents, and employees and to obtain such waiver if Lessor's Insurers will issue such waiver without cost; provided, however, that if Lessor's insurers will not issue such waiver without cost but will issue such waiver for a charge and Lessee shall elect to pay such charge, Lessor will obtain such waiver and charge the additional cost to Lessee.

7.3 Destruction by Fire and Casualty. If the Demised Premises are damaged by fire, explosion, windstorm, or any other casualty, then Lessor shall repair such damages and put the Demised Premises in good condition as rapidly as reasonably possible, and Lessee shall be entitled to an equitable abatement of the rent, unless such damage was occasioned by the negligence of Lessee, Lessee's agents, or employees. Notwithstanding any other provision of this paragraph to the contrary, if the Demised Premises are damaged during the last two (2) years of the term, and such damage shall be to the extent of more than fifty (50)% of the value of the Demised Premises at the time of such damage, then Lessor may, at Lessor's election upon notice to Lessee, within thirty (30) days after such damage, terminate this Lease as of the date of such damage, upon at least thirty (30) days' prior written notice, at the expiration of which time this Lease shall be terminated.

Section 8. TITLE

8.1 Possession by Lessee. Lessor covenants and warrants that Lessor has full right and authority to enter into this Lease for the full term. Lessor further covenants that Lessee, upon paying the fixed minimum and percentage rent and upon performing the covenants and agreements of this Lease to be performed by said Lessee, will have, hold, and enjoy quiet possession of the Demised Premises.

8.2 Sublease. Lessee shall not sublease, sublet, or assign the Demised Premises except by Lessor's written permission and consent. Any such subleasing or assignment, even with Lessor's approval, shall not relieve Lessee from liability for payment of rent or from the obligation to keep and be bound by the terms, conditions, and covenants of this Lease. The acceptance of rent from any other person shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to the assignment or subletting of the Demised Premises.

8.3 Mortgage Subordination. Lessee agrees that upon Lessor's written request, Lessee will subordinate this Lease to the lien of any present or future mortgage to a bank, insurance company, or other lending institution, irrespective of the time of execution or time of recording of any such mortgage or mortgages, provided that the holder of any such mortgage shall enter into an agreement with Lessee, in recordable form, that in the event of foreclosure or other right asserted under the mortgage by the holder or any assignee, this Lease and the rights of Lessee shall continue in full force and effect and shall not be terminated or disturbed except in accordance with the provisions of this Lease. Lessee agrees that if requested by the holder of any such mortgage, it will be a party of such agreement and will agree in substance that if the mortgagee or any person claiming under the mortgagee shall succeed to Lessor's interest in this Lease, Lessee will recognize the mortgagee or person as Lessee's Lessor under the terms of this Lease. Lessee agrees that Lessee will, upon Lessor's request, execute, acknowledge, and deliver any and all instruments necessary or desirable to give effect to or notice of such subordination. The word "mortgage" includes mortgages, deeds or trusts, or other similar instruments and modifications, consolidations, extensions, renewals, replacements, and substitutes thereof.

8.4 Surrender of Premises. Lessee shall, upon termination of this Lease, whether by lapse of time or otherwise, surrender to Lessor the Demised Premises, together with all replacements thereto in good order, condition, and repair, except for ordinary wear and tear and loss by fire or other casualty. If Lessee fails to surrender the premises at the expiration or termination of this Lease, the continued occupancy shall be on a month-to-month basis only, at a fixed minimum rental equal to 125% of the fixed minimum rental prevailing immediately prior to the holding over.

8.5 Eminent Domain. If the Demised Premises, or any part thereof, are taken or condemned for public purposes by any competent authority, the entire compensation awarded therefor shall belong to Lessor without any deduction for any present or future estate of Lessee; provided, however, that if any part of the Demised Premises itself or more than 50 % of the land described in Exhibit A is so taken or condemned, then Lessee shall have the option of terminating this Lease upon giving to Lessor written notice of such election within thirty (30) days after possession of the part condemned has been taken by proper authorities, in which event the term of this Lease shall be terminated as of the date on which possession is so taken. If Lessee does not elect to terminate this Lease, Lessor at Lessor's own expense shall repair and restore the premises not affected by the

taking and if a part of the Demised Premises itself has been taken or condemned, the fixed minimum rent and other fixed charges to be paid by Lessee shall be equitably and proportionately reduced.

