Space No.	Name of Sublessee	Term of Sublease	Monthly Base Rent	Character of Use	Area Sq. Ft.	Sublease Agreement Copy on File	Sublease Status	Cert. Insurance	DCCA
1	Bite Me Logo Corp.	7/1/13 - 6/30/18	$1,000.00	Sales of Sportfishing charters and activities, Bite Me Logo wear, Bite Me Logo accessories and other retail sundry items, with Lessor's approval, that are specific to outfitting Lessee's clients for a day of Sportfishing. No retail sales of food or beverage and no fishing supplies.	576	YES	Current	✓	✓
3B	Pacific Boat & Yachts, LLC	8/1/15 - 7/31/20	$1,005.00	Sales and brokerage of new and used pleasure and commercial boats. Sales and brokerage of boating related corporations. Ocean recreation business consulting. Vessel management services. Sales are limited to complete boats. Sales of boat engines, hardware, or any other parts that attach to a boat will not be permitted.	576	YES	Current	✓	✓
4 & 5	Honokohau Food Service, Inc. dba Harbor House	1/1/15 - 12/31/19	$12,900.00	Restaurant/Bar with wait service; Sublessee is solely responsible for obtaining all necessary licenses and permits in order to operate said Restaurant/Bar, serving food, and only beer and wine (no hard alcohol).	4200	YES	Current	✓	✓
6	Pacific Rim Fishing, LLC.	9/1/15 - 8/31/20	$1,909.00	Retail sales of marine-related apparel and accessories. No food or beverage retail sales.	1272	YES	Current	✓	✓
7	Kona Coast Marine, Inc.	9/1/09 - 8/30/14, now on M-T-M	$2,722.00	Sales of outboard and inboard marine engines and sales of marine engine parts and accessories and repair of marine engines and equipment for Johnson/Evinrude, Yamaha, Honda, and Volvo. Sales of boat trailers and parts.	2240	YES	Expired, new sublease agreement not received	✓	✓
8A	Pacific Rim Fishing, LLC.	9/1/15-8/31/20	$1,957.00	Sale of sportfishing supplies and accessories	1086	YES	Current	✓	✓
8B	Kona Coast Marine, Inc.	8/1/06 - 7/31/11, now on M-T-M	$1,036.00	Sales of outboard and inboard marine engines and sales of marine engine parts and accessories and repair of marine engines and equipment for Johnson/Evinrude, Yamaha, Honda, and Volvo. Sales of boat trailers and parts.	1120	YES	Expired, new sublease agreement not received	✓	✓
9	Goose's Edge, Inc.	6/1/16 - 5/31/21	$3,286.00	Sales of marine supplies as it pertains to the annual dry docking of vessels (i.e. sand paper, bottom paint, top coat, zincs, etc.). The sales of marine hardware and supplies for commercial, charter and pleasure boats. No engines sales of any kind.	2240	YES	Current	✓	✓

Exhibit A

10	Sidney W. Knight	9/1/09 - 8/31/14, M-T-M	$1,205.00	Machining boat parts, trailer parts and any other machining which is marine related.	1250	YES, per GKM letter dated 3/9/17, assignment of sublease from Charles Lanning	Expired, new sublease agreement not received	✓	Documents not received
11	Goose's Edge, Inc.	8/1/14 - 7/31/19	$679.00	Provide general repair and maintenance services for vessels, not to include retail sales of any kind. Repair facility for Fisher Panda Generators.	670	YES	Current	✓	✓
12	Goose's Edge, Inc.	8/1/16-7/31/21	$1,551.00	Sales and service of marine electronic equipment. Sales of marine diesel engines and parts. Alignment and repair of marine diesel engines.	1068	YES	Current	✓	✓
13	The Kona Boat Club, Inc.	11/1/10-10/31/13, M-T-M	$1,670.00	Rental of power or sail boats (bareboat charters). Rental and sale of related sports equipment and sundries to be used solely in conjunction with the rental of the vessel (no general sales without prior written approval from lessor - general retail sales of logo wear only).	1152	YES	Expired, new sublease agreement not received	Documents not received	Documents not received
14	Dolphin Journey's LLC	11/1/14 - 10/31/17	$1,629.00	Retail sales of Dolphin Journey logo wear, air fills, snorkel excursions and marine mammal education. No retail sales of snacks or sundries.	1152	YES	Current	✓	✓
15	Commander, CG SILC Product Line Division (USCG)	Renew 10/16 (BLNR approved 8/12/10), expired, pending new sublease agreement	$1,617.48	Office space for CG adequate Marine Safety Team facilities in the Honokohau Harbor.	1152	YES	Expired, new sublease agreement not received	N/A	N/A
16	The Charter Locker	1/1/15 - 12/31/19	$2,056.00	Sales of sport activity charters, including sportfishing charters, snorkeling and water excursion charters. Sales of clothing with business logos only.	1152	YES	Current	Documents not received	Documents not received
17	Keoni's Point of View, LLC.	The "commencement date" of the term is 90 days after BLNR approval, with up to two (2) 30 day extensions on the commencement date contingent upon the progress of the construction improvements, OR the first day of business whichever occurs first. The "termination date" of the term is five years from the commencement date.	$4,399.00	Wholesale and retail sale of fresh, frozen, and packaged fish and seafood and operation of a seafood restaurant.	1128	YES	Pending BLNR approval of Sublease	Documents not received	Documents not received
18	Mike Akazawa dba Akazawa Painting	1/1/12 - 12/31/16	$833.70	Vessel repair and maintenance. Vessel repainting and refinishing. No engine repair or retail sales.	431	YES	Expired, new sublease agreement not received	Sole Proprietor, GE Tax License GE-214-330-3680-01	

22	Lito's Marine LLC.	**M-T-M (month to month)**	$3,000.00	Fiberglass and thru-hull work. Repair services for Mercury Marine, Mercruiser, Suzuki, and sales and service of personal watercraft.	unknown	Documents not received	Sublease Never Received	Documents not received	Documents not received
24C	Sue Vermillion	**M-T-M (month to month)**	$568.50	Provide bookkeeping, marketing, and insurance services for marine related businesses.	576	YES	Expired, new sublease agreement not received	✓	Documents not received
26	Armfield, Douglas	12/1/16 - 11/30/21	$3,150.00	Work shed for vessel repair, rebuild and maintenance, and storage facility for marine parts and supplies. No retail, or wholesale, sales of any kind.	3000	YES	Current	✓	Documents not received

$48,173.68 PLUS CAM FEES

GENTRY'S
KONA MARINA
HONOKOHAU HARBOR
74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740 • Phone 808.329.7896 Fax 808.329.7372 • Toll Free 888.458.7896

March 9, 2017

Dana Yoshimura, Planning & Development Manager
Department of Land & Natural Resources
Division of Boating and Ocean Recreation
4 Sand Island Access Road
Honolulu, HI 96819

Re: Request for Documents to Consent to Approve Subleases
for Harbor Lease H-82-4

Dear Dana Yoshimura:

We (GKM, Inc.) received your letter dated March 2, 2017 requesting additional information, as follows:

1. The spreadsheet we submitted in October is valid.

2. As previously communicated in our correspondence dated February 17, 2017, we requested each tenant provide us with their COI and DCCA. It is our experience that insurance companies provide a copy of the COI directly to the certificate holder. It is possible that they have been sent directly to you and a copy was not provided to us. Keoni's Point of View is awaiting board approval from August, 2016 to occupy space no. 17. Until that occurs it is doubtful they have insured a space they have yet to occupy.

3. Wayne Knight, Space No. 10, was submitted for board approval as an assignment of sublease from Charles Lanning. The original term of the approved sublease expired and he is on a month-to-month tenancy as a holdover tenant, Sublease No. GKM-085 dated September 1, 2004. Goose's Edge, Inc., Space No. 12, original sublease documents were sent over on August 11, 2016 via certified mail 7015-0640-0006-5700-2603 and was received by Carol Yamaguchi on 8/15/2016. They are currently operating under Sublease No. GKM-074, dated January 1, 2004. The Coast Guard is on a holdover tenancy and GKM, Inc. and the Coast Guard are currently in the process of renewing the sublease.

4. Kona Coast Marine, Sidney Wayne Knight and Kona Boat Club are all month-to-month tenants on holdover tenancy (see above).

If there is anything further, please do not hesitate to contact me.

Sincerely,

Tina Prettyman
General Manager

MAR13'17PM 2:09BOR ADM

cc: Joseph Fagundes III, Attorney at Law, Kona Law

DAVID Y. IGE
GOVERNOR OF HAWAII

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

EDWARD R. UNDERWOOD
ADMINISTRATOR
DIVISION OF BOATING AND OCEAN RECREATION

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION
4 Sand Island Access Road
Honolulu, Hawaii 96819

BOR.PM-200.17

March 2, 2017

Via Certified Mail
7015 3010 0001 6023 4672

Gentry's Kona Marina
c/o Tina Prettyman
74-425 Kealakehe Parkway
Kailua-Kona, HI 96740

Consent to Approve Subleases for Harbor Lease No. H-82-4

Dear Ms. Prettyman,

Thank you for submitting the Certificate of Insurance (COI) and Department of Commerce and Consumer Affairs Certificate of Good Standing (DCCA) for each of your tenants.

However, to accurately complete a submittal for consideration of the Consent to Subleases to the Board of Land and Natural Resources (BOARD), the Division of Boating and Ocean Recreation (DOBOR) respectfully requests that GKM provide the following information:

1. Included with our letter sent on February 1, 2017, DOBOR attached a spreadsheet list of all GKM Sublessees and requested assistance in confirming that the information was valid and up to date.

2. COIs and DCCAs for Kona Boat Club, Inc.; The Charter Locker, Lito's Marine, LLC; Douglas Armfield, and Keoni's Point of View.

3. Sublease agreement copies for Space No. 10 Sidney Wayne Knight dba KMS', Space No. 12 Goose's Edge, Inc., and Space No. 15 USCG.

4. Advise if Kona Coast Marine, Sidney Wayne Knight, and Kona Boat Club are still under Month to Month terms or if a new sublease will be drafted between GKM and the Sublessee.

Please submit all documents and information to DOBOR within ten (10) working days from receipt of this letter. Once DOBOR is provided with all the required information, we may complete the Consent to Approve Subleases for presentation to the BOARD.

If you have any questions, please contact our Property Management office at (808) 587-2683.

Regards,

Dana Yoshimura
Planning and Development Manager

Attachments
Sublessee Spreadsheet

GENTRY'S
KONA MARINA
HONOKOHAU HARBOR
74-425 Kealakehe Parkway, Kaliua-Kona, Hawaii 96740 • Phone 808.329.7896 Fax 808.329.7372 • Toll Free 888.458.7896

February 16, 2017

Dana Yoshimura, Planning & Development Manager
Department of Land & Natural Resources
Division of Boating and Ocean Recreation
4 Sand Island Access Road
Honolulu, HI 96819

Re: Request for Documents to Consent to Approve Subleases for Harbor Lease H-82-4

Dear Dana Yoshimura:

We (GKM, Inc.) received your letter dated February 1, 2017 requesting each sub tenant submit to your office a Certificate of Insurance and a Department of Commerce and Consumer Affairs (DCCA) Certificate of Good Standing. A letter was sent to each tenant requesting the documents on February 7, 2017 (see attached). Attached are the submissions from each of our tenants to date. It is our understanding that the majority of our tenants have the State of Hawaii as additionally insured and copies of these certificates get mailed directly to your offices.

Michael Akazawa, sole proprietor, dba Akazawa Painting, is not registered with the DCCA but does have a General Excise tax license number GE-214-330-3680-01.

The fallout from not processing subleases for over 12 years makes it difficult to now request and get timely responses from our tenants. We hope going forward we will be able to process these when they are submitted and avoid the lengthy delays as we are experiencing in re-letting Space No 17 which as of today still sits vacant awaiting Board of Land and Natural Resources approval for the sublease. We have lost five months of revenues ($16,920) due to the delay. GKM, Inc. cannot afford to lose these revenues and continue to provide quality services to the boating public.

If there is anything further, please do not hesitate to contact me.

Sincerely,

Tina Prettyman
General Manager

cc: Joseph Fagundes III, Attorney at Law, Kona Law

DAVID Y. IGE
GOVERNOR OF HAWAII

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
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DIVISION OF BOATING AND OCEAN RECREATION

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
DIVISION OF BOATING AND OCEAN RECREATION
4 Sand Island Access Road
Honolulu, Hawaii 96819

BOR-PM-134.17

February 1, 2017

Gentry's Kona Marina
c/o Tina Prettyman
74-425 Kealakehe Parkway
Kailua-Kona, HI 96740

Consent to Approve Subleases for Harbor Lease No. H-82-4

Dear Ms. Tina Prettyman,

The Division of Boating & Ocean Recreation (DOBOR) is currently in the process of drafting a submittal for Consent to Approve Subleases for Harbor Lease No. H-82-4, to be brought before the Board of Land and Natural Resources for their approval. In preparation of the submittal, we will need several documents to complete the process.

DOBOR respectfully requests each tenant submit a current Certificate of Insurance and Department of Commerce and Consumer Affairs (DCCA) Certificate of Good Standing to our office. We would also appreciate your help confirming that the list of sublessees, attached to this letter, is current.

Please submit all documents within ten (10) working days of receipt of this letter. If you have any questions, please feel free to call our Property Management Office at (808) 587-2683.

Best Regards,

Dana Yoshimura
Planning and Development Manager

Attachments
GKM, Inc. Sublease Inventory List

GENTRYS KONA MARINA SUBLEASE

SPACE No. 1

Lessor: GKM, INC.
Lessee: Bite Me Logo Corp.

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Exhibit A Premises and Property
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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of July, 2013 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Bite Me Logo Corp. whose post office address is 74-425 Kealakehe Parkway #1, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms.** Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

_____

Name: Brian A Wargo
Its President Bite The Logic Corp.

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 19th day of August, 2013, before me personally appeared Brian A Wargo, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

_____
Name: Paula J Ross
Notary Public, State of Hawaii

My commission expires: _____

Paula J. Ross
Expiration Date: September 14, 2015

PAULA J. ROSS NOTARY PUBLIC No. 03-515 STATE OF HAWAII

PAULA J. ROSS NOTARY PUBLIC No. 03-515 STATE OF HAWAII

Document
Doc. Date: not dated # Pages: 34
Notary Name: PAULA J. ROSS Third Circuit
Doc. Description: Gentry's Kona Marina Sublease

_____ 8-19-13
Notary Signature Date
NOTARY CERTIFICATION

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 11th day of December, 2013, before me personally appeared Gary Allen Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

NOTARY CERTIFICATION
Doc. Date: Undated # Pages: 40
Name: Jaedeen Kam 3rd Circuit
Doc. Description:
Gentry's Kona Marina Sublease
Notary Signature
12/11/13
Date

JAEDEEN KAM
NOTARY PUBLIC
Comm. No. 13-102
STATE OF HAWAII

Name: Jaedeen Kam
Notary Public, State of Hawaii

My commission expires: March 31, 2017.

