

DATE OF LEASE

August 25, 2011

LEASE NO
GS-05B-18310

THIS LEASE, made and entered into this date by and between RG Properties and Development, LLC

whose address is 1610 S. Old Decker Road
Vincennes, Indiana 47591-6127

and whose interest in the property hereinafter described is that of owner

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government,

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

- The Lessor hereby leases to the Government the following described premises (the "Leased Premises")
 - A total of approximately 17,029 rentable square feet (RSF) consisting of 14,986 ABOA Office Area square feet (ABOA) of space in the building located at 2300 Willow Street, Vincennes, Indiana 47591-6127 as indicated on the attached Site Plan and Floor Plan, to be used for such purposes as determined by the General Services Administration.
 - Forty-seven (47) surface parking spaces, located on site as shown on the Floor Plan and Site Plan attached hereto as Exhibit A, which, are included in the rent.
 - In accordance with the SFO paragraph entitled Common Area Factor, the common area factor is established as 1.1363%.
 - In accordance with the SFO paragraph entitled Percentage of Occupancy, the percentage of Government occupancy is established as 100%.
- TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, five (5) years firm, beginning on or about October 1, 2012, upon the substantial completion and acceptance of the Leased Premises which shall be stated in a Supplemental Lease Agreement and subject to renewal rights as may be hereinafter set forth.
- The Government shall pay the Lessor annual rent of \$506,783.00 at the rate of \$42,231.92 per month in arrears for Years 1-5. The Government shall pay the Lessor annual rent of \$359,311.90 at the rate of \$29,942.66 per month in arrears for Years 6-10.

Lease Years 1-5	RSF	USF
Warm Lit Shell	\$13.92	\$15.82
Real Estate Taxes	\$ 2.49	\$ 2.83
Operating Expenses	\$ 4.69	\$ 5.33
Tenant Improvements	\$ 8.66	\$ 9.84
Total	\$29.76	\$33.82

Lease Years 6-10	RSF	USF
Warm Lit Shell	\$13.92	\$15.82
Real Estate Taxes	\$ 2.49	\$ 2.83
Operating Expenses	\$ 4.69	\$ 5.33
Tenant Improvements	\$ 0	\$ 0
Total	\$21.10	\$23.98

Accumulated operating cost adjustments will be included in the stated per annum rates at the time they become effective. Rent for a lesser period of time shall be prorated. Rent checks shall be made payable to:

RG Properties and Development, LLC
1610 S. Old Decker Road
Vincennes, Indiana 47591-6127

- The Government may terminate this lease at any time after the end of the fifth year of the Lease by giving at least ninety (90) days' notice to the Lessor, and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

Init.: Lessor: _____ / Govt.: 

5. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals: provided notice be given in writing to the Lesser at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All Work, as defined in Form 3517B, General Clauses, services, maintenance and other operations as set forth elsewhere in this lease.

B. All responsibilities and obligations as defined in the Solicitation for Offers Number GS-05B-18310, as amended and other attachments to the Lease referenced in Paragraph 7 of this SF-2 form.

7. The following are attached and made a part hereof:

- U.S. Government Lease For Real Property, Standard Form 2 – 2 Pages -
- Standard Form 2-Attachment A (Paragraphs 9 – 27) - 4 Pages -
- Solicitation for Offers (SFO No. GS-05B-18310 dated December 6, 2010) — 54 Pages -
- Space Requirements - 4 Pages -
- SFO Amendment No. 1 – 1 Page -
- Form 3517B, General Clauses (Rev 11/05) — 33 Pages -
- Form 3518, Representations and Certifications (Rev 1/07) — 7 Pages -
- Exhibit A, Floor Plan & Site Plan — 2 Pages -

8. The following changes were made in this lease prior to execution:

Paragraph 5 was deleted in its entirety without substitution.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Page 2 of 2

[Redacted Signature]

(Signature)

[Redacted Signature]

IN PRESENCE

[Redacted Name]

GENERAL SERVICES ADMINISTRATION

[Redacted Name]

8/25/2011

Lease Contracting Officer

(Official title)

9. The total ABOA square foot area referred to in Paragraph 1 of the SF-2 herein is subject to an adjustment with the actual number of ABOA square feet delivered to be determined by mutual field measurements in accordance with provision of Paragraph 4.1 in the SFO.

