STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: August 30, 2011

LEASE No. GS-09B-02367

THIS LEASE, made and entered into this date between INOUE-HAWAII REALTY CORP, whose address is 101 Aupuni St, Ste 1001, Hilo, HI 96720-4259, 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 considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
1,592 rentable square feet (r.s.f.), yielding approximately 1,384 ANSI/BOMA Office Area (ABOA) square feet and related space located on the 2nd floor (Suites 228A+B) together with zero (0) parking stalls at Hilo Lagoon Centre, 101 Aupuni St, Hilo, HI 96720-4246, as follows:

Suites	ABOA	RSF	Parking	Firm Term
228A+B	1,384	1,592	zero	10 months

as depicted on the attached Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on September 12, 2011 through and including September 11, 2016 for a five (5) year, ten (10) month firm, term, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent per the schedule below per month in arrears. Rent for a lesser period shall be prorated.

Annual Rent Years 1-5

	Rent/yr	Rent/rsf	Rent/usf
Shell	34,355.36	21.58	24.82
Operating	21,364.64	13.42	15.44
Annual	55,720.00	35.00	40.26

Rent checks shall be payable to:

Inoue-Hawaii Realty Corp
101 Aupuni St, Ste 1001
Hilo, HI 96720-4259

4. The Government may terminate this lease in whole or in part effective after July 11, 2012 (10 months firm term) by giving at least thirty (30) days prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. Paragraph 5, Renewal Option, is intentionally omitted.

6. The Lessor shall furnish to the Government as part of the rental consideration under a NEW superseding lease, within thirty (30) days of lease award, the following:

   a) Since this is a succeeding lease the Lessor has agreed to defer its responsibility to repaint, replace ceiling tiles, recarpet, install new base cove and move furniture per lease LH99051 and agrees to be responsible for these costs under the following superseding lease. The Lessor shall also be responsible, at Lessor's cost, to clean the air conditioning supply/return registers and ducts.

7. The following are attached and made a part hereof: All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

   a) This SF-2 Lease (pages 1-2) containing Paragraphs 1-8;
   b) Sheet No. 1 (pages 1-2) containing Paragraphs 9-17;
   c) Exhibit A - Floorplan;
   d) Solicitation For Offers (SFO) Number LH102367 Amendment No. 1 dated August 23, 2011;
   e) Solicitation For Offers (SFO) Number LH102367 (pages 1-45) dated December 17, 2009;
   f) GSA Form 3517, General Clauses, (pages 1-33); and
   g) GSA Form 3518, Representations and Certifications, (pages 1-7).

8. The following changes were made in this lease prior to its execution:
   Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 19 have been added.

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

LESSOR: **INOUE-HAWAII REALTY CORP**

BY _____ (Signature) Owner (Title)

IN PRESENCE OF:

_____ (Signature) [redacted] (Address)

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service:**

BY _____
CONTRACTING OFFICER, GSA

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EXCEPTION TO SF2 APPROVED

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02367

9. **Tax Adjustment**: Pursuant to SFO Paragraph 4.2, "Tax Adjustment GSAM 552.270-24," for purposes of tax escalation, the Government occupies 1,592 rentable square feet in a mixed-use condominium building with a total rentable area of 170,846 (70,453 rsf commercial and 100,393 rsf residential) rentable square feet for a percentage of occupancy of 0.93183% of the whole complex. Each condominium unit has its own tax map key number [(3) 2-2-14-10-56] and is assessed/billed separately for Real Property Taxes.

10. **Operating Cost**: Pursuant to SFO Paragraph 4.3, "Operating Cost", the base rate for purposes of operating cost escalation is established at $13.42 per rentable square foot per annum.

11. **Adjustment for Vacant Premises**: Pursuant to SFO Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by $1.50 per ABOA square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 10, "Operating Costs."

12. **Overtime Usage**: Pursuant to SFO Paragraph 4.6, "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 a.m. - 6 p.m., Monday through Friday, 6 a.m. – 12 p.m. Saturdaysand except Federal Holidays ("Normal Hours"), at a rate of $25 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at c/o GSA, 300 Ala Moana Blvd, #1-336, Honolulu, HI 96850, to receive payment.

13. **24 Hour Rooms**: The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of $1.00 per square foot per year after "Normal Hours".

14. **Tenant Improvement Allowance**: {RESERVED}

15. Occupancy Reports:
    - A. **Building Systems:** In accordance with SFO Paragraph 8.2 "Building Systems," the Lessor shall furnish at no cost to the Government the required building system reports prior to the Government's occupancy of the Premises.
    - B. **Acoustical Requirements:** In accordance with SFO Paragraph 6.8 "Acoustical Requirements," the Lessor shall furnish at no cost to the Government the required acoustical reports prior to the Government's occupancy of the Premises.

16. Unauthorized Improvements: All questions pertaining to this lease agreement shall be referred in writing to the General Service Administration (GSA) Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space.**

17. 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 "Premises".

Initials: _____ & _____
Lessor Government