JAEDEEN KAM
NOTARY PUBLIC
Comm. No. 13-102
STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

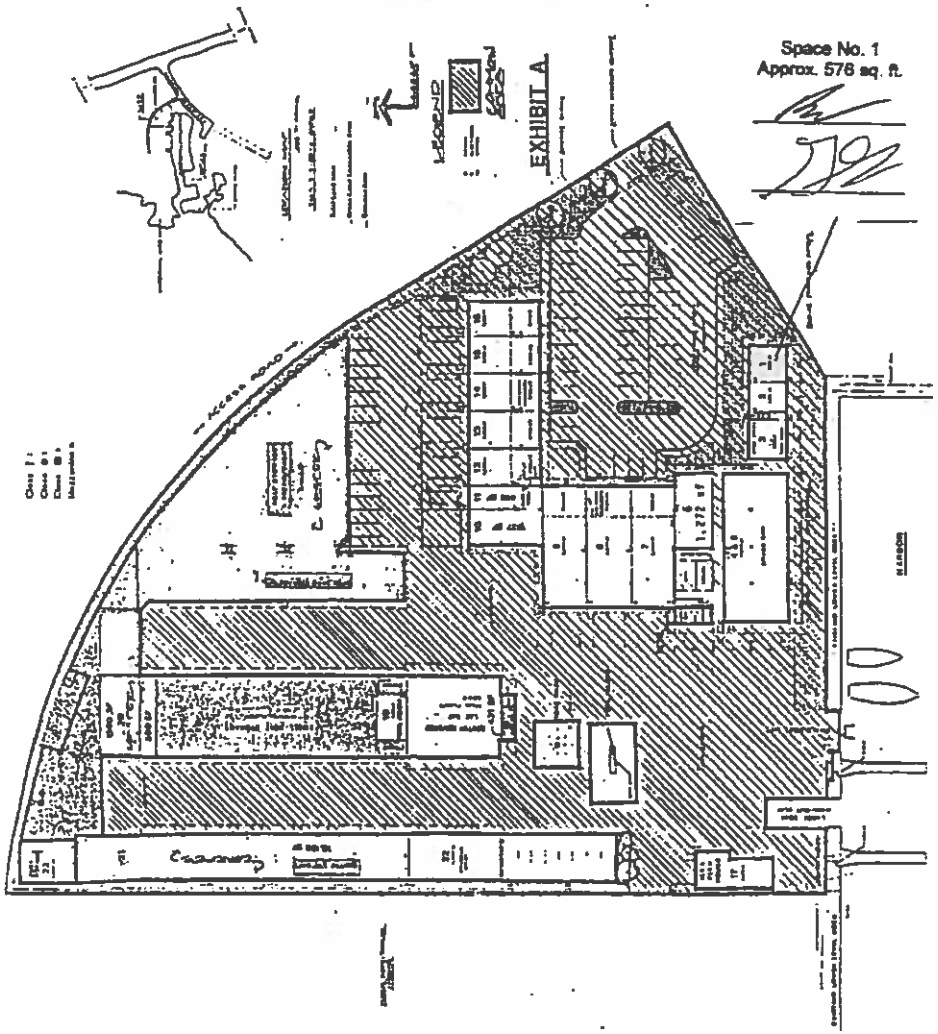

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Bite Me Logo Corp.
Premises: Space No. 1

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is July 1, 2013
The "termination date" of the term is June 30, 2018

II. **USE:** Sales of Sportfishing charters and activities, Bite Me Logo wear, Bite Me Logo accessories and other retail sundry items, with Lessor's approval, that are specific to outfitting Lessee's clients for a day of Sportfishing. Not retail sales of food or beverage and no fishing supplies.

III. **SECURITY DEPOSIT.** $1,000.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $1,000 per month.

B. Commencing on July 1, 2014 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Bite Me Logo Corp.
Premises: Space No. 1

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	27,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,914 sq. ft.
"Class III", which is Open Space	=	30,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 576 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = .81% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 186,213 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,828 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 212,041 sq. ft.

576 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 3,859 sq. ft. (Lessee's weighted space)/212,041 (total weighted space) = 1.81% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	186,213 sq. ft.
"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,828 sq. ft.
"Class III", which is 30,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	30,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	242,251 sq. ft.

576 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 3,859 sq. ft (Lessee's weighted space)/242,251 (total weighted space = 1.59% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" "LESSEE"

(initials) (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Bite Me Logo Corp.
Premises: Space No. 1

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentrys Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR" "LESSEE"

(initials) (initials)

BITEM-1 OP ID: AE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/14/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aloha Insurance Services, Inc. 75-5931 Walua Rd. Kailua-Kona, HI 96740 TJ Kona, Inc. Phone: 808-334-0044 Fax: 808-334-0115	CONTACT NAME: Angie Nelson PHONE (A/C, No, Ext): 808-334-4068 FAX (A/C, No): 808-334-0115 E-MAIL ADDRESS: angie@alohainsurance.com
INSURED Bite Me Logo Corp Brian Wargo 74-425 Kealakehe Prkwy #1 Kailua-Kona, HI 96740	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: First Insurance Co of HI — 41742 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUB WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR X Business Owners GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC	X		BOP00028246	07/10/2016	07/10/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 10,000 $ $ 2,000,000 $ 2,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			CBA6367220	07/09/2016	07/09/2017	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ 250,000 $ 500,000 $ 100,000
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $
							PROPERTY	20,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

State of Hawaii DLNR / DOBOR is additional insured as their interest appears and as set forth in the policy provisions

CERTIFICATE HOLDER

DLNRHAW

State of Hawaii
DLNR / DOBOR
74-380 Kealakehe Parkway
Kailua-Kona, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

BITE ME LOGO CORP.

was incorporated under the laws of Hawaii on 06/17/2008 ; and that it is an existing corporation in good standing, and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 08, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271650-COGS_PDF-22301901

GENTRYS KONA MARINA SUBLEASE

SPACE No. 3B

Lessor: GKM, INC.
Lessee: Pacific Boats & Yachts, LLC

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Exhibit A Premises and Property
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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of August, 2015 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Pacific Boats & Yachts, LLC, whose post office address is 74-425 Kealakehe Parkway #3B, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease. in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That Mav be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

Pacific Boats & Yachts LLC
"LESSOR"

_____
Name: Myrick W. Gaffney
Its Member

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 19TH day of NOVEMBER, 2015, before me personally appeared MYRICK WILLIAM GAFFNEY, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

SHARON K. KALUAU-DOUGHERTY NOTARY PUBLIC Comm No 13-416 STATE OF HAWAII

_____
Name: SHARON K. KALUAU-DOUGHERTY
Notary Public, State of Hawaii

My commission expires: NOV 9, 2017

NOTARY CERTIFICATION
Doc. Date: 11/19/15 # Pages: 36
Name: SHARON K KALUAU DOUGHERTY Third Circuit
Doc. Description: SUBLEASE KONA MARINA SUBLEASE

_____ 11/19/15
Notary Signature Date

SHARON K. KALUAU-DOUGHERTY NOTARY PUBLIC Comm No 13-416 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 13th day of January, 2016, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Toni Claire Haanio
Name: Toni Claire Haanio
Notary Public, State of Hawaii

My commission expires: May 4 2018

NOTARY CERTIFICATION
Doc. Date: 1-13-16 # Pages: 30
Name: Toni Claire Haanio Third Circuit
Doc. Description: Sublease Geneva Lane Marina
Toni Claire Haanio
Signature
1-13-16
Date

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

Lessee: Pacific Boats & Yachts
Premises: Space No. 3B

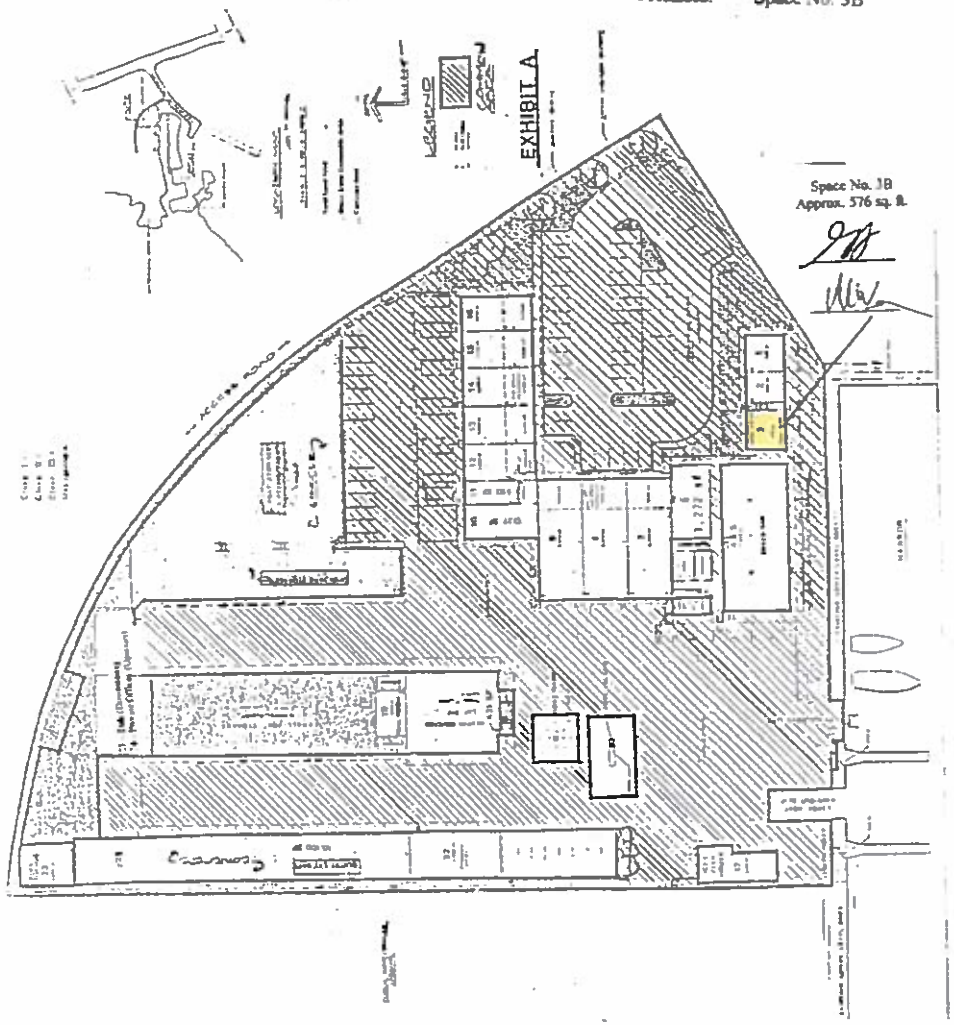

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Pacific Boats & Yachts
Premises: Space No. 3B

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is August 1, 2015
The "termination date" of the term is July 31, 2020

II. USE: Sales and brokerage of new and used pleasure and commercial boats. Sales and Brokerage of boating-related corporations. Ocean recreation business consulting. Vessel management services. Sales are limited to complete boats. Sales of boat engines, hardware, or any other parts that attach to a boat will not be permitted.

III. SECURITY DEPOSIT: $1,005.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1,005.00 per month.

B. Commencing on August 1, 2016 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
MWC
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Pacific Boats & Yachts
Premises: Space No. 3B

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 576 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = .81% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

576 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 3,860 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 1.94% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

576 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 3,860 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 1.67% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Pacific Boats & Yachts, LLC
Premises: Space No. 3B

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"
(initials)

"LESSEE"
(initials)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/14/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THI CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIE BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZEI REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject t the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to th certificate holder in lieu of such endorsement(s).

PRODUCER
Global Marine Insurance Agency, Inc.
12935 S. West Bayshore Dr.

Traverse City MI 49684

INSURED
Pacific Boats & Yachts, LLC
74-425 Kealakehe Parkway #3-B

Kailua HI 96740

CONTACT NAME: Cassalyn Spangler
PHONE (A/C, No, Ext): (800)748-0224 **FAX (A/C, No):** (231)947-6607
E-MAIL ADDRESS: cspangler@globalmarineinsurance.com

INSURER(S) AFFORDING COVERAGE **NAIC #**
INSURER A: Great American Insurance Co
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGES **CERTIFICATE NUMBER:** CL16101402070 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR	X		OHE458504710	8/28/2016	8/28/2017	EACH OCCURRENCE	$ 1,000,0
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,0
							MED EXP (Any one person)	$ 5,0
							PERSONAL & ADV INJURY	$ 1,000,0
	GEN'L AGGREGATE LIMIT APPLIES PER X POLICY PRO-JECT LOC						GENERAL AGGREGATE	$ 2,000,0
							PRODUCTS - COMP/OP AGG	$ 1,000,0
	OTHER						Marine Operators Legal	$ 1,000,0
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate Holder is included as additional insured with respect to the above captioned general liability per terms/conditions of actual policy & by written contract

CERTIFICATE HOLDER

State of Hawaii
Honokohau Harbor
74-380 Kealakehe Parkway
Kailua-Kona, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Gregg Reynolds/AMANDA

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The ACORD name and logo are registered marks of ACORD

COMMENTS/REMARKS

STATE OF HAWAII DLNR-BOR

COPYRIGHT 2000, AMS SERVICES INC.

ADDITIONAL COVERAGES

Ref #	Description	Coverage Code	Form No.	Edition Date
	Yacht Broker P & I Liability			

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
1,000,000					

Ref #	Description	Coverage Code	Form No.	Edition Date
	Blanket Additional Insured Endt			

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
Included					

Ref #	Description	Coverage Code	Form No.	Edition Date
	P & I Liability - Any One Occurrence			

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
1,000,000			1,000		$855.00

Ref #	Description	Coverage Code	Form No.	Edition Date
	Yacht Broker Legal Liability			

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium
1,000,000			2,500		$1,225 00

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

Ref #	Description	Coverage Code	Form No.	Edition Date

Limit 1	Limit 2	Limit 3	Deductible Amount	Deductible Type	Premium

OFADTLCV

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

PACIFIC BOATS & YACHTS, LLC

was organized under the laws of the State of Hawaii on 05/01/2000 ; that it is an existing limited liability company in good standing and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 09, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code 271791-COGS_PDF-4914C5

GENTRYS KONA MARINA SUBLEASE

SPACE No. 4 and 5

Lessor: GKM, INC.
Lessee: Honokohau Food Service, Inc.
dba Harbor House

INDEX TO LEASE

Page

ARTICLE I
GRANT 1

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THIS SUBLEASE (lease) is made this 1st day of January, 2015 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Honokohau Food Service, Inc. dba Harbor House, whose post office address is 74-425 Kealakehe Parkway #4, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms.** Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment. mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitation, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President NOTARIAL CERTIFICATION ATTACHED

"LESSOR" NOTARIAL ACKNOWLEDGEMENT ATTACHED

Honokohau Food Service Inc
dba Harbor House

_____

Name: Chihomi Kanzaki
Its president

"LESSEE"

_____

Name: _____
Its _____

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 21 day of Jan, 2015, before me personally appeared Gary A Lambert to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

CRYSTAL STUART NOTARY PUBLIC Comm. No 13-370 STATE OF HAWAII

Name: Crystal Stuart
Notary Public, State of Hawaii

My commission expires: 12/3/17

CRYSTAL STUART NOTARY PUBLIC Comm. No 13-370 STATE OF HAWAII

Doc. Date: 1/1/15 # Pages: 44
Notary Name: Crystal Stuart 3rd Circuit
Doc. Description: Sublease

Notary Signature Date 1/21/15

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 17th day of December, 20 14, before me personally appeared Chihomi Kanzaki, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

JUDY ALICES NOTARY PUBLIC No 10-389 STATE OF HAWAII

Name: Judy Alices
Notary Public, State of Hawaii

My commission expires: NOV 14 2018

Doc. Date: Undated at Signing # Pages 44
Notary Name: Judy Alices Third Circuit
Doc. Description Exercise Kona Marina Sublease, Space No. 4 and 5
Notary Signature 12/17/2014 Date

JUDY ALICES NOTARY PUBLIC No 10-389 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

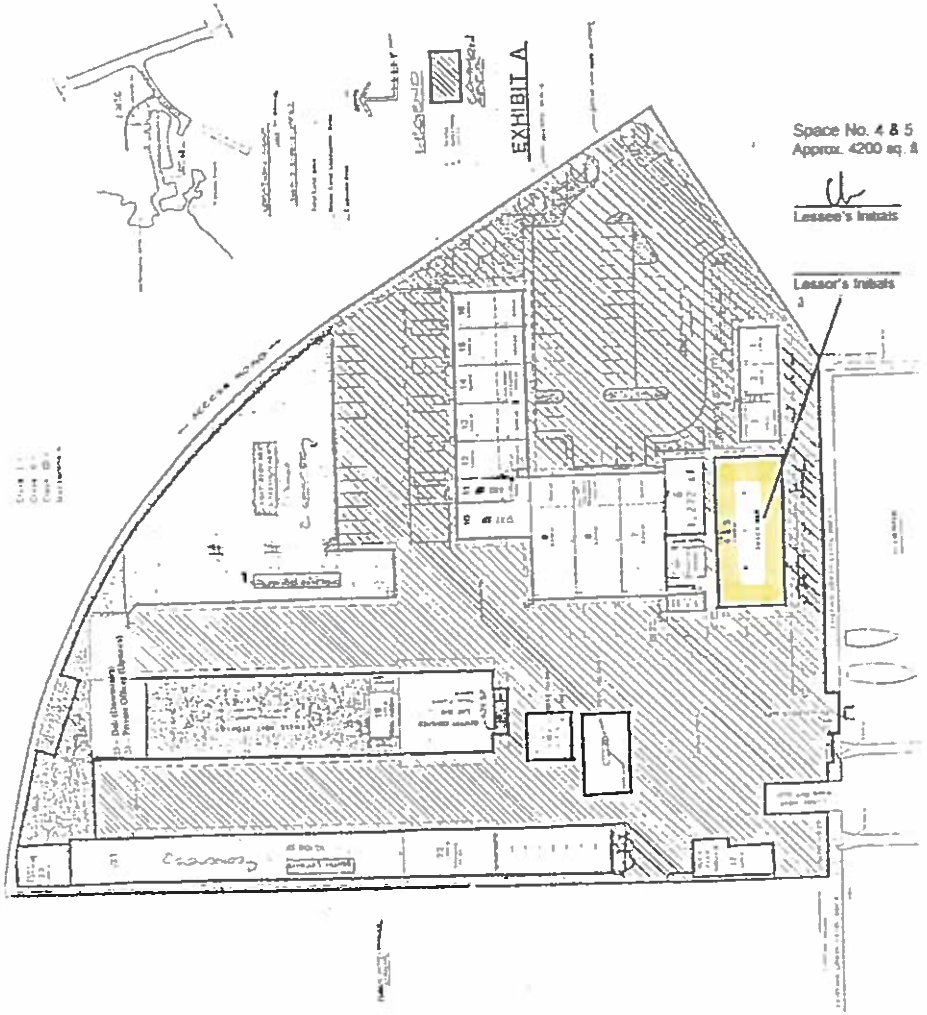

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Honokohau Food Service, Inc.
dba Harbor House
Premises: Space No. 4 and 5

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is January 1, 2015
The "termination date" of the term is December 31, 2019

II. USE: Restaurant/Bar with wait service; Sublessee is solely responsible for obtaining all necessary licenses and permits in order to operate said Restaurant/Bar, serving food, and only beer and wine (no hard alcohol).