If the actual number of ABOA square feet differs from Paragraph 1 of the SF-2, the Lease shall be amended by Supplemental Lease Agreement after field measurement to establish the square footage in compliance with the terms of this paragraph.

Should there be any adjustment in the square footage delivered, which will be determined through mutual field measurement, the per annum rental referred to above shall be adjusted on the basis of \$33.82 per usable square foot per annum. However, in no event shall the Government be responsible for payment of any rent for space in excess of 15,000 ABOA.

10. For the purpose of computing Operating Cost adjustments in accordance with Paragraph 4.3 of the SFO, the base cost of services in accordance with Paragraph 4.3 is \$79,873.00 per annum for 17,029 rentable square feet.
11. The lease is subject to real estate tax adjustment. For tax adjustment in accordance with terms of Paragraph 4.2 of the SFO, the Government's percentage of occupancy is 100%. The Property Tax Identification Numbers are 027-012-C035-200-004 (main parcel) and part of 42-12-33-103-001.000-023 (expansion parcel).
12. In the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$2.00 per usable square foot per annum for operating expenses.
13. Pursuant to Paragraph 4.6 of the SFO, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6:00 a.m. – 4:30 p.m. Monday through Friday,) and except Federal Holidays ("Normal Hours"), at \$35.00 per hour. In addition, there will be an additional charge of \$2.50 per every 10 Usable Square Feet for areas requiring 24-hour HVAC service.
14. Lessor shall provide janitorial service within Tenant's space after Tenant's normal office hours, 6:00 a.m. to 4:30 p.m., Monday through Friday, except Saturdays, Sundays and federal holidays.
15. The tenant build out will conform to the specifications in the Lease and all attachments, and are to be provided by the Lessor as part of the total rental payment. In accordance with Paragraph 3.2 of the SFO, the Lessor agrees to provide up to \$635,406.00 toward the cost of the Tenant Improvements. The tenant build out cost of \$635,406.00 (based on \$42.40 per ABOA Office Area square foot) is amortized for a period of sixty (60) months at 6.0%. Therefore, the amortized tenant build out costs are \$147,409.79 per annum or \$8.66 per rentable square foot.
- Pursuant to Paragraph 3.3 of the SFO, in the event the Tenant Improvement Cost is less than the amount provided above, the Lessor agrees to refund such difference in the form of reduction of base rent using a 6.0% amortization rate. The refund will be a credit of the rent equally spread out throughout the firm lease term on which the Government is paying rent (60 months). In the event that the Tenant Improvement Cost is greater than the amount provided above the Government can (1) reduce the Tenant Improvement requirements, (2) pay lump sum for the overage upon completion and acceptance of the improvements, or (3) have the Lessor amortize the additional cost at 6.0% throughout the firm lease term. The Government and Lessor must agree on any additional Tenant Improvement Cost through a Supplemental Lease Agreement.
16. The Lessor is an Indiana Limited Liability Company. The DUNS number is 106683266. The signatory authority for Lessor is Robert W. George, Jr., Managing Member, RG Properties and Development, LLC.
17. Lessor is registered with the Central Contractor Registration (CCR) system as referenced in Paragraph 11 of Form 3518.
18. The Contracting Officer represents the General Services Administration as an agent with authority to enter into the Lease on behalf of the Government and execute this document in his/her official capacity only and not as an individual.

INITIALS: RWG &
LESSOR & GOVERNMENT

19. The Government assumes no responsibility for any conclusions or interpretations made by the Lessor based on information made available by the Government and/or its contractors. Nor does the Government assume any responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before execution of this contract unless that understanding or representation is expressly stated in the Lease.
20. It is agreed by the parties hereto that all the terms and conditions of this Lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the Lessor and Government are neither applicable nor binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.
21. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant is **not** authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Leased Premises".
23. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the Aggregate Lease Value for the initial firm term of this lease. The total amount of the commission is [REDACTED] (see calculation on the following page). In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