Section 9. DEFAULT

9.1 Default by Lessee. All rights and remedies of Lessor shall be cumulative and none shall exclude any other right or remedy allowed by law. If Lessee shall fail, neglect, or refuse to pay any installment of rent at the time and in the amount as provided, or to pay any other monies agreed by Lessee to be paid promptly when and as the same shall become due and payable, which failure shall continue for thirty (30) days after written notice; or if Lessee vacates or abandons the Demised Premises during the term; or if any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act is filed by or against Lessee, or any voluntary or involuntary proceeding in any court or tribunal is instituted to declare Lessee insolvent or unable to pay Lessee's debts, and the same shall not be dismissed or discharged within thirty (30) days after notice in writing given to Lessee by Lessor; or if Lessee shall fail, neglect, or refuse to keep and perform any of the other covenants, conditions, stipulations, or agreements contained and covenanted and agreed to be kept and performed by it, and if any such default shall continue for a period of more than thirty (30) days after notice in writing given to Lessee by Lessor; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period than the period of such notice, Lessee shall be deemed to have complied with such notice so long as Lessee has commenced to comply with such notice within the period set forth in the notice and is diligently prosecuting compliance with such notice, or has taken proper steps or proceedings under the circumstances to prevent the seizure, destruction, alteration, or other interference with the Demised Premises by reason of noncompliance with the requirements of any law or ordinance or with the rules, regulations, or directions of any governmental authority as the case may be; or if Lessee makes any assignment of Lessee's property for the benefit of creditors or the Demised Premises are taken under a levy of execution or attachment in an action against Lessee and such levy, attachment, or assignment is not dismissed and discharged within thirty (30) days after written notice to Lessee by Lessor, then and in the case of any of such events, Lessee authorizes and fully empowers Lessor or Lessor's agent to cancel or annul this Lease at once and to reenter and take possession of the Demised Premises immediately, and by force if necessary, without any previous notice of intention to reenter and remove all persons and their property, and to use such force and assistance in effecting and perfecting such removal as said Lessor may deem necessary and advisable to recover at once full and exclusive possession of all the Demised Premises whether in possession of Lessee or of other persons.

Lessor may, however, at Lessor's option, at any time after such default or violation of condition or covenant, reenter and take possession of said Demised Premises without such reentering working a forfeiture of the rents to be paid and the covenants, agreements, and conditions to be kept and performed by said Lessee for the full term of this Lease. In such event, Lessor shall have the right, but not the obligation, to divide or subdivide the Demised Premises in any manner Lessor may determine and to lease or let the same or portions for such periods and at such rentals and for such use and upon such covenants and conditions as Lessor may elect, applying the net rentals from such letting first to the payment of Lessor's expenses incurred in dispossession of Lessee and the costs and expenses of making such improvements in the Demised Premises as may be necessary in order to enable Lessor to relet the same, and to the payment of any brokerage commissions or other necessary expenses of Lessor in connection with such reletting. The balance, if any, shall be applied by Lessor from time to time, but in any event no less than once each month, on account of the payments due or payable by Lessee, with the right reserved to Lessor to bring such actions or proceedings for the recovery of any deficits remaining unpaid as Lessor may deem advisable from time to time, without being obligated to await the end of the term for a final determination of Lessee's account. The commencement or maintenance of one or more actions shall not bar Lessor from bringing other subsequent actions for further accruals pursuant to the provisions of this paragraph.

Any balance remaining, however, after full payment and liquidation of Lessor's account, shall be paid to Lessee from time to time with the right reserved to Lessor at any time to give notice in writing to Lessee of Lessor's election to cancel and terminate this Lease and all Lessee's obligations. The giving of such notice and the

simultaneous payment by Lessor to Lessee of any credit balance in Lessor's favor that may at the time be owing to Lessee shall constitute a final and effective cancellation and termination of this Lease and the obligations on the part of either party to the other.