III. SECURITY DEPOSIT: $12,900.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $12,900.00 per month or seven percent (7%) of gross receipts (see Exhibit E) whichever is higher.

B. Commencing on January 1, 2016 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Honokohau Food Service, Inc.
dba Harbor House
Premises: Space No. 4 and 5

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,238 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,241 sq. ft.
Approximate common area sf in GKM	=	107,631 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 4200 sq. ft. (Lessee's Space)/70,241 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 5.98% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,813 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0 = 24,476 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 197,289 sq. ft.

4200 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 28,140 sq. ft. (Lessee's weighted space)/197,289 (total weighted space) = 14.26% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	172,813 sq. ft.
"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0	=	24,476 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	229,499 sq. ft.

4200 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 28,140 sq. ft (Lessee's weighted space)/229,499 (total weighted space = 12.26% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Honokohau Food Service, Inc. dba Harbor House
Premises: Space No. 4 and 5

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) **Advertising.** Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR" (initials)

"LESSEE" (initials)

Lessee: Honokohau Food Service, Inc.
dba Harbor House
Premises: Space No. 4 and 5

EXHIBIT E
PERCENTAGE RENT ADDENDUM

In addition to the Monthly Base Rent set forth in the attached lease, Lessee shall pay percentage rent to the Lessor according to the following:

1. Percentage Rent Determination. For each and every calendar month or fraction of a month during the term of this lease, the Lessee shall pay to the Lessor, on or before the 10th day of the next succeeding month, as percentage rent, a sum of money equal to seven percent (7%) of the gross sales receipts received by the Lessee for the prior calendar month (or, if applicable, the percentage rent set forth in Paragraph 9 below); provided, however, that the total monthly rent to be paid by the Lessee to the Lessor shall not, in any case, be less than the Monthly Base Rent. Any Monthly Base Rent paid by the Lessee to the Lessor under Section 3.1 of the attached lease above shall be credited to the Lessee's percentage rent determined under this Percentage Rent Addendum. Within sixty (60) days after the expiration of each calendar year during the term of this lease, or within sixty (60) days after the termination of this lease if this lease is terminated before the end of a calendar year, the total percentage rent due, based on the amount of gross sales receipts for the preceding calendar year or shorter period as reported in the annual sales statement required under Paragraph 4 below shall be computed. If the total amount of percentage rent paid for any calendar year or shorter period (after due credit for all monthly base rent paid by the Lessee) does not equal the total monthly percentage rent calculated according to the percentage formula for the same period, then the Lessee shall pay any deficiency to the Lessor within (60) days after the expiration of the calendar year or shorter period. If the total amount of percentage rent paid for any calendar year or shorter period exceeds the total monthly percentage rent calculated according to the percentage formula for the same period, then the Lessor will credit the excess to the Lessee's future monthly percentage rent obligations over at least the next three (3) following months or, if this lease has expired, refund the excess to the Lessee, without interest, within thirty (30) days after the excess is determined.

2. Definition of Gross Sales Receipts. The term "gross sales receipts" as used in this lease shall include the entire actual sales price, whether for cash or otherwise, of all sales of food and beverages, merchandise, including, without limitation, clothing, accessories and tableware, services and all other receipts whatsoever of all businesses conducted at, in, from or upon the premises, including mail or telephone orders received or filled at the premises, receipts of any other location on account of work performed at the premises, all deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, receipts from the sale of food and beverages prepared on the premises and served elsewhere, and sales by any sub-sublessee, concessionaire or licensee or otherwise at, in, from or upon the premises. Gross sales receipts shall not include, however, sales of Lessee's equipment or fixtures not in the ordinary course of Lessee's business or the exchange of goods or merchandise between stores of Lessee, if any, where such exchange of goods or merchandise is made solely for the convenient operation of the business of Lessee and not for the purpose of consummating a sale which has theretofore been made at, in, from or upon the premises and where such transfer does not have the effect of depriving Lessor of the benefit of a sale which otherwise would have been made at, in, from or upon the premises. To the extent that the amount of any tax shall be included as a separately stated amount in the sales price charged to a customer, there shall be deducted from the gross sales receipts any gross income, sales or excise tax, or any other tax upon or measured by the gross receipts of Lessee or measured by the sales price of merchandise sold in, at or from the premises and directly imposed upon Lessee by any duly constituted authority. Gross sales receipts shall be decreased by the amount of any cash or credit refund made to a customer with respect to a sale from the premises if such sale is or has been included in the Lessee's computation of gross sales receipts, but gross sales receipts shall include uncollected or uncollectible credit accounts. Any sale, whether for cash or upon credit, shall be treated as a sale for the full price in the month when such sale is made.

3. Preservation and Disclosure of Records. For the purpose of ascertaining the amount payable as percentage rent under this Addendum, Lessee agrees to prepare and keep within the State of Hawaii in a place accessible to Lessor for a period of not less than two (2) years following the end of each calendar year to which they pertain, adequate records which shall show inventories and receipts of merchandise at the premises and daily receipts from all sales and other transactions on or from the premises by Lessee and any other persons conducting any business upon or from the premises. The receipts shall include copies of checks, sales slips, receipts or other evidences of sales furnished to all customers. Lessee shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in a cash register, cash registers, or a computer-based equivalent of a cash register, each of which shall have a cumulative total which shall be sealed in a manner approved by Lessor. Lessee further agrees to keep within the State of Hawaii in a place accessible to Lessor for at least two (2) years following the end of each calendar year to which they pertain, the gross income, sales and occupation tax returns with respect to said calendar years and all pertinent original sales records. Pertinent original sales records shall include: (a) cash register tapes, including tapes from temporary registers, and print-outs, magnetic tape files, magnetic disk files, and other storage media used in a computer-based equivalent of a cash register; (b) serially numbered sales slips; (c) the originals of all mail orders from, at and to the premises; (d) the original records of all telephone orders from, at and to the premises; (e) settlement report sheets of transactions with sub-Lessees, concessionaires and licensees; (f) the original records showing that merchandise returned by customers was purchased at the premises by such customers; (g) memorandum receipts or other records of merchandise taken out on approval; (h) such other sales records, if any, which would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of Lessee's sales; and (i) the records specified in (a) to (h) above of sub-sublessees, assignees, concessionaires, or licensees. Lessor and Lessor's authorized representatives shall have the right to examine Lessee's records as described above during regular business hours.

With Lessor's prior written consent, Lessee may provide to Lessor Lessee's original sales records, as defined in this Paragraph 3, in a magnetically recorded and computer readable form ("magnetic media") that can be mounted and processed on a third-party's computer system based on Microsoft software (or compatible software); Lessee shall provide any additional necessary processing software and pay for reasonable amounts of computer system usage by Lessor pursuant to this Paragraph 3. Such processing of Lessee's magnetic media shall include, without limitation, the itemization and calculation of all receipts specified in this Paragraph 3. Within fifteen (15)

days of Lessor's written request, Lessee shall provide to Lessor (i) such magnetic media and necessary software and (ii) printed summaries of the sales records specified in this Paragraph 3.

4. Reports of Gross Sales Receipts. The Lessee shall submit to the Lessor, on or before the 15th day of each and every calendar month (excluding the 15th day of the first month of the lease, but including the 15th day of the month following the end of this lease), at the place designated for the payment of rent, together with the remittance of the monthly percentage rent as determined according to this Percentage Rent Addendum, a written statement signed by the Lessee, or by a person duly authorized by the Lessee, and certified by Lessee (or its representative) to be true and correct, stating in reasonably accurate detail, the amount of gross sales receipts during the preceding calendar month and fractional month, if any. Lessee shall also submit at the same time a copy of Lessee's monthly "General Excise and Use Tax Return" or such form as may otherwise be designated for similar purposes, which Lessee is required to file with the Hawaii Department of Taxation. Lessee consents to allow Lessor to verify the authenticity of such copy with the Department of Taxation. The Lessee shall also submit to the Lessor on or before the 30th day following the end of each calendar year or within thirty (30) days after termination of this lease prior to the end of a calendar year, at the place designated for the payment of rent, an annual statement signed by the Lessee or by a person duly authorized by the Lessee, and certified by Lessee (or its representative) to true and correct, showing in reasonably accurate detail the amount of gross sales receipts during the preceding calendar or lease year. These statements shall be in such form and contain such details as the Lessor may reasonably designate.

5. Receipt Verification. Lessor's agents may purchase food, beverages, and/or merchandise from Lessee without identifying themselves so as to verify that all customers are being treated in a courteous and businesslike manner, that the use of the premises corresponds with the use provided for in this lease, and that each customer receives a receipt in a form satisfactory to Lessor for all purchases. Lessor may return any nonperishable merchandise purchased for the above-described purposes within three (3) months after the purchase and receive a full refund of the entire amount paid for such merchandise so long as such merchandise is returned in the condition it was in at the time of purchase. Any such sales shall be deducted from the gross sales receipts defined in Paragraph 2. If any inspection made pursuant to this Paragraph 5 discloses that Lessee is not properly receipting for all purchases or is otherwise in default, Lessee shall pay Lessor's cost of such inspection. Lessee shall take corrective action to remedy any such default immediately after receiving written notice thereof.

6. Right to Examine Books. The acceptance by Lessor of monthly base and/or percentage rent shall be without prejudice to Lessor's right to an examination of Lessee's books and records of its gross sales and inventories of merchandise at the premises in order to verify the amount of annual gross sales made by Lessee in and from the premises.

7. Audit; Termination. At its option, Lessor may cause, at any reasonable time upon forty-eight (48) hours' prior written notice to Lessee, a complete audit to be made of Lessee's entire business affairs and records relating to the premises for the period covered by any statement issued by Lessee as above set forth. If such audit shall disclose a liability for monthly base and/or percentage rent to the extent of three percent (3%) or more in excess of the percentage rent theretofore computed and paid by Lessee for such period, Lessee shall promptly pay to Lessor the cost of said audit in addition to the deficiency, which deficiency shall be payable in any event. In addition, if the deficiency is five percent (5%) or more, or if a deficiency of three percent (3%) or more occurs more than twice during any five consecutive years of the term of this lease, Lessor, at its option, may terminate this lease upon thirty (30) days' written notice to Lessee of Lessor's election to do so. Any information obtained by Lessor as a result of such audit shall be held in strict confidence by Lessor.

8. Radius Clause. Neither Lessee, nor any individual, firm or corporation that controls Lessee or is controlled by Lessee, shall own, operate or become financially interested in a business similar to the business being operated in the premises by Lessee, within three (3) miles in any direction from the Property, the mileage to be measured on a straight line basis on a map, not following contours of the land and streets. If Lessee defaults in performance of its obligations under this Paragraph 8, Lessor can elect to include the gross sales receipts (as defined above) of such other business in the gross sales receipts of Lessee's business in the premises for the purpose of computing percentage rent payable under this lease, or may elect one or more of the other remedies available to Lessor on account of any Lessee default under this lease, such remedies being cumulative.

9. Determination of Percentage Rent on Default.

(i) For the purpose of determining the rents and other payments which would be payable to Lessor by Lessee under this lease subsequent to Lessee's default, the rent and other payments for each month of the unexpired term of this lease shall deemed to be an amount equal to the average, computed on and adjusted to a monthly basis, of the total monthly base rent, percentage rent, and other charges paid or payable by Lessee to Lessor under this lease annually during the calendar year immediately preceding the date of default.

(ii) It is agreed that, if there shall not have been three (3) full lease years immediately preceding the date of default, it would be impracticable or extremely difficult from the nature of the case to prove what amount of percentage rent hereunder would have been paid or payable hereunder by Lessee throughout the balance of the term of this lease if Lessee had not defaulted, and no other remedy would be adequate, convenient or feasible. Accordingly, the parties agree that, in such event, the amount of the percentage rent which would have been paid or payable by Lessee each month throughout the term of this lease if Lessee had not defaulted shall be equal to the average, computed on and adjusted to a monthly basis, of the total percentage rent paid by Lessee for the twelve (12) calendar months immediately preceding the calendar month of default.

"LESSOR"

Signature 1/21/2015 Date

"LESSEE"

Signature 12/17/14 Date

Client#: 97135 HARBHOU

ACORD. CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 2/07/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Atlas Insurance Agency, Inc. 1132 Bishop St., Suite 1600 Honolulu, HI 96813 808 533-3222	CONTACT NAME: Steven Fukumitsu PHONE (A/C, No, Ext): 808 533-3222 FAX (A/C, No): 808 533-8777 E-MAIL ADDRESS:
INSURED Harbor House Honokohau Food Service Inc dba 74 425 Kealakehe Parkway Kailua Kona, HI 96740	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A: First Indemnity Insurance of HI — 41734 INSURER B: INSURER C: INSURER D: This certificate supersedes the INSURER E: certificate issued 4/12/16 INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		CGL546536521	04/07/2016	04/07/2017	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE [X] OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
							MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$2,000,000
	POLICY PRO JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] N/A	N/A					E.L. EACH ACCIDENT	$
	(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule may be attached if more space is required)

GKM Inc. dba Gentry's Kona Marina and State of Hawaii Dept. of Land & Natural Resources Division of Boating & Ocean Recreation is named an Additional Insured per form HCG1000 01/10 General Liability Plus Endorsement as per policy provisions. Loc#1 - 74 425 Kealakehe Parkway, Kailua Kona, HI 96740

CERTIFICATE HOLDER

GKM Inc. dba
Gentry's Kona Marina
and State of Hawaii
74-425 Kealakehe Pkwy
Kailua Kona, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Myles A. Murakami

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JAI

Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

HONOKOHAU FOOD SERVICE, INC.

was incorporated under the laws of Hawaii on 07/11/1989 ; and that it is an existing corporation in good standing, and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 07, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271557-COGS_PDF-75992D1

GENTRYS KONA MARINA SUBLEASE

SPACE No. 6

Lessor: GKM, INC.
Lessee: Pacific Rim Fishing LLC

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Exhibit A Premises and Property
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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of September, 2015 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Pacific Rim Fishing LLC whose post office address is P.O. Box 1964, Kailua Kona, HI 96745, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lesso

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR" Paul Csige

Name: Paul Csige
Its Owner

"LESSEE" Pacific Rim fishing

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 13th day of October, 2015, before me personally appeared Gary Allen Lambert to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Elnora Regpala
Name: Elnora Regpala
Notary Public, State of Hawaii

My commission expires: 12-18-15

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-396 STATE OF HAWAII

NOTARY CERTIFICATION
Doc. Date 10-13-15 # Pages: 41
Name: Elnora Regpala 3rd Circuit
Doc. Description: Gertrys Kona Marina Sublease
Elnora Regpala
10-13-15

