LEASE NO. GS-09B-02753

Streamlined Lease
GSA FORM L201B (JAN 2012)

This Lease is made and entered into between

HALE KAUAI, LTD.

("the Lessor"), whose principal place of business is [ADDRESS], **3371 WILCOX ROAD, LIHUE, HI 96766-1329** and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

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

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

4280 RICE STREET
LIHUE, HI 96756

and more fully described in Section 1 and Exhibit **A**, together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the term beginning on **May 01, 2012 through April 30, 2022**, subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

Name: HOBEY BECK

Title: President
Hale Kauai, LTD.

Date: _____

FOR THE GOVERNMENT:

LARRY BECKER

Contracting Officer

Date: MAY 09 2012

WITNESSED BY:

Name: Keith K.T. Ching

Title: Senior Vice President

Date: _____

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (AUG 2011)

The Premises are described as follows:

Office and Related Space: **9,237** rentable square feet (RSF), yielding **9,237** ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of **0%**, located on the **1st** floor(s) and known as **Buildings A and B**, as depicted on the floor plan(s) attached hereto as Exhibit **B**.

1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: **7** parking spaces as depicted on the plan attached hereto as Exhibit **C** of which **7** shall be surface outside spaces reserved for the exclusive use of the Government, **19** shall be surface parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

A. The Government shall pay the Lessor annual rent, payable monthly installments in arrears, at the following rates:

	MAY 1, 2012 – JULY 31, 2012		AUGUST 1, 2012 – APRIL 30, 2017 FIRM TERM		MAY 1, 2017 – APRIL 30, 2022 NON FIRM TERM	
	RENT	RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	$306,021.81*	$33.13	$268,150.11	$29.03	$302,049.90	$32.70
OPERATING COSTS	0.00	0.00	$ 55,606.74	$6.02	$ 55,606.74	$6.02
BASE ELECTRICAL COSTS	0.00	0.00	$110,844.00	$12.00	$110,844.00	$12.00
TOTAL ANNUAL RENT	**$306,021.81***	**$33.13**	**$434,600.85**	**$47.05**	**$468,500.64**	**$50.72**

*** Total rent for 3 month period of May 1, 2012 through July 31, 2012**

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 9,237 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517B.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Paragraph 1.01 THE PREMISES" created herein;

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

G. INTENTIONALLY DELETED PARAGRAPH

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in parts, at any time effective after the firm term of this Lease by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED BY REFERENCE (AUG 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
SITE PLAN(S)	1	A
FLOOR PLAN(S)	2	B
PARKING PLAN(S)	1	C
GSA FORM 3517B GENERAL CLAUSES	33	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	9	

1.08 INTENTIONALLY DELETED

1.09 INTENTIONALLY DELETED (STREAMLINED)

1.10 INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" clause of this lease is **100** percent. The percentage of occupancy is derived by dividing the total Government space of **9,237** RSF by the total building space of **9,237** rentable square feet.

The real estate tax base, as defined in the "Real Estate Tax Adjustment" clause of the Lease is **$1.11/RSF**.

1.12 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment Included in Offer" that the Lessor's base rate for operating costs shall be **$6.02** per rentable sq. ft (**$55,606.74**/annum).

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **$6.02** per ABOA SF of space vacated by the Government.

1.14 INTENTIONALLY DELETED

1.15 INTENTIONALLY DELETED

1.16 INTENTIONALLY DELETED