

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>  <b>LEASE AMENDMENT</b>	<b>LEASE AMENDMENT No. 2 Beneficial Occupancy</b>  TO LEASE NO. GS-09B- <del>02902</del> <u>03471</u> <span style="float: right;">CB</span>
<b>ADDRESS OF PREMISES</b> WATUMULL PLAZA 4334 RICE STREET, SUITES 103-104 & 207-208 LIHUE, HAWAII 96766-1388	<b>PDN Number:</b>

**THIS AGREEMENT** is made and entered into between WATUMULL PROPERTIES CORP. dba WATUMULL PLAZA whose address is: 307 Lewers Street  
6<sup>th</sup> Floor  
Honolulu, Hawaii 96815-2357

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

**WHEREAS**, the parties hereto desire to amend the above Lease to establish beneficial occupancy, set the termination date, and revise the commission and commission credit paragraph.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective, September 1, 2015, as follows:

**The Term of the Lease is as follows:**

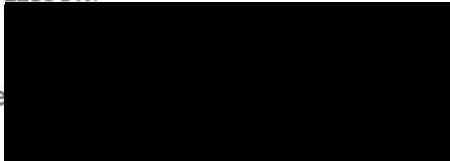


To Have and To Hold the said Premises with its appurtenances for the term beginning **September 1, 2015** continuing for a period through August 31, 2025, subject to termination and renewal rights as hereinafter set forth, to be used for such purposes as determined by the Government.

This Lease Amendment contains 5 pages.


All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.


**FOR THE LESSOR:**

Signature:   
 Name:   
 Title:   
 Entity Name: Watumull Properties  
 Date: September 4, 2015

**FOR THE GOVERNMENT:**

Signature:   
 Name: Carl Brown  
 Title: Lease Contracting Officer  
 General Services Administration, Public Buildings Service  
 Date: September 4, 2015

**WITNESSED FOR THE LESSOR BY:**

Signature:   
 Name: Tamara Peralta  
 Title: Receptionist  
 Date: September 4, 2015

**Section 1.01, The Premises, of the Lease is hereby deleted and replaced with the following:**

**1.01 THE PREMISES**

The Premises are described as follows:

Office and Related Space: 4,056 rentable square feet (RSF), yielding 3,380 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space (based upon a Common Area Factor of 1.20), located on the first (1st) and second (2nd) floor(s) and known as Suite(s) 103-104 & 207-208, of the Building. The total square feet is comprised of Block A ( ) 937 ABOA and 1,124 RSF, Block B ( ) 755 ABOA and 906 RSF and Block C ( ) 1688/ABOA and 2026 RSF.

**Section 1.03, Rent and Other Consideration of the Lease is hereby deleted and replaced with the following:**

**RENT AND OTHER CONSIDERATION**

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

**Block A ( ) 937 ABOA/1,124 RSF**

	Firm Term Years 1-5	Non-Firm Term Years 6-10
	Annual Rent	Annual Rent
Shell Rental Rate	\$25,852.00	\$28,100.00
Tenant Improvement Rental Rate <sup>1</sup>	\$24,715.09	\$ 0.00
Building Specific Security Costs <sup>2</sup>	\$ 492.67	\$ 0.00
Operating Costs	\$13,122.70	\$13,122.70
Full Service Rate <sup>3</sup>	\$64,182.46	\$41,222.70

<sup>1</sup>The Tenant Improvement Allowance and construction costs of \$101,575.81 is amortized at a rate of 8% percent per annum over 5 years.

<sup>2</sup>The Building Specific Security Cost of \$2,024.79 is amortized at a rate of 8% percent per annum over 5 years.

<sup>3</sup>Rates may be rounded

**Block B ( ) Totaling 755 ABOA/906 RSF**

	Firm Term Years 1-5	Non-Firm Term Years 6-10
	Annual Rent	Annual Rent
Shell Rental Rate	\$20,838.00	\$22,650.00
Tenant Improvement Rental Rate <sup>1</sup>	\$19,941.60	\$ 0.00
Building Specific Security Costs <sup>2</sup>	\$ 395.20	\$ 0.00
Operating Costs	\$10,577.55	\$10,577.55
Full Service Rate <sup>3</sup>	\$51,752.35	\$33,227.55

<sup>1</sup>The Tenant Improvement Allowance and construction costs of \$81,957.38 is amortized at a rate of 8% percent per annum over 5 years.

<sup>2</sup>The Building Specific Security Cost of \$1,624.20 is amortized at a rate of 8% percent per annum over 5 years.

<sup>3</sup>Rates may be rounded

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Block C [REDACTED] Totaling 1,688 ABOA/2,026 RSF

	Firm Term Years 1-5	Non-Firm Term Years 6-10
	Annual Rent	Annual Rent
Shell Rental Rate	\$46,598.00	\$50,650.00
Tenant Improvement Rental Rate <sup>1</sup>	\$44,567.48	\$0.00
Building Specific Security Costs <sup>2</sup>	\$ 884.32	\$0.00
Operating Costs	\$ 23,653.55	\$23,653.55
Full Service Rate <sup>3</sup>	\$115,703.35	\$74,303.55

<sup>1</sup>The Tenant Improvement Allowance and construction costs of \$183,166.50 is amortized at a rate of 8% percent per annum over 5 years.

<sup>2</sup>The Building Specific Security Cost of \$3,634.43 is amortized at a rate of 8% percent per annum over 5 years.

<sup>3</sup>Rates may be rounded

TOTAL FOR BLOCK A, B, and C Totaling 3,380 ABOA/4,056 RSF

	Firm Term Years 1-5	Non-Firm Term Years 6-10
	Annual Rent	Annual Rent
Shell Rental Rate	\$ 93,288.00	\$101,400.00
Tenant Improvement Rental Rate <sup>1</sup>	\$ 89,224.17	\$ 0.00
Building Specific Security Costs <sup>2</sup>	\$ 1,772.19	\$ 0.00
Operating Costs	\$ 47,353.80	\$ 47,353.80
Full Service Rate <sup>3</sup>	\$231,638.16	\$148,753.80

<sup>1</sup>The Tenant Improvement Allowance and construction costs of \$366,699.69 is amortized at a rate of 8% percent per annum over 5 years.

<sup>2</sup>The Building Specific Security Cost of \$7,283.42 is amortized at a rate of 8% percent per annum over 5 years.

<sup>3</sup>Rates may be rounded

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 3,380 ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517 (EXHIBIT D).

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

D. Rent is subject to adjustment based upon the final Building Specific Security Costs to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award date.

E. 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.

F. 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 (CCR).

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G. 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.
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.
4. INTENTIONALLY DELETED

H. Parking shall be provided at a rate of \$0.00 per parking space per month (Structure). and \$0.00 per parking space per month (Surface).

**Section 1.04, Broker Commission and Credit of the Lease is hereby deleted and replaced with the following:**

A. CBRE, INC. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to CBRE, INC. with the remaining [REDACTED], which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$19,303.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.\*

Month 2 Rental Payment \$19,303.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.\*

Month 3 Rental Payment \$19,303.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's Rent.\*

\*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

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**Section 1.05, Termination Rights of the Lease is hereby deleted in its entirety and replaced with the following:**

The Government may terminate this Lease, in whole or In part, at any time effective after **August 31, 2020** of this Lease, by providing not less than sixty (60) 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.

**The Lessor hereby waives restoration as a result of all improvements.**

**All other terms and conditions remain in full force and effect.**

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