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-396 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 28th day of August, 2015, before me personally appeared Paul Y Ceiga, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

DAVELYNN ESPERANZA NOTARY PUBLIC Commission # 12-336 STATE OF HAWAII

Name: Davelynn Esperanza
Notary Public, State of Hawaii

My commission expires: 12-01-16

NOTARY CERTIFICATION
Doc. Date: 8-28-16 # Pages: 30
Name: Davelynn Esperanza Third Circuit
Doc. Description: Country Kona Marina Contract
Notary Signature
Date: 8-28-16

EXHIBIT A
PREMISES AND PROPERTY

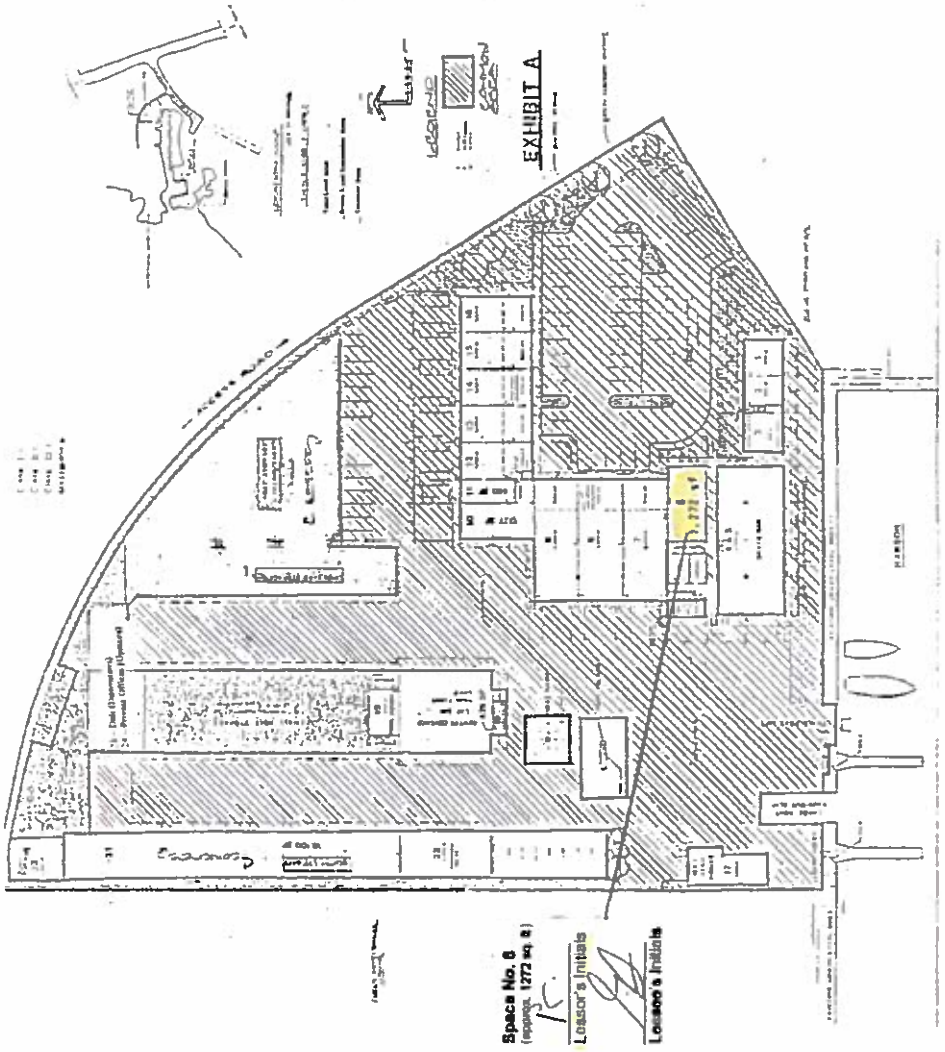

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 6

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is September 1, 2015
The "termination date" of the term is August 31, 2020

II. USE: Retail sales of marine-related apparel and accessories. No food or beverage retail sales.

III. SECURITY DEPOSIT: $1,909.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1,909.00 per month.

B. Commencing on September 1, 2016 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 6

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,238 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,241 sq. ft.
Approximate common area sf in GKM	=	107,631 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,272 sq. ft./70,241 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.81% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,813 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0 = 24,476 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 197,289 sq. ft.

1,272 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 8,522 sq. ft. (Lessee's weighted space)/197,289 (total weighted space) = 4.32% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	172,813 sq. ft.
"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0	=	24,476 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	229,499 sq. ft.

1,272 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 8,522 sq. ft (Lessee's weighted space)/229,499 (total weighted space) = 3.71% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" PC (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 6

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

2) Lessee acknowledges acceptance of premises in the current condition including the responsibility to repair and maintain. (See sublease Article 1.2 Acceptance of the Premises). The current condition of the improvements are unknown and may not work at all. If there are any questions with regards to any of the improvements, prior to signing the Sublease, Lessor recommends hiring the proper tradesperson for inspection. Lessee may be responsible for the removal of the improvements upon termination of the agreement pursuant to the terms and conditions of this sublease.

"LESSOR" (initials)

"LESSEE" PC (initials)

PACIRIM-09 LPOI

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/10/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Finance Insurance Ltd.
1164 Bishop Street, Suite 400
Honolulu, HI 96813

CONTACT NAME:
PHONE (A/C, No, Ext): (808) 522-2040 FAX (A/C, No): (808) 522-2082
E-MAIL ADDRESS: info@financeinsurance.com

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: First Fire and Casualty Ins — 41726
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
Pacific Rim Fishing
74-425 Kealakehe Prkwy #8
Kailua Kona, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 1,000,00
	CLAIMS-MADE X OCCUR	X		CPX705121601	10/30/2016	10/30/2017	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,00
							MED EXP (Any one person)	$ 5,00
							PERSONAL & ADV INJURY	$ 1,000,00
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,00
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,00
	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Gentry's Kona Marina - 74-425 Kealakehe Parkway, Kailua Kona, HI 96740
Certificate holder is named as Additional Insured but only to the extent set forth in the General Liability policy provisions.

CERTIFICATE HOLDER

State of Hawaii, Department of Land & Natural Resources
Division of Boating & Ocean Recreation (DLNR - DOBOR)
4 Sand Island Access Road.
Honolulu, HI 96819

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

PACIFIC RIM FISHING LLC

was organized under the laws of the State of Hawaii on 08/03/2015 ; that it is an existing limited liability company in good standing and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 09, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code 271774-COGS_PDF-133161C5

GENTRYS KONA MARINA SUBLEASE

SPACE No. 7

Lessor: GKM, INC.
Lessee: Kona Coast Marine

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Exhibit A Premises and Property
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Exhibit C Property Maintenance and Operating Expenses; Taxes and Assessments
Exhibit D Special Terms
Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of September, 2009 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Kona Coast Marine, whose post office address is 74-425 Kealakehe Parkway #7, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Leasee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:

(i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;

(ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) **Lessee's Right to Possession Not Terminated**. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) **Lessee's Right to Possession is Terminated**. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitation, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

_____

Name: Rachelle K. Onaka
Its Secretary

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 18th day of November, 2009, before me personally appeared Rachelle K. Ouka, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 09-439 STATE OF HAWAII

Name: Shawna L. Yonemura
Notary Public, State of Hawaii

My commission expires: Aug. 22, 2011

Doc. Date: Sept. 1, 2009 # Pages: 46
Notary Name: Shawna L. Yonemura Third Circuit
Doc. Description: Lease Agreement

Notary Signature Date: NOV. 18, 2009

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 09-439 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this _____ day of _____, 2009, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: _____
Notary Public, State of Hawaii

My commission expires: Mar 22, 2011

State of California County of San Mateo
On 12/8/2009 before me Shridhar Gore
Notary Public, personally appeared Gary Lambert
who proved to me on the basis of satisfactory evidence to be the
whose name(s) is/are subscribed to the within instrument and
to me that he/she/they executed the same in his/her/their authorized
and that by his/her/their signature(s) on the instrument the person
upon behalf of which the person acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California
that the foregoing paragraph is true and
WITNESS my hand and official

SHRIDHAR GORE Comm. # 1771346 NOTARY PUBLIC - CALIFORNIA San Mateo County My Comm. Exp. Mar 22, 2011

EXHIBIT A
PREMISES AND PROPERTY

Lessee: Kona Coast Marine
Premises: Space No. 7

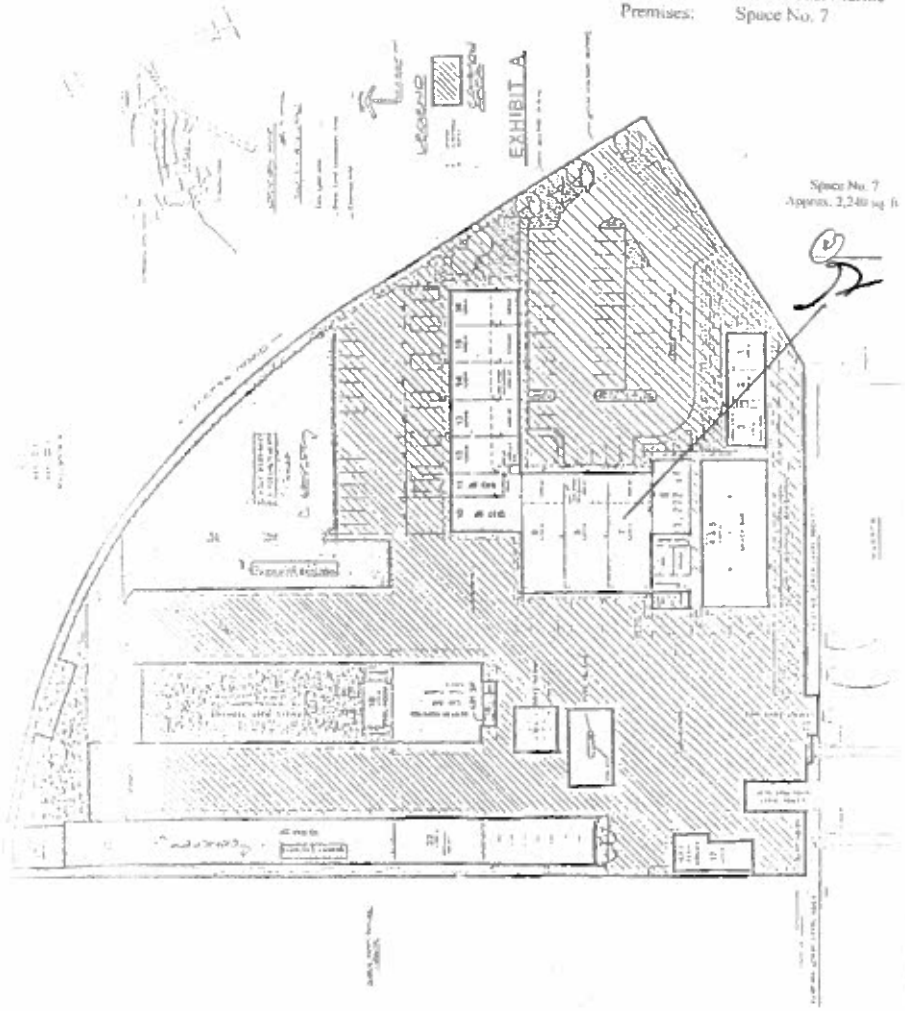

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Kona Coast Marine
Premises: Space No. 7

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is September 1, 2009
The "termination date" of the term is August 30, 2014

II. USE: Sales of outboard and inboard marine engines and sales of marine engine parts and accessories and repair of marine engines and equipment. Sales of boat trailer parts.

III. SECURITY DEPOSIT: $2,722.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $2,722.00 per month.

B. Commencing on September 1, 2010 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Kona Coast Marine
Premises: Space No. 7

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 2,240 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 3.16% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

2,240 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 15,008 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 7.54% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

2,240 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 15,008 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 6.50% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Kona Coast Marine
Premises: Space No. 7

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentrys Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"

(initials)

"LESSEE"

(initials)

Client#: 131577 KONACOA11

ACORD. CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 8/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Atlas Insurance Agency, Inc.
1132 Bishop St., Suite 1600
Honolulu, HI 96813
808 533-3222

CONTACT NAME: Janis Takauye
PHONE (A/C, No, Ext): 808 533-3222 FAX (A/C, No): 808 533-8777
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Scottsdale Insurance Co.	41297
INSURER B: Broker: Hull & Company	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Kona Coast Marine, Inc.
74 425 Kealakeha Parkway Unit 7
Kailua Kona, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR X BI/PD Ded:500 GEN'L AGGREGATE LIMIT APPLIES PER POLICY [ ] PRO JECT [ ] LOC OTHER	X		CPS2467308 This insurance contract is issued by an insurer which is not licensed by the State of Hawaii and is not subject to its regulation or consumer protection. If the insurer is found insolvent, claims under this contract are not covered by any guaranty fund of the State of Hawaii. Broker Name: Hull & Company, Inc. Hawaii (Surplus Lines Broker) License #28842-42 Address: 3378 Koapaka Street, Suite B-201, Honolulu, Hawaii 96819	08/01/2016	08/01/2017	EACH OCCURRENCE $1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) $100,000 MED EXP (Any one person) $5,000 PERSONAL & ADV INJURY $1,000,000 GENERAL AGGREGATE $2,000,000 PRODUCTS - COMP/OP AGG $2,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A					PER STATUTE OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Location: 74 425 Kealakeha Parkway Unit 7; Kailua Kona, HI
GKM Inc dba: Gentry's Kona Marina is named an Additional Insured per form CG2011 04/13 Managers or Lessor of Premises as per policy provisions.

CERTIFICATE HOLDER
GKM Inc dba: Gentry's Kona Marina
74-425 Kealakeha Parkway
Kailua Kona, HI 96740

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Myles A. Murakami

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STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: **KONA COAST MARINE, INC.**

DBA/Trade Name: **KONA COAST MARINE, INC.**

Issue Date: **01/30/2017**

Status: **Compliant**

Hawaii Tax#: W20226842-01
New Hawaii Tax#: GE181563801601
FEIN/SSN#: XX-XXX5811
UI#: XXXXXX7361
DCCA FILE#: 107991

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

GENTRYS KONA MARINA SUBLEASE

SPACE No. 8A
Lessor: GKM, INC.
Lessee: Pacific Rim Fishing LLC

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Exhibit D Special Terms
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THIS SUBLEASE (lease) is made this 1st day of September, 2015 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Pacific Rim Fishing LLC, P.O. Box 1964, Kailua Kona, Hawaii, 96745, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment.** The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax,

Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises

at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at

Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the

Property and otherwise regulate and control the Property, and amend the same from time to time, with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease·

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires

the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then

in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures, alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee, and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under

the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the

Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____

Name: GARY LAMBERT
Its Vice President

"LESSOR" Paul Csiga

Name: Paul Csiga
Its owner

"LESSEE" Pacific Rim fishing

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 13th day of October, 2015, before me personally appeared Gary Allen Lambert to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

ELNORA REGPALA NOTARY PUBLIC Comm. No 11-396 STATE OF HAWAII

Elnora Regpala
Name: Elnora Regpala
Notary Public, State of Hawaii

My commission expires: 12-18-15

NOTARY CERTIFICATION
Doc. Date: 10-13-15 # Pages: 41
Name: Elnora Regpala 3rd Circuit
Doc. Description: Gentlys Kona Marina Sublease
Elnora Regpala
10-13-15

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-396 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 28th day of August, 2015, before me personally appeared Paul Celge, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: Davelynn Esperanza
Notary Public, State of Hawaii

My commission expires: 12-9-16

DAVELYNN ESPERANZA NOTARY PUBLIC Commission # 12-336 STATE OF HAWAII

NOTARY CERTIFICATION
Doc. Date: 9-28-16 # Pages 30
Name: Davelynn Esperanza Third Circuit
Doc. Description: Grant Kona Marina Duplicate
8-28-15
Date