9.2 Default by Lessor. Lessor shall in no event be charged with default in the performance of any of Lessor's obligations unless and until Lessor shall have failed to perform such obligations within thirty (30) days after notice by Lessee to Lessor properly specifying how Lessor has failed to perform any such obligation; provided, however, that if the cause for giving such notice involves the making of repairs or other matters reasonably requiring a longer period than the period of such notice, Lessor shall be deemed to have complied with such notice so long as Lessor has commenced to comply with such notice within the period set forth in the notice and is diligently prosecuting compliance with such notice.

Section 10. SIGNS, LIGHTING, AND ADVERTISING

10.1 Signs. Without Lessor's prior written consent and approval, which shall not be unreasonably withheld, Lessee shall not: (1) install any exterior lighting or plumbing fixtures, under canopy signs, shades or awnings, or any exterior decorations or painting, or build any fences or make any changes to the store front; (2) erect or install any exterior or interior window or door signs or advertising media, window or door lettering or placards; (3) keep or display any merchandise on or otherwise obstruct the sidewalks or area ways adjacent to the premises; or (4) fail to maintain the show windows and signs in a neat and clean condition. Lessee shall not use any advertising or other media objectionable to Lessees and/or local codes governing same, such as loudspeakers, phonographs, or radio broadcasts that can be heard outside the premises. It is the intention of this section, as related to signs, that Lessor shall effectively originate and maintain an overall sign control and design for the protection of all lessees. In this connection, Lessee further agrees to furnish and install a sign that will meet the sign standards that may be required.

Section 11. MISCELLANEOUS

11.1 Notices. Whenever under this Lease a provision is made for any demand, notice, or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other, it shall be in writing sent by email, facsimile, or by first class mail, with postage prepaid; if to Lessee addressed to Lessee at 645 Patriot Avenue, Martinsville, VA 24112; email benbur@walmart.com; facsimile at 276-656-1205; and if to Lessor addressed to Lessor at Town of Stuart, 100 Patrick Avenue, P.O. Box 422, Stuart, Virginia 24171; email tilley@va.net; sslate@va.net; and cacorbet@embargo.com; facsimile (276) 694-2583; and either party may by like notice at any time and from time to time designate a different address to which notices shall be sent. Such notices, demands, or declarations shall be deemed sufficiently served or given or all purposes at the time they are sent or mailed by U.S. mail.

12.2 Waiver. One or more waivers of any covenant, term, or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

12.3 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any of the other provisions contained in this Lease nor any act or acts of the parties shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

12.4 Governing Laws. The laws of Commonwealth of Virginia shall govern the validity, performance, and enforcement of this Lease.

any association between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any of the other provisions contained in this Lease nor any act or acts of the parties shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

12.4 Governing Laws. The laws of Commonwealth of Virginia shall govern the validity, performance, and enforcement of this Lease.

12.5 Savings Clause. The invalidity or unenforceability of any provision of this Lease shall not affect or impair the validity of any other provision.


12.6 Paragraph Headings. The paragraph titles herein are for convenience only and do not define, limit, or construe the contents of such paragraphs.

12.7 Covenant To Bind Successors. The provisions, covenants, and conditions of this Lease shall be binding on the legal representatives, heirs, successors, and assigns of the respective parties.

12.8 Entire Agreement. This Lease and the attached Exhibits set forth all of the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee governing the Demised Premises. There are no covenants, promises, agreements, conditions, or understandings, either oral or written, between them other than those set forth. Except as provided, no subsequent alterations, amendments, changes, or additions to this Lease shall be binding upon Lessor or Lessee unless and until reduced to writing and signed by both parties. Submission of this Instrument by Lessor to Lessee for examination shall not bind Lessor in any manner, and no lease, contract, option, agreement to lease, or other obligation of Lessor shall arise until this Instrument is signed by Lessor and delivered to Lessee.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

LESSOR: TOWN OF STUART, VIRGINIA

By: 
Name: K. Bay Weiland
Title: Mayor

LESSEE: PATRICK HENRY COMMUNITY COLLEGE REAL ESTATE FOUNDATION

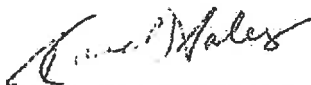
By: 
Name: Ronald D. Hale
Title: Chairman

EXHIBIT A
CONSTRUCTION PLANS