5 Firm Term									
Shell									
D	Original (RSF)	Op Costs (RSF)	Amortized Security	Amortized TIs	Free Rent	Shell Gross/SF	Annual Amount	Annual % Change (Shell)	\$/SF Shell Increase
1	\$ 16.41	\$ 4.69	\$ -	\$ 8.66		\$ 29.76	\$ 506,783.00	0.00%	0.00
2	\$ 16.41	\$ 4.69	\$ -	\$ 8.66		\$ 29.76	\$ 506,783.00	0.00%	0.00
3	\$ 16.41	\$ 4.69	\$ -	\$ 8.66		\$ 29.76	\$ 506,783.00	0.00%	0.00
4	\$ 16.41	\$ 4.69	\$ -	\$ 8.66		\$ 29.76	\$ 506,783.00	0.00%	0.00
5	\$ 16.41	\$ 4.69	\$ -	\$ 8.66		\$ 29.76	\$ 506,783.00	0.00%	0.00

Lump Sum and Broker Credit Calculation									
Rentable SF	Rental Rate per RSF	Firm Period	Broker %	\$/SF	Total Lump Sum	Rebate	Commission Credit	Broker Commission	
17,029	\$29.76								

Total: [REDACTED] 0 [REDACTED]

Commission Credit Calculation for SF2

Total Monthly Rent	\$42,231.92
Monthly Shell Rent (Less RE Taxes)	\$19,762.66
# of Months Credit Deducted	[REDACTED]
Monthly Credit	[REDACTED]
Adjusted Shell Rent	
RE Taxes, Opex, TI & BS	\$22,469.26
Adjusted Monthly Rent	[REDACTED]

INITIALS: RWG & [Signature]
 LESSOR & GOVERNMENT

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$42,231.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$42,231.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

Third Month's Rental Payment \$42,231.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's rent.

24. The Tenant Improvement Fee Schedule is as follows and Lessor agrees not to exceed these figures:
- A. The General Conditions will not exceed 10% of the total subcontractor's costs.
 - B. The General Contractors fee will not exceed 5% of the total subcontractor's costs.
 - C. Architectural and Engineering fees will not exceed \$12,000.00.
 - D. Lessor's Project Management fees will not exceed 5% of the total subcontractor's costs.
25. Lessor shall provide a copy of the Phase I Environmental Report for the land purchased under the Real Estate Purchase and Sale Agreement dated January 24, 2011 to accommodate for the expansion space of the current building, consisting of approximately 0.46 acres and being a strip of real estate 44 feet by 455 feet behind 1610 S. Old Decker Road and 2300 Willow Street in Vincennes, Indiana.
26. Lessor shall provide a Certificate of Seismic Compliance for Existing Buildings completed, signed and stamped by an engineer.
27. Within five (5) days of the date of this Lease, the Lessor shall schedule a project meeting with the Contracting Officer to be held within twenty (20) days of the date of this Lease to agree upon the schedule for completion of the Building Shell work and Tenant Improvements. The schedule shall provide for completion of Work not later than October 1, 2012. It is understood that the Work will require a phasing plan to accommodate the tenant agency's business operations during the construction of the addition and the Tenant Improvements.

Lessor has provided and agrees to the following phasing schedule:

Phase I: Construction of 5,180 sq. ft. Addition to Existing Building;
Construction of Additional 47 space Parking Lot

Construction Access will be via adjacent property and designed to minimize interference or impact to current usage at site.

Completion time estimated: 90 days

Phase II: Remodel of certain areas of Existing building to meet revised specifications.

Temporary barriers will be utilized to minimize interference or impact to current usage at site. Night or weekend work will be utilized as necessary.

Completion time estimated: 60 days

Phase III: Replace carpeting and wall coverings in Existing Space; Finalize any changes to Existing Space.

Majority of work will be performed at night and or weekends to minimize interference or impact to current usage.

Completion time estimated: 30 days

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Upon substantial completion and acceptance by the Government of the Work (as defined in Section 1-DEFINITIONS- of the General Clauses (GSA Form 3517B), the parties will enter into a Supplemental Lease Agreement establishing the Lease Commencement Date and Rent Commencement Date for this Lease and will in that agreement terminate the Lease GS-05B-18151, dated August 21, 2008.

INITIALS: RWG & [Signature]
LESSOR GOVERNMENT