EXHIBIT A
PREMISES AND PROPERTY

Space No. 8A
Approx. 1066 sq. ft. +
580 sq. ft mezzanine

Lessor

Lessee

EXHIBIT A

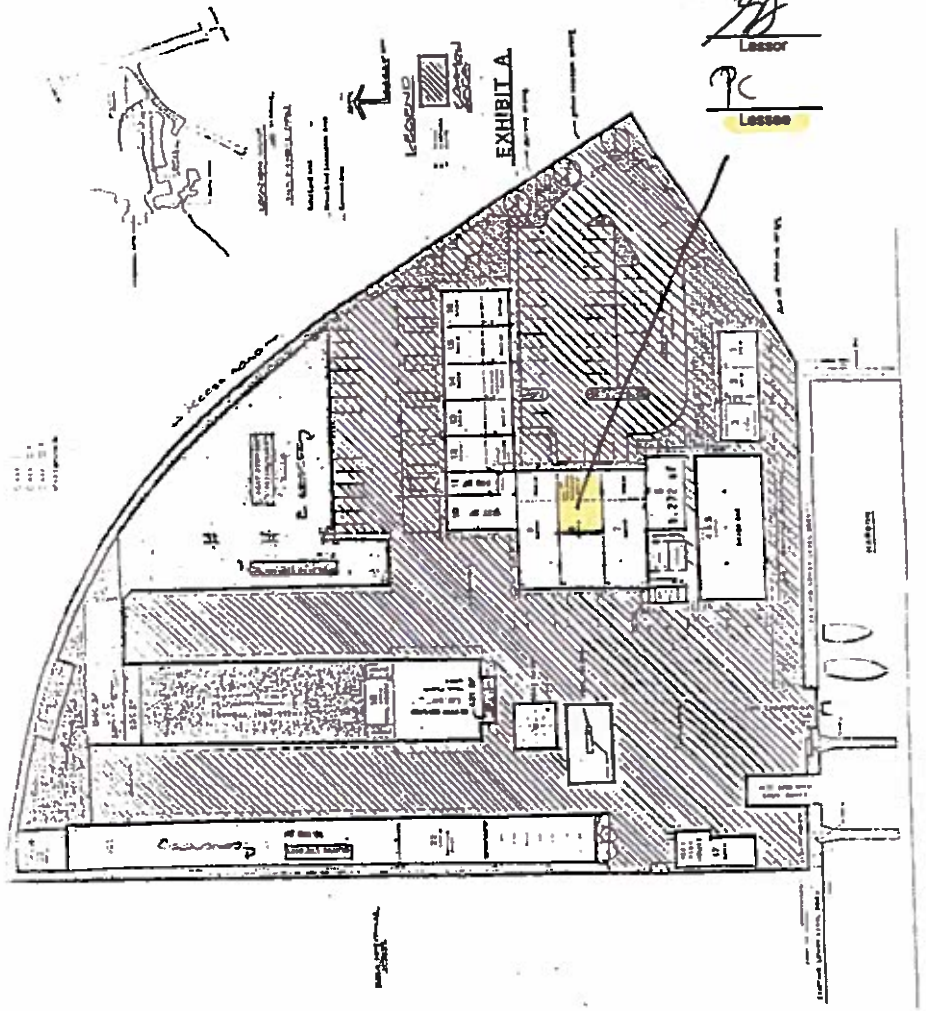

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 8A

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is September 1, 2015
The "termination date" of the term is August 31, 2020

II. USE: Sale of sportfishing supplies and accessories.

III. SECURITY DEPOSIT. $1,957.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1,957.00 per month.

B. Commencing on September 1, 2016 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 8A

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	27,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,914 sq. ft.
"Class III", which is Open Space	=	30,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,086 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.53 (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 186,213 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,828 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 212,041 sq. ft.

1,086 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7,276 sq. ft. (Lessee's weighted space)/212,041 (total weighted space) = 3.43% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	186,213 sq. ft.
"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,828 sq. ft.
"Class III", which is 30,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	30,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	242,251 sq. ft.

1,086 sq. ft. of Class III area (Lessee's Space) x 6.7, which is Class I weight = 7,276 sq. ft (Lessee's weighted space)/242,251 (total weighted space = 3.00% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
PC
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Pacific Rim Fishing LLC
Premises: Space No. 8A

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

2) Lessee acknowledges acceptance of premises in the current condition including the responsibility to repair and maintain. (See sublease Article 1.2 Acceptance of the Premises). The current condition of the improvements are unknown and may not work at all. If there are any questions with regards to any of the improvements, prior to signing the Sublease, Lessor recommends hiring the proper tradesperson for inspection. Lessee may be responsible for the removal of the improvements upon termination of the agreement pursuant to the terms and conditions of this sublease.

"LESSOR"
(initials)

"LESSEE"
PC
(initials)

ACORD

PACIRIM-09

LPOI

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/10/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Finance Insurance Ltd.
1164 Bishop Street, Suite 400
Honolulu, HI 96813

CONTACT NAME:
PHONE (A/C, No, Ext): (808) 522-2040 FAX (A/C, No): (808) 522-2082
E-MAIL ADDRESS: info@financeinsurance.com

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: First Fire and Casualty Ins — 41726
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
Pacific Rim Fishing
74-425 Kealakehe Prkwy #8
Kailua Kona, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY							
	CLAIMS-MADE X OCCUR	X		CPX705121601	10/30/2016	10/30/2017	EACH OCCURRENCE	$ 1,000,00
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,00
							MED EXP (Any one person)	$ 5,00
							PERSONAL & ADV INJURY	$ 1,000,00
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,00
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,00
	OTHER							$
	AUTOMOBILE LIABILITY							
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per person)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR							
	EXCESS LIAB CLAIMS-MADE						EACH OCCURRENCE	$
	DED RETENTION $						AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N/A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
RE: Gentry's Kona Marina - 74-425 Kealakehe Parkway, Kailua Kona, HI 96740
Certificate holder is named as Additional Insured but only to the extent set forth in the General Liability policy provisions.

CERTIFICATE HOLDER

State of Hawaii, Department of Land & Natural Resources
Division of Boating & Ocean Recreation (DLNR - DOBOR)
4 Sand Island Access Road.
Honolulu, HI 96819

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

PACIFIC RIM FISHING LLC

was organized under the laws of the State of Hawaii on 08/03/2015 ; that it is an existing limited liability company in good standing and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 09, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code 271774-COGS_PDF-133161C5

GENTRY'S KONA MARINA SUBLEASE

SPACE No. 8B

Lessor: GKM, INC.

Lessee: Kona Coast Marine, Inc.

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Exhibit B – Term, Use, Security Deposit and Monthly Base Rent
Exhibit C – Property Maintenance and Operating Expenses; Taxes and Assessments
Exhibit D – Special Terms
Personal Guaranty of Lease Addendum

THIS SUBLEASE ("lease") is made this 1st day of August 2006, by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Kona Coast Marine, Inc., whose post office address is 74-425 Kealakehe Parkway #7, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas.** The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on Exhibit A attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRY'S KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4-008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in Exhibit A and in Exhibit C is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in Exhibit A and in Exhibit C is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in Exhibit A and in Exhibit C. The square footage figure set forth in Exhibit A and in Exhibit C shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises.** As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment.** Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall

peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the "Special Terms") applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the "term"). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent**.

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C**.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. § 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessor's failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in **Exhibit B** attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the

premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax**. The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessor's Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessee's share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises,

and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessee's business nor has there been any other representations covering the physical condition of the premises; (ii) Lessee's acceptance of the premises evidenced by Lessee's entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessee's occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractor's warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors

or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time, with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all

other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The

Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. §113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls

and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause, unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity**. The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether

arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are

in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies**. All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:

(i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;

(ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(c) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies

or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage**. The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective

as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person. Any such assignment or subletting without the Lessor's and Master Lessor's consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment.

If the Lessee is a corporation, any dissolution, merger, consolidation, or other reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment.

If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessee's default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessee's payment of any amounts under this Section 12.5 shall discharge such sublessee's payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in trust for the benefit of Lessee and Lessor shall pay over such excess

amounts to Lessee upon satisfaction of all of Lessee's then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessee's default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the

sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1½%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1½%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessor's entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of

Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures, alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this

lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure**. In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the **STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION**, as Lessor (the "Master Lessor"), and Lessor, as Lessee (the "Master Lease"), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessee's right to occupy and use

the premises under this lease is subject to and conditioned upon the Master Lessor's approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessor's and Lessee's rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 Trademarks. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessor's title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor. Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 Arbitration of Disputes.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658A and judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the

arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

Kona Coast Marine, Inc.

_____
Name: Rachelle Onaka
Its Secretary

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 5th day of February, 2006, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

ROSEMARY SCHATZLEIN
Notary Public
State of Hawaii

_____
Name: Rosemary Schatzlein
Notary Public, State of Hawaii

My commission expires: 07/07/2007

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 10th day of NOVEMBER, 2006, before me personally appeared RACHAEL DHAKA, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

LATOYA M. PALACAT NOTARY PUBLIC STATE OF HAWAII

Name: Latoya M. Palacat
Notary Public, State of Hawaii

My commission expires: August 13, 2010

EXHIBIT A
PREMISES AND PROPERTY

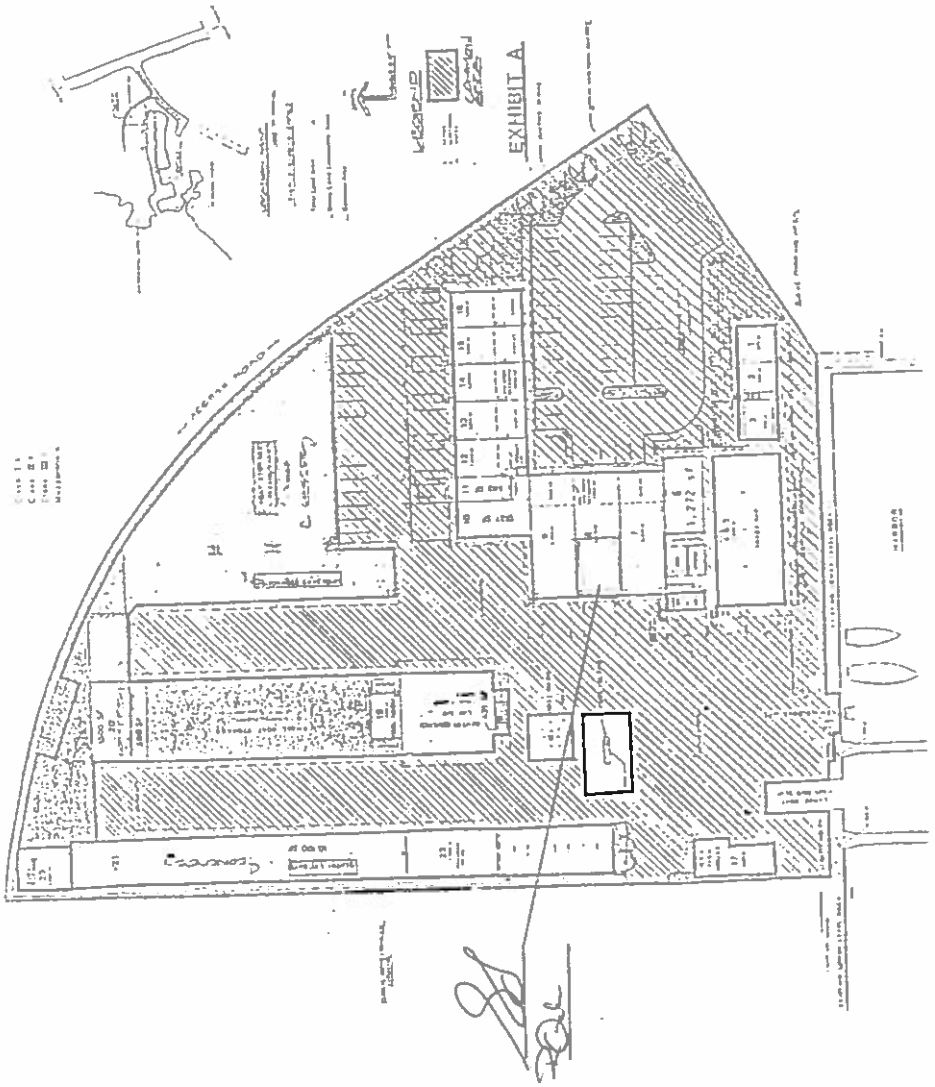

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Kona Coast Marine, Inc.
Premises: Space No. 8B

Lessor and Lessee hereby agree and confirm that:

I. TERM:
The "commencement date" of the term is August 1, 2006
The "termination date" of the term is July 31, 2011

II. USE: Sales of outboard and inboard marine engines and sales of marine engine parts and accessories and repair of marine engines and equipment. Sales of boat trailers and trailer parts.

III. SECURITY DEPOSIT. $940.00

IV. MONTHLY BASE RENT.

A. As of the commencement date, the monthly base rent is $940.00 per month.

B. Commencing on August 1, 2007 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessee's Percentage Share)

Lessee: Kona Coast Marine, Inc.
Premises: Space No.8B

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land – Lessee's percentage share of real property taxes and assessments for land is computed as follows:
1,120 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.58 (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements – Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

1,120 sq. ft of Class I Area (Lessee's Space) x6.7, which is Class I weight = 7,504 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 3.77% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

1,120 sq. ft. of Class III area (Lessee's Space) x 6.7, which is Class I weight = 7,504 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 3.25% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Kona Coast Marine, Inc.
Premises: Space No. 8B

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"
(initials)

"LESSEE"
(initials)

Client#: 131577 KONACOA11

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 6/29/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Atlas Insurance Agency, Inc. 1132 Bishop St., Suite 1600 Honolulu, HI 96813 808 533-3222	CONTACT NAME: Janis Takauyo PHONE (A/C, No, Ext): 808 533-3222 FAX (A/C, No): 808 533-8777 E-MAIL ADDRESS:
	INSURER(S) AFFORDING COVERAGE — NAIC #
INSURED Kona Coast Marine, Inc. 74 425 Kealakehe Parkway Unit 7 Kailua Kona, HI 96740	INSURER A: Scottsdale Insurance Co. — 41297 INSURER B: Broker: Hull & Company INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR X BI/PD Ded:500 GEN'L AGGREGATE LIMIT APPLIES PER POLICY [ ] PRO JECT [ ] LOC OTHER	X		CPS2467308 This insurance contract is issued by an insurer which is not licensed by the State of Hawaii and is not subject to its regulation or examination. If the insurer is found insolvent, claims under this contract are not covered by any guaranty fund of the State of Hawaii. Broker Name: Hull & Company, Inc. Honolulu (Surplus Lines Broker) License #229242 Address: 3375 Koapaka Street, Suite B-201, Honolulu, Hawaii 96819	06/01/2016	06/01/2017	EACH OCCURRENCE	$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
							MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
							PRODUCTS - COMP/OP AGG	$2,000,000
								$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N [ ] N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE [ ] OTH ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Location: 74 425 Kealakehe Parkway Unit 7;; Kailua Kona, HI

GKM Inc dba: Gentry's Kona Marina is named an Additional Insured per form CG2011 04/13 Managers or Lessor of Premises as per policy provisions.

CERTIFICATE HOLDER

GKM Inc dba: Gentry's Kona Marina
74-425 Kealakehe Parkway
Kailua Kona, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Myles A. Murakami

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#S549549/M549548

KCW

STATE OF HAWAII
STATE PROCUREMENT OFFICE

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: **KONA COAST MARINE, INC.**

DBA/Trade Name: **KONA COAST MARINE, INC.**

Issue Date: **01/30/2017**

Status: **Compliant**

Hawaii Tax#:	W20226842-01
New Hawaii Tax#:	GE181563801601
FEIN/SSN#:	XX-XXX5811
UI#:	XXXXXX7361
DCCA FILE#:	107991

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Compliant
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

GENTRYS KONA MARINA SUBLEASE

SPACE No. 9

Lessor: GKM, INC.
Lessee: Goose's Edge, Inc.

