

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

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

AUG 31 2011

LEASE No. GS-09B-02288

THIS LEASE, made and entered into this date between Hawaii MMGD LLC

whose address is: **Two Newton Place, 255 Washington Street; Suite 300
Newton, MA 02458-1634**

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: **12,300 rentable square feet (r.s.f.)**, yielding approximately **12,000 ANSI/BOMA Office Area square feet**, together with a total of **4,500 usable square feet** of [REDACTED], and related space located on the 1st Floor (Suite 100) at the **91-329, Kauh Street; Unit 100, Kapolei, Hawaii 96707**, together with **25 onsite surface reserved and secured parking spaces**, as depicted on the attached **Floor Plan (Exhibit A)** (the "Premises") and on the attached **Site Plan (Exhibit B)**, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.
4. The Government may terminate this lease in whole or in part effective any time after the **tenth (10) year** of this lease giving at least **100 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 IS INTENTIONALLY OMITTED.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s)-described in Paragraph 1.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings; provided that the Government shall make payments for lump sum items identified in Paragraph 3.2 of the attachment sheets in the amounts specified therein; Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO; All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8HI2020 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

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) The Solicitation For Offers Number 8HI2020 (pages 1-43) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Special Requirements (pages 1-42);
- c) Amendment Number 1 (pages 1-2) ;
- d) Amendment Number 2 (page 1) ;
- e) Amendment Number 3 (pages 1-5) ;
- f) GSA Form 3517B (pages 1-33);
- g) GSA Form 3518 (pages 1-7);
- h) First generation Blue-Line Plan (Exhibit "A", page 1, Dec 2010);
- i) Site Plan (Exhibit "B", page 1, June 2011);

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

Paragraphs 2,3, and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 25 have been added.

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

[Redacted Signature]

& Research LLC

(Signature)

Two Newton Place
255 Washington Street
Suite 300
Newton, MA 02458

[Redacted Address]

(Address)

[Redacted Signature]

STATION, Public Buildings Service:

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02288

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following **fifteen (15)** years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. The Government shall pay the Lessor annual rents as follows:
 - A. For month 1 through 120, annual rent of **\$295,251.00** at the rate of \$24,604.25 per month in arrears.
 - B. For months 121 through 180 annual rent of **\$315,003.00** at the rate of \$26,250.25 per month in arrears.
 - C. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

Hawaii MMGD LLC,
c/o Reit Management & Research LLC
P.O. Box 1300
Mailcode 60321
Honolulu, HI 96807-1300

11. The Lessor shall have **60** working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies **12,300/12,300** rentable square feet (**100%**).
13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at **\$4.92** per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to 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 **\$1.00** per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "Overtime Usage", upon request by the GSA Field Office Manager, and a minimum of 24 hours notice, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (**7:00 a.m. – 6:00 p.m.**, Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of **\$20.00** 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 **300 Ala Moana Boulevard, Suite 1-336, Honolulu, Hawaii 96850** to receive payment.
16. **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 paid on an actual accrual basis by way of installation of a separate metering device.
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Solicitation For Offers 8HI2020, Amendment 2. Pursuant to SFO 8HI2020, Amendment No. 2, the total amount of the Tenant Improvement allowance is \$289,440 or \$24.12 per ANSI/BOMA Office Area (ABOA) square foot. The Tenant Improvement Allowance shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of **10 %** per year.
18. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
 - A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.11 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.2 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.

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- D. The construction schedule required in Paragraph 5.11 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- E. In addition to the submission requirements specified under Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
- F. Building Permit receipt will be an excusable delay.

19. **ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY:** 15 working days prior to the completion of interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have 10 working days to inspect and to either accept or reject the subject space.

- A. Substantially completed space will be accepted by the Government subject to the completion of minor punch list items (see the Definitions paragraph of GSA Form 3517, General Clauses). Space which is not substantially complete will not be accepted by the Government. Should the Government reject the Lessor's space as not substantially complete as defined herein, the Lessor shall immediately undertake remedial action and when ready shall issue a subsequent notice to inspect to the Government.
 - a. Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
 - b. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
 - c. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.
- B. The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue Certificates of Occupancy, the Lessor shall obtain the services of a licensed fire protection engineer to verify the offered space meets all applicable local codes and ordinances to ensure an acceptable level of safety is provided.

20. **OCCUPANCY REPORTS:**

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2, "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8, "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

21. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration 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 terms 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 for such improvements.**

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 "Premises".

23. Notwithstanding anything to the contrary contained in the Lease (including, without limitation, General Clauses Section 27), the Lessor has used best efforts based on the Government's SFO and requirements to provide the Government with the appropriate combination of Office and Warehouse space as requested in Amendment No.1 to SFO 8HI2020. Further, the leased premises will be measured and rental shall be paid at the offered rate below, regardless of any possible change in ANSI/BOMA Office Area. In the event of an increase or decrease in the amount of space being leased by the Government, a SLA shall be executed by the parties which will set forth the new percentage of occupancy and square footage of the premises at the offered annual rate of \$24.00 per RSF.

24. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such

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alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

25. **Default in Delivery – Time Extension:** Pursuant to GSA Form 3517B Section 11(d), "Default in Delivery – Time Extension," the Lease shall not be terminated under this clause nor the Lessor charged with damages under this clause , if (1) the delay in substantially completing the work arises from excusable delays and (2) the Lessor with 20 days from the beginning of any such delay (unless extended in writing by the Contracting Officer) provided notice to the Contracting Officer of the Causes of delay. However, where an excusable delay is attributable to Government action or inaction, the Contracting Officer shall ascertain the facts and the extent of the delay. If the facts warrant such action, the delivery date shall be extended by the Contracting officer, or inaction has caused or extended the delay, the parties shall agree on a mutually acceptable extension of the delivery date, and such extension shall include at least the same number of days as the delay caused by the Government action or inaction. Any such extension of the delivery date pursuant to the foregoing also will extend the delivery date under Paragraph 5.10 of the SFO.

26. **Lessor's Tenant Improvement Fee Schedule:**

The following fee schedule will be applicable for Tenant Improvements and Change Orders during initial construction arising under the result of this lease contract:

- A. General Conditions - 8 %;
- B. General Contractor's fee - 4 %;
- C. Architectural/Engineering fee - will not exceed \$4.00 per ANSI/BOMA office area square foot;
- D. Lessor's Project Management fee - 4 %.

These fees will not apply to the shell build-out cost or any other costs attributable to the Lessor.

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