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Exhibit A Premises and Property
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Exhibit C Property Maintenance and Operating Expenses; Taxes and Assessments
Exhibit D Special Terms
Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 24th day of May, 2016 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Goose's Edge, Inc., whose post office address is 73-1366 Melemele St., Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE 1
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification. approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorney's fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President
"LESSOR"

_____
Name: Dean L. Gustafson
Its President Gustafson Co.
"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 26 day of May, 2016, before me personally appeared Gary Allen Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

_____
Name: Jane DeMello
Notary Public, State of Hawaii

My commission expires: 12/09/16

Jane DeMello NOTARY Commission # 12-390 PUBLIC STATE OF HAWAII

NOTARY CERTIFICATION
Doc. Date: 5/26/16 Pages: 29
Name: Jane DeMello Third Circuit
Doc. Description: Gentry's Kona Marina Sublease Space No. 9
_____ 5/26/16
Notary Signature Date

Jane DeMello NOTARY Commission # 12-390 PUBLIC STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 24th day of May, 2016, before me personally appeared Alan L. Gustavson, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Shawna L. Yonemura
Name: Shawna L. Yonemura
Notary Public, State of Hawaii

My commission expires: Aug. 22, 2019

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 89-420 STATE OF HAWAII

Doc. Date: May 24, 2016 # Pages: 40
Notary Name: Shawna L. Yonemura Third Circuit
Doc. Description: Ground Lease Kona Marina Lease Space No. 9

Shawna L. Yonemura May 24, 2016
Notary Signature Date

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 89-420 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

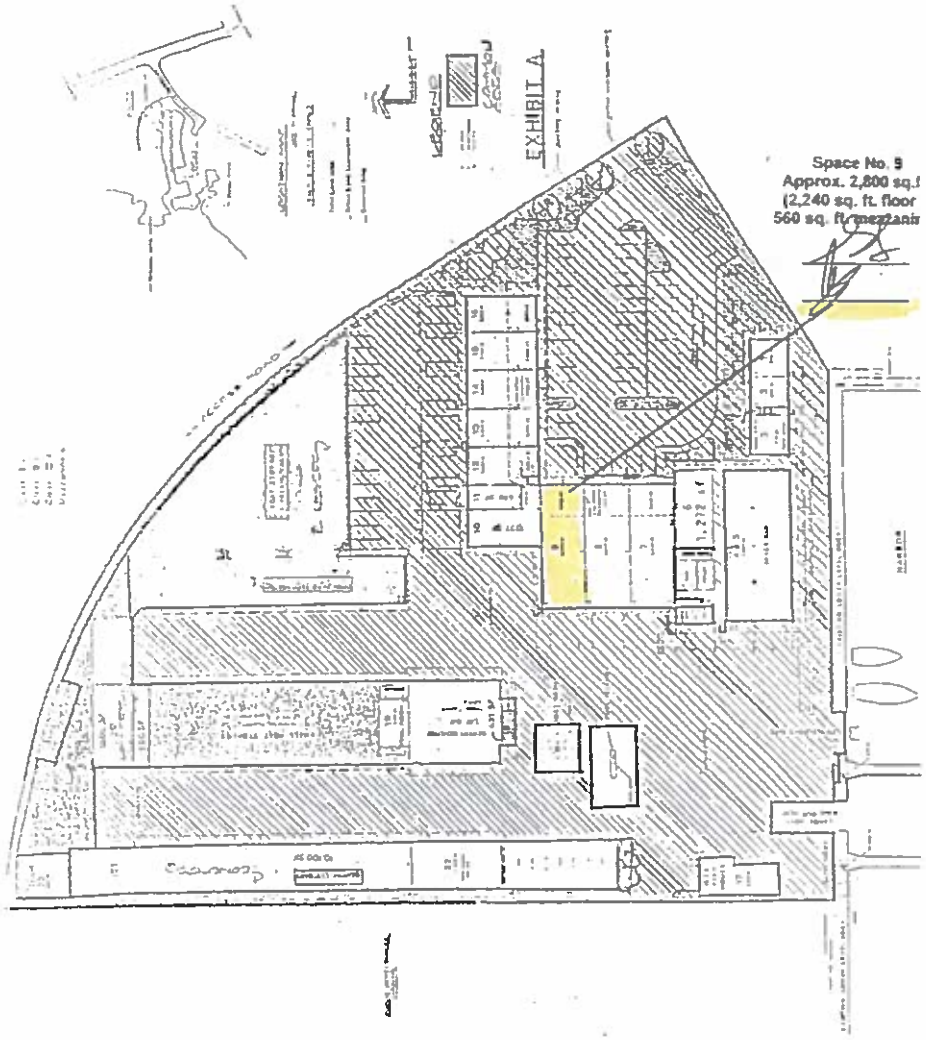

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Goose's Edge, Inc.
Premises: Space No. 9

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is June 1, 2016
The "termination date" of the term is May 31, 2021

II. **USE**: Sales of marine supplies as it pertains to the annual dry docking of vessels (i.e. sand paper, bottom paint, top coat, zincs, etc.). The sales of marine hardware and supplies for commercial, charter and pleasure boats. No engines sales of any kind.

III. **SECURITY DEPOSIT**. $3,286.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $3,286.00 per month.

B. Commencing on June 1, 2017 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased 2.5% or an increase equal to the Consumer Price Index, whichever is higher. If the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date is higher it will be used and the adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then computation of any adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR" "LESSEE"

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Goose's Edge, Inc.
Premises: Space No. 9

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	27,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,914 sq. ft.
"Class III", which is Open Space	=	30,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 2,240 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 3.16 (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 186,213 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,828 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 212,041 sq. ft.

2,240 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 15,008 sq. ft. (Lessee's weighted space)/212,041 (total weighted space) = 7.08% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	186,213 sq. ft.
"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,828 sq. ft.
"Class III", which is 30,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	30,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	242,251 sq. ft.

2,240 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 15,008 sq. ft (Lessee's weighted space)/242,251 (total weighted space = 6.2% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Goose's Edge, Inc.
Premises: Space No. 9

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

2) Lessee acknowledges acceptance of premises in the current condition including the responsibility to repair and maintain. (See sublease Article 1.2 Acceptance of the Premises). The current condition of the improvements are unknown and may not work at all. If there are any questions with regards to any of the improvements, prior to signing the Sublease, Lessor recommends hiring the proper tradesperson for inspection. Lessee may be responsible for the removal of the improvements upon termination of the agreement pursuant to the terms and conditions of this sublease.

"LESSOR" (initials)

"LESSEE" (initials)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #

INSURER A: ALI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED

GOOSE S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #11, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT



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ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2017

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PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

REVISION NUMBER: 1

COVERAGES — CERTIFICATE NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

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A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #12, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/07/2017

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TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME:
PHONE (A/C, No, Ext): 808-225-1907 FAX (A/C, No): 808 521-5995
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: OTRIC INSURANCE COMPANY LTD — 37265
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA KONA MARINE SUPPLY
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER: 1

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	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
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	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
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	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #9, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PKWY.
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

GOOSE'S EDGE, INC.

incorporated under the laws of California

was duly registered to do business in Hawaii as a foreign corporation on 03/17/1997 , and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Business Corporation Act, regulating foreign profit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 07, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271620-COGS_PDF-17968F1

GENTRYS KONA MARINA SUBLEASE

SPACE No. 10

Lessor: GKM, INC.
Lessee: Charles R. Lanning

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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of August, 2009 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Charles R. Lanning, whose post office address is 74-425 Kealakehe Parkway #10, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a

percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to anyassessment made under anybetterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and acceptsthe premisesintheir existingcondition and shall besolely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solelyresponsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or

in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises: (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time, with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to

enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property.

Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause, unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage

was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on thepremises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter

deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all

further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment.
If Lessee is a limited liability company, any sale or transfer of any management interest or

more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors:

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then

in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures, alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitation, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under

the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the

Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and markwhichincorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

_____

Name: Charles R Cummings
Its _____

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 6th day of December, 2010, before me personally appeared Charles R. Canning, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Paul C. Nyquist

Name: PAUL C. NYQUIST
Notary Public, State of Hawaii

My commission expires: 08/16/13

Doc Date: 08/01/09 # Pages: 36
Name: PAUL C. NYQUIST 3rd Circuit
Doc. Description: Gantry Kona Marina Sublease
Paul C. Nyquist 12/06/10
Signature Date
NOTARY CERTIFICATION

PAUL C. NYQUIST NOTARY PUBLIC 09-351 STATE OF HAWAII

My commission expires: August 16, 2013

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 20 day of December, 2010, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

DENNILYNN MOCK CHEW NOTARY PUBLIC Commission No 09-494 STATE OF HAWAII L.S.

Name: Dennilynn Mock Chew
Notary Public, State of Hawaii

My commission expires: 11/29/2013

NOTARY CERTIFICATION
Doc. Date: 8-01-09 # Pages: 36
Name: Dennilynn Mock Chew Third Circuit
Doc. Description: Gantry Kona Marina Sublease
Dennilynn Mock Chew
Signature
12/20/2010
Date

DENNILYNN MOCK CHEW NOTARY PUBLIC Commission No 09-494 STATE OF HAWAII L.S.

EXHIBIT A
PREMISES AND PROPERTY

Lessee: Charles R. Lanning dba Honokohau Machine
Premises: Space No. 10

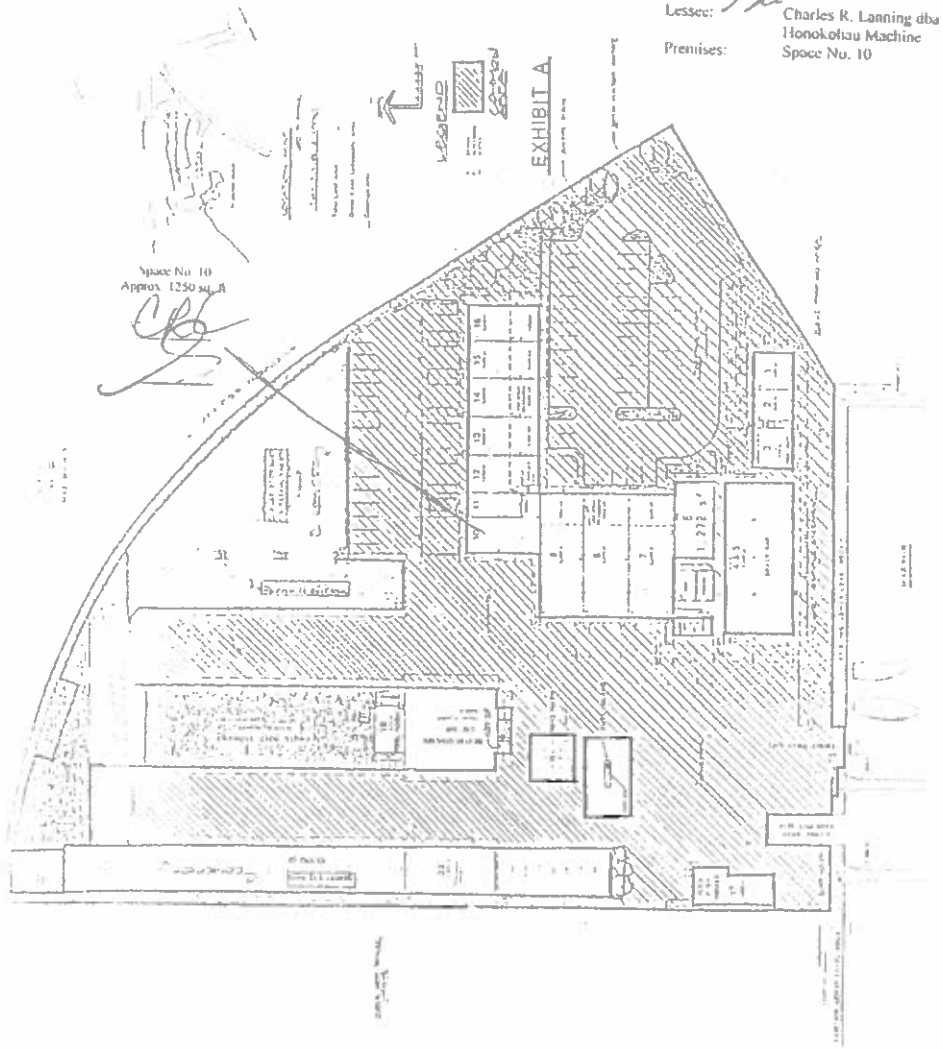

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Charles R. Lanning
Premises: Space No. 10

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is September 1, 2009
The "termination date" of the term is August 30, 2014

II. USE: Machining boat parts, trailer parts and any other machining which is marine related.

III. SECURITY DEPOSIT: $1,205.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1,205 per month.

B. Commencing on September 1, 2010 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items–Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Charles R. Lanning
Premises: Space No. 10

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1250 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.76% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

1250 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 8,375 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 4.21% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft.

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft.

"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0 = 32,210 sq. ft.

Total weighted amount of Class I, II and III spaces = 231,011 sq. ft.

1250 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 8,375 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 3.62% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Charles R. Lanning dba Honokohau Machine
Premises: Space No. 10

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentrys Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted byLesseeupon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"
(initials)

"LESSEE"
(initials)

KNIGH-3 OP ID: MR

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 11/16/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Aloha Insurance Services, Inc.
76-5931 Walua Rd.
Kailua-Kona, HI 96740
Select Accounts
Phone: 808-334-0044
Fax: 808-334-0115

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS: molly@alohainsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Nautilus Insurance Co.	17370
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
KMS
Sidney Wayne Knight dba
74-425 Kealakehe Parkway #10
Kailua Kona, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	X		NN610166	11/16/2016	11/16/2017	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 100,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE AGGREGATE	$ $
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N N/A If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $

RISK PLACEMENT SERVICES, INC.
(Surplus Line Broker License # 313088)
677 Ala Moana Blvd #716, Honolulu, Hawaii 96813

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

GENTRYS

Gentry's Kona Marina
The State of Hawaii
Honokohau Harbor
74-425 Kealakehe Parkway
Kailua-Kona, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Molly Rohrer

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GENTRYS KONA MARINA SUBLEASE

SPACE No. 11

Lessor: GKM, INC.
Lessee: Goose's Edge, Inc.

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THIS SUBLEASE (lease) is made this 1st day of August, 2014 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Goose's Edge, Inc., whose mailing address is 73-1366 Melemele Street, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date. Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures. equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims.** The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance.** Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements.** The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents.** During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment.
If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

_____

Name: Alan L Gustavson
Its President

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 13th day of October, 2015, before me personally appeared Gary Allen Lambert to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

ELNORA REGPALA NOTARY PUBLIC Comm. No 11-396 STATE OF HAWAII

Elnora Regpala
Name: Elnora Regpala
Notary Public, State of Hawaii

My commission expires: 12-18-15

NOTARY CERTIFICATION
Doc. Date: 10-13-15 # Pages 40
Name: Elnora Regpala 3rd Circuit
Doc. Description: Geomys Kona Marina Sublease
Elnora Regpala
10-13-15

ELNORA REGPALA NOTARY PUBLIC Comm. No 11-396 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 16th day of June, ~~2014,~~ 2015 before me personally appeared Alan Lee Gustavson, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Shawna L. Yonemura
Name: Shawna L. Yonemura
Notary Public, State of Hawaii

My commission expires: Aug. 22, 2015

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 98-420 STATE OF HAWAII

Doc. Date: ~~Undated~~ Aug 1, 2014 # Pages: 35
Notary Name: Shawna L. Yonemura Third Circuit
Doc. Description: Gentry's Kona Marina Sublease

Shawna L. Yonemura June 16, 2015
Notary Signature Date

SHAWNA L. YONEMURA NOTARY PUBLIC Comm. No. 98-420 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

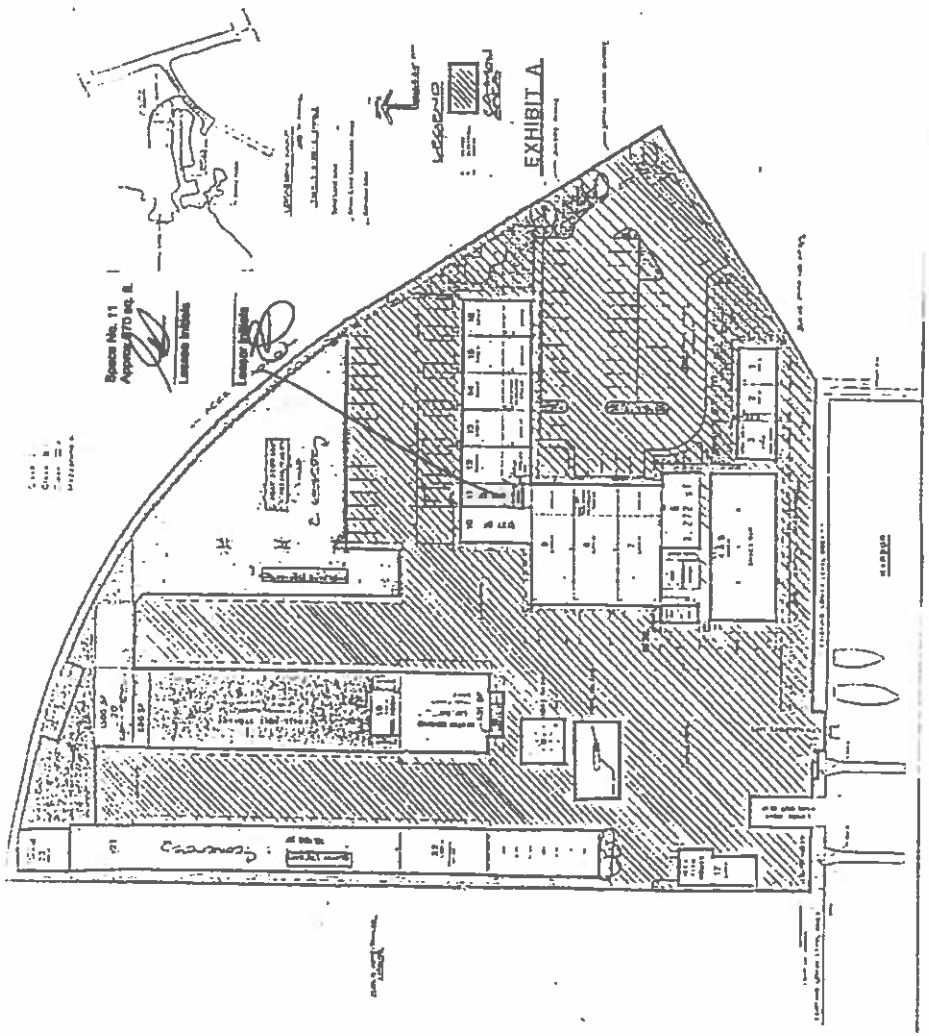

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Goose's Edge, Inc.
Premises: Space No. 11

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is August 1, 2014
The "termination date" of the term is July 31, 2019

II. USE: Provide general repair and maintenance services for vessels, not to include any retail sales of any kind. Repair facility for Fisher Panda Generators.

III. SECURITY DEPOSIT: $679.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $679.00 per month.

B. Commencing on August 1, 2015 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR" Initials

"LESSEE" Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Goose's Edge, Inc.
Premises: Space No. 11

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 670 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = .94% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

670 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 4,489 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 2.26% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

670 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 4,489 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 1.94% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Goose's Edge, Inc.
Premises: Space No. 11

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"
(initials)

"LESSEE"
(initials)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

REVISION NUMBER: 2

COVERAGES — CERTIFICATE NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$ 1,000,000
	X POLICY PRO-JECT LOC							$
	OTHER:						COMBINED SINGLE LIMIT (Ea accident)	$
	AUTOMOBILE LIABILITY						BODILY INJURY (Per person)	$
	ANY AUTO						BODILY INJURY (Per accident)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS							$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #11, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER: 1

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N	N/A				E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #12, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2017

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PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD. 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: DTRIC INSURANCE COMPANY LTD — 37265
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA KONA MARINE SUPPLY
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

REVISION NUMBER: 1

COVERAGES — CERTIFICATE NUMBER:

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INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		2006010	11/07/16	11/07/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
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	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$ 2,000,000
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	OTHER:						COMBINED SINGLE LIMIT (Ea accident)	$
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	ANY AUTO						BODILY INJURY (Per accident)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS							$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #9, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PKWY.
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

GOOSE'S EDGE, INC.

incorporated under the laws of California

was duly registered to do business in Hawaii as a foreign corporation on 03/17/1997 , and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Business Corporation Act regulating foreign profit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 07, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271620-COGS_PDF-17968F1

GENTRYS KONA MARINA SUBLEASE

SPACE No. 12

Lessor: GKM, INC.
Lessee: Goose's Edge, Inc.

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Exhibit A Premises and Property
Exhibit B Term, Use, Security Deposit and Monthly Base Rent
Exhibit C Property Maintenance and Operating Expenses; Taxes and Assessments
Exhibit D Special Terms
Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 29 day of June, 2016 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Goose's Edge, Inc., whose post office address is 73-1366 Melemele St., Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing. security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims.** The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance.** Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements.** The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents.** During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subleting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request. Lessor consents to the sub-sublease of Jim Black (dba West Hawaii Electronics) subject to State of Hawaii approval.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary

assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and Lessor, as Lessee (the Master Lease), recorded as Document No. Assigns lease recorded in book 1779, page 314, in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any

inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 Trademarks. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 Arbitration of Disputes.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below, the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding

subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

Gosi's Edge Inc.

Name: Alan L. Gustafson
Its President

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 29th day of July, 2016, before me personally appeared Alan Gustafson, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

J. PORTER DEVRIES NOTARY 14-362 PUBLIC STATE OF HAWAII

Name: J. Porter DeVries
Notary Public, State of Hawaii

My commission expires: 6-4-18

Doc. Date: 7-29-16 # Pages: 35
Notary Name: J. Porter DeVries 3rd Circuit
Doc. Description: Gosi's
Kona Marine Sublease
7-29-16
Notary Signature Date

J. PORTER DEVRIES NOTARY 14-362 PUBLIC STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 3rd day of August, 2016, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Toni Claire Haanio
Name: Toni Claire Haanio
Notary Public, State of Hawaii

My commission expires: May 4 2018

NOTARY CERTIFICATION
Doc. Date: 8-3-16 # Pages: 35
Name: Toni Claire Haanio Third Circuit
Doc. Description: Gentrys Kona Hanuia Business
Toni Claire Haanio
Signature
8-3-16
Date

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

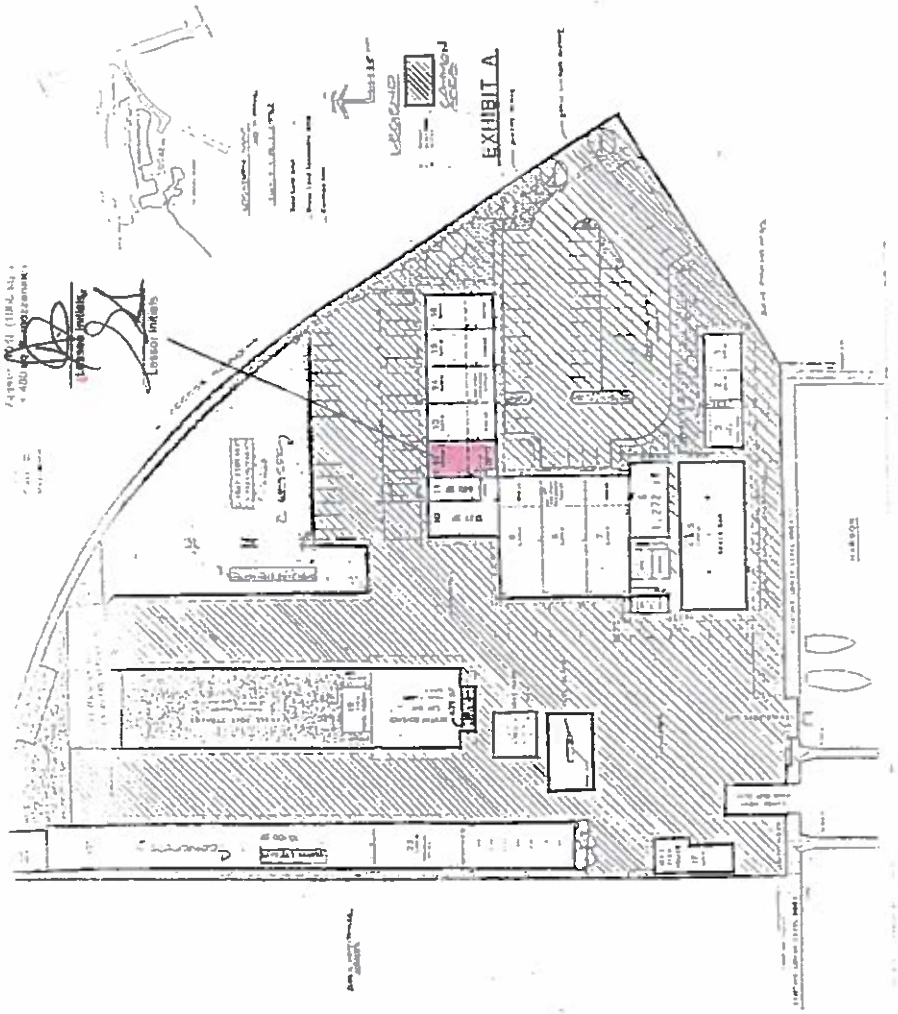

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Goose's Edge, Inc.
Premises: Space No. 12

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is August 1, 2016
The "termination date" of the term is July 31, 2021

II. USE: Sales and service of marine electronic equipment. Sales of marine diesel engines and parts. Alignment and repair of marine diesel engines.

III. SECURITY DEPOSIT: $1,551.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1,551.00 per month.

B. Commencing on August 1, 2017 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased 2.5% or an increase equal to the Consumer Price Index, whichever is higher. If the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date is higher it will be used and the adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then computation of any adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Goose's Edge, Inc.
Premises: Space No. 12

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,068 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.51% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

1,068 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7156 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 3.59% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

1068 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 7,156 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 3.10% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Goose's Edge, Inc.
Premises: Space No. 12

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"
(initials)

"LESSEE"
(initials)

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/07/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext): 808-225-1907 FAX (A/C, No): 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE NAIC #
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED

GOOSE S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC						GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #11, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT



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ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2017

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PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX A/C No 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

REVISION NUMBER: 1

COVERAGES — CERTIFICATE NUMBER:

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A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #12, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS GENTRY KONA MARINE, STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

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AUTHORIZED REPRESENTATIVE WARREN DASPIT

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/07/2017

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JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD. 2-303
HONOLULU, HI 96813

CONTACT NAME:
PHONE (A/C, No, Ext): 808-225-1907 FAX (A/C, No): 808 521-5995
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE — NAIC #
INSURER A: DTRIC INSURANCE COMPANY LTD — 37265
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA KONA MARINE SUPPLY
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES — CERTIFICATE NUMBER: — REVISION NUMBER: 1

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A	X COMMERCIAL GENERAL LIABILITY	X		2006010	11/07/16	11/07/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N N A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #9, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PKWY.
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

GOOSE'S EDGE, INC.

incorporated under the laws of California

was duly registered to do business in Hawaii as a foreign corporation on 03/17/1997 , and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Business Corporation Act, regulating foreign profit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 07, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271630-COGS_PDF-17968F1

GENTRYS KONA MARINA SUBLEASE

SPACE No. 13

Lessor: GKM, INC.
Lessee: The Kona Boat Club, Inc.

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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of November, 2010 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and The Kona Boat Club, Inc., whose post office address is 74-425 Kealakehe Parkway #13, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person. Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitatioa, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

" LESSOR"

_____
Name: Eric McCormick
Its Officer

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 21 day of April, ~~2010~~ 2011, before me personally appeared Eric G McCormick, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

LARRY L. SUTTON NOTARY PUBLIC No. 06-740 STATE OF HAWAII

Name: Larry L. Sutton
Notary Public, State of Hawaii

My commission expires: 12/03/2014

Document Date: 4/21/11 # Pages: 35
Notary Name: LARRY L. SUTTON Third Circuit
Doc. Description: Sublease Space #13
Notary Signature 4/21/11 Date

LARRY L. SUTTON NOTARY PUBLIC No. 06-740 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 8th day of July, ~~2010~~ 2011, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Toni Claire Haanio
Name: Toni Claire Haanio
Notary Public, State of Hawaii

My commission expires: May 4, 2014

NOTARY CERTIFICATION
Doc. Date: 7-8-11 # Pages: 35
Name: Toni Claire Haanio Third Circuit
Doc. Description: Sublease Space No. 13
Toni Claire Haanio
Signature
7-8-11
Date

EXHIBIT A
PREMISES AND PROPERTY

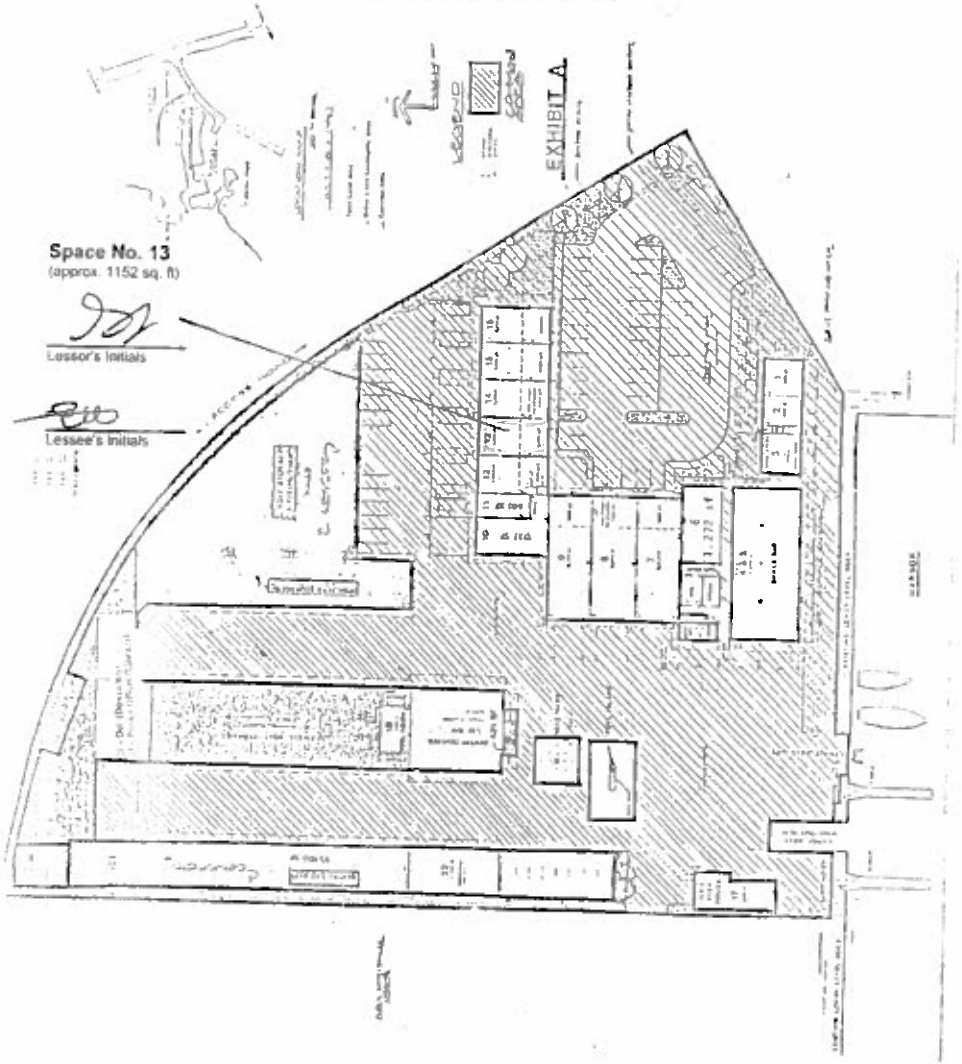

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: The Kona Boat Club, Inc.
Premises: Space No. 13

Lessor and Lessee hereby agree and confirm that:

I. TERM:

The "commencement date" of the term is November 1, 2010
The "termination date" of the term is October 31, ~~2015~~ 2013

II. USE: Rental of power or sail boats, (bareboat charters). Rental and sale of related sports equipment and sundries to be used solely in conjunction with the rental of the vessel (no general sales without prior written approval from lessor – general retail sales of logo wear only).

III. SECURITY DEPOSIT: $1,670.00

IV. MONTHLY BASE RENT:

A. As of the commencement date, the monthly base rent is $1670.00 per month.

B. Commencing on November 1, 2011 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: The Kona Boat Club, Inc.
Premises: Space No. 13

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,152 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.62% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

1,152 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7,718 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 3.88% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

1,152 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 7,718 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 3.34% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: The Kona Boat Club, Inc.
Premises: Space No. 13

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentrys Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted byLesseeupon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR"

_____
(initials)

"LESSEE"

(initials)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER

JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX (A/C, No) 808-521-5995
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE

INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED

GOOSE S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 1,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB						EACH OCCURRENCE	$
	EXCESS LIAB OCCUR / CLAIMS MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N / N/A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #11, KAILUA KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/07/2017

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PRODUCER
JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext) 808-225-1907
FAX A/C No 808-521-5995
E-MAIL ADDRESS
NAIC #

INSURER(S) AFFORDING COVERAGE
INSURER A: RLI INSURANCE COMPANY
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED
GOOSE'S EDGE, INC.
DBA TOP SHAPE MARINE SERVICE
73-1366 MELEMELE ST.
KAILUA-KONA, HI 96740

CERTIFICATE NUMBER:
REVISION NUMBER: 1

COVERAGES

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A	X COMMERCIAL GENERAL LIABILITY	X		EMA0100577	08/01/16	08/01/17	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	$ 1,000,000
	X POLICY PRO-JECT LOC							$
	OTHER						COMBINED SINGLE LIMIT (Ea accident)	$
	AUTOMOBILE LIABILITY						BODILY INJURY (Per person)	$
	ANY AUTO						BODILY INJURY (Per accident)	$
	ALL OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
	SCHEDULED AUTOS							$
	HIRED AUTOS							$
	NON-OWNED AUTOS						EACH OCCURRENCE	$
	UMBRELLA LIAB						AGGREGATE	$
	OCCUR							$
	EXCESS LIAB						PER STATUTE	OTH-ER
	CLAIMS-MADE						E.L. EACH ACCIDENT	$
	DED RETENTION $						E.L. DISEASE - EA EMPLOYEE	$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY						E.L. DISEASE - POLICY LIMIT	$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N	N / A					
	If yes, describe under DESCRIPTION OF OPERATIONS below							

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #12, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PARKWAY
KAILUA-KONA, HI 96740

CANCELLATION

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AUTHORIZED REPRESENTATIVE WARREN DASPIT

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CERTIFICATE OF LIABILITY INSURANCE

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PRODUCER

JOHN H CONNORS INSURANCE
TOM SINGLEHURST
500 ALA MOANA BLVD., 2-303
HONOLULU, HI 96813

CONTACT NAME:
PHONE (A/C, No, Ext): 808-225-1907
FAX (A/C, No): 808 521-5995
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE — NAIC #

INSURER A: DTRIC INSURANCE COMPANY LTD — 37265
INSURER B:
INSURER C:
INSURER D:
INSURER E:
INSURER F:

INSURED

GOOSE'S EDGE, INC.
DBA KONA MARINE SUPPLY
73-1365 MELEMELE ST.
KAILUA-KONA, HI 96740

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER: 1

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A	X COMMERCIAL GENERAL LIABILITY							
	CLAIMS-MADE X OCCUR	X		2006010	11/07/16	11/07/17	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
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	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
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	ALL OWNED AUTOS						BODILY INJURY (Per accident)	$
	SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident)	$
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	OCCUR						AGGREGATE	$
	EXCESS LIAB							$
	CLAIMS-MADE						PER STATUTE / OTHER	
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						E.L. EACH ACCIDENT	$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y / N	N/A				E.L. DISEASE - EA EMPLOYEE	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

LOCATION: 74-425 KEALAKEHE PARKWAY #9, KAILUA-KONA, HI 96740

ADDITIONAL INSUREDS: GENTRY KONA MARINE; STATE OF HAWAII, DEPARTMENT OF LAND AND NATURAL RESOURCES

CERTIFICATE HOLDER

GENTRY KONA MARINE
74-425 KEALAKEHE PKWY.
KAILUA-KONA, HI 96740

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE WARREN DASPIT

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Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

GOOSE'S EDGE, INC.

incorporated under the laws of California

was duly registered to do business in Hawaii as a foreign corporation on 03/17/1997 , and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Business Corporation Act regulating foreign profit corporations.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 07, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271620-COGS_PDF-17968F1

GENTRYS KONA MARINA SUBLEASE

SPACE No. 14

Lessor: GKM, INC.
Lessee: Dolphin Journeys LLC

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Exhibit A Premises and Property
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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of November, 2014 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Dolphin Journeys LLC whose post office address is 75-5822 Pelekila Pl., Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

Dolphin Journeys LLC

Name: Nancy W. Sweatt / Nancy W. Sweatt
Its Member

"LESSEE"

State of Hawaii)
)SS.
County of Hawaii)

On this 15th day of January, 2015, in the Third Circuit, State of Hawaii, before me personally appeared Gary Lambert to me personally known, who, being by me duly sworn or affirmed, did say that he or she executed the foregoing instrument identified or described as Gentrys Kona Marina Sublease Space #14 as his or her free act and deed, and if applicable in the capacity shown having been dully authorized to execute such instrument in such capacity.

The foregoing instrument is dated January 15, 2015 and contained 39 pages at the time of this acknowledgment certification.

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-396 STATE OF HAWAII

Elnora Regpala

Printed Name: Elnora Regpala

NOTARY PUBLIC, STATE OF HAWAII

My Commission No:11-396

My Commission Expires: December 18, 2015

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 31st day of October, 2014, before me personally appeared Nancy W Sweat, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

LEONIE G. MELCHOR-HIROKANE NOTARY PUBLIC No. 89-540 STATE OF HAWAII

Name: LEONIE G. MELCHOR-HIROKANE
Notary Public, State of Hawaii

My commission expires: SEP 26 2017

Document Date: OCT 31 2014 # Pages: 29

Notary Name: LEONIE G. MELCHOR-HIROKANE Third Circuit

Doc. Description: GENTRY'S KONA MAUKA SUBLEASE

Notary Signature OCT 31 2014 Date

LEONIE G. MELCHOR-HIROKANE NOTARY PUBLIC No. 89-540 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

Space No. 14
(approximately 1,152 sq.

Lessor's Initials

NWS
Lessee's Initials

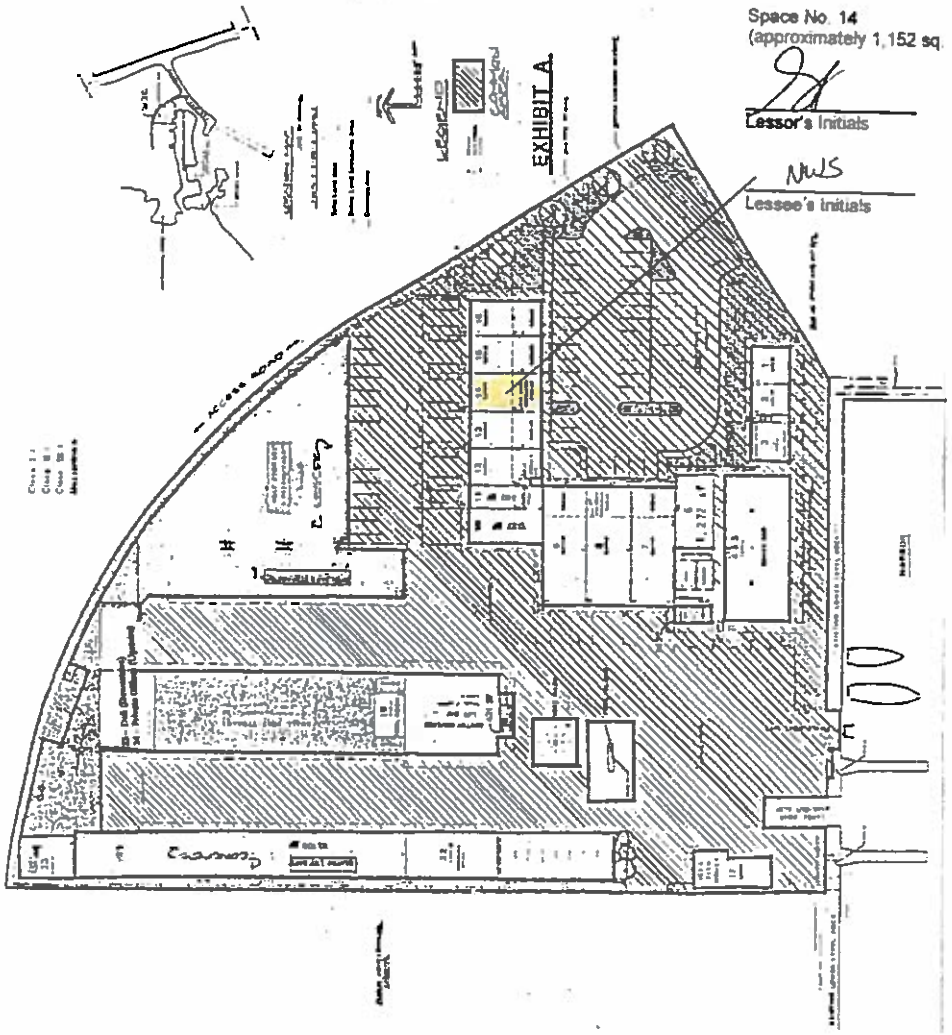

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Dolphin Journeys LLC
Premises: Space No. 14

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is November 1, 2014
The "termination date" of the term is October 31, 2017

II. **USE:** Retail sales of Dolphin Journey logo wear, air fills, snorkel excursions and marine mammal education. No retail sales of snacks or sundries.

III. **SECURITY DEPOSIT.** $1,629.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $1,629.00 per month.

B. Commencing on November 1, 2015 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
NWS
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Dolphin Journeys LLC
Premises: Space No. 14

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	27,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,914 sq. ft.
"Class III", which is Open Space	=	30,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,152 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.62% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 186,213 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,828 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 212,041 sq. ft.

1,152 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7,718 sq. ft. (Lessee's weighted space)/212,041 (total weighted space) = 3.64% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	186,213 sq. ft.
"Class II", which is 12,914 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,828 sq. ft.
"Class III", which is 30,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	30,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	242,251 sq. ft.

1,152 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 7,718 sq. ft (Lessee's weighted space)/242,251 (total weighted space) = 3.18% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" _____ (initials)

"LESSEE" _____ (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Dolphin Journeys LLC
Premises: Space No. 14

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.
2) No washdown of vessels will be allowed behind premises or in common areas of Gentry's Kona Marina.

"LESSOR" _____ (initials)

"LESSEE" _____ (initials)

Client#: 154161 DOLPJOU

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 2/09/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Atlas Insurance Agency, Inc.
1132 Bishop St., Suite 1600
Honolulu, HI 96813
808 533-3222

CONTACT NAME: Laura Jennison
PHONE (A/C, No, Ext): 808 533-3222 FAX (A/C, No): 808 533-8777
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Northfield Insurance Co.	
INSURER B: Broker: Swett & Crawford	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Dolphin Journeys LLC
75-5822 Pelekila Place
Kailua Kona, HI 96740

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			WS298588	11/18/2016	11/18/2017	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY			This insurance contract is issued by an insurer which is not licensed by the State of Hawaii and is not subject to its regulation or examination. If the insurer is found insolvent, claims under this contract are not covered by any guaranty fund of the State of Hawaii.			DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$5,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER						GENERAL AGGREGATE	$2,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
	AUTOMOBILE LIABILITY							$
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per person)	$
	HIRED AUTOS / NON-OWNED AUTOS						BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
	UMBRELLA LIAB / OCCUR							$
	EXCESS LIAB / CLAIMS-MADE						EACH OCCURRENCE	$
	DED / RETENTION $						AGGREGATE	$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY							$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N		N/A				WC STATU-TORY LIMITS / OTHER	
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

Broker: Swett & Crawford of Hawaii
License#: 367259
Address: 1003 Bishop Street, Suite 2600, Honolulu, HI 96813

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Proof of Insurance certificate provided for coverages indicated.

CERTIFICATE HOLDER
DLNR Hawaii District
State of Hawaii
74-380 Kealakeha Parkway
Kailua Kona, HI 96740

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Myles A Murakami

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PTH

Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that according to the records of this Department,

DOLPHIN JOURNEYS LLC

was organized under the laws of the State of Hawaii on 01/06/2000 ; that it is an existing limited liability company in good standing and is duly authorized to transact business.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: February 08, 2017

Director of Commerce and Consumer Affairs

To check the authenticity of this certificate, please visit: http://hbe.ehawaii.gov/documents/authenticate.html
Authentication Code: 271666-COGS_PDF-4188C5

U. S. GOVERNMENT SUBLEASE FOR REAL PROPERTY

DATE OF SUBLEASE	LEASE NO. HSCG89-1-10-1-00899
October 1, 2010	

PURPOSE. Pursuant to 14 U.S.C. §92(f), the United States Coast Guard (CG) has statutory authority to acquire real property interests where required for the purpose of carrying out any project for which an appropriation has been made. The parties understand that the purpose of the sublease is to secure CG adequate Marine Safety Team Hawaii facilities in Honokohau Harbor, Kailua-Kona, Hawaii, 96740.

THEREFORE, This sublease is made and entered into on October 1, 2010, by and between GKM, INC., a Hawaii Corporation, whose address is 74-425 Kealakehe Parkway, Honokohau Harbor, Kailua-Kona, Hawaii, 96740, and whose interest in the property hereinafter described is that of a GKM, Inc., hereinafter called "GKM, Inc.", and the Commander, CG SILC - Product Line Division, Portfolio Management Branch, on behalf of the **UNITED STATES OF AMERICA,** hereinafter called the ("Government:"), for the consideration hereinafter mentioned.

The parties agree as follows:

1. **Space:** GKM, Inc. hereby subleases to the Government the following described premises: Approximately 1152 square feet rental area of existing office space at 74-381 Kealakehe Parkway, Honokohau Harbor, Kailua-Kona, Hawaii, 96740, as shown on Exhibit "A", attached hereto and made a part hereof ("Premises"), to be generally used for office space.

2. **Term:** To have and to hold the Premises with their appurtenances for the term beginning on October 1, 2010 through September 30, 2011, subject to termination and renewal rights as may be hereinafter set forth.

3. **Rent:** The Government shall pay GKM, Inc. annual rent of $23,430.72 at the rate of $1,952.84 per month (1152sf x $1.69/sf), payable monthly and paid in arrears, provided appropriations are granted by Congress. Rent for any lesser period shall be prorated. Electronic (ACH) rent payments shall be made payable to GKM, Inc. and processed as explained in paragraph 26.

4. **Termination:** The Government may terminate this sublease at any time by giving at least thirty (30) days' notice in writing to GKM, Inc. 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.

5. **Renewal Options:** This sublease may be renewed at the option of the Government for the following terms: Four (4) successive one (1) year terms provided appropriations are granted by Congress, and provided notice is given in writing to GKM, Inc. at least 30 days before the end of the current term or any renewal term; all other terms and conditions of this sublease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. **Master Lease:** GKM, Inc. is the lessee of the Premises by virtue of that certain Harbor Lease No. H-82-4 dated April 8, 1983, by and between GKM, Inc.'s predecessor in interest, Gentry-Pacific, Ltd., and the State of Hawaii, by its Director of Transportation, (herein referred to as the "Master Lessor"), which

Harbor Lease is hereinafter referred to as the "Master Lease", and which Master Lease is incorporated herein by reference as if fully set forth.

6.1. This Sublease is and shall be at all times subject and subordinate to the Master Lease.
6.2. GKM, Inc. hereby agrees to use commercially reasonable efforts to require Master Lessor to perform Master Lessor's obligations pursuant to the Master Lease.
6.3. GKM, Inc. agrees to maintain the Master Lease during the term of this Sublease, subject, however, to any earlier termination of the Master Lease without the fault of GKM, Inc.
6.4. GKM, Inc. represents to Government that the Master Lease is in full force and effect and that no default exists on the part of any party to the Master Lease.
6.5. The Government understands and agrees that the Master Lessor, to the extent required by the terms and conditions of the Master Lease, has right to approve the Government's intended use of the Premises, any construction by the Government in the Premises, any subletting of the Premises or assignment of this Sublease by the Government, and the insurance provisions (i.e., paragraph 14) of this Sublease.
6.6. The Sublease shall be subject to the prior approval of the Master Lessor and shall not be effective unless and until it has been approved by the Master Lessor.

7. GKM, Inc. shall furnish to the Government, as part of the rental consideration, the following:
7.1. Well lighted premises for security and safety of personnel and property.
7.2. GKM, Inc. will notify the Government within thirty (30) days of any: transfer of ownership of the Premises or change in payment mailing address.
7.3. GKM, Inc. shall provide an electrical utility meter to the Premises. Government shall be responsible to the utility company for all electrical utility fees for electrical power to the Premises. GKM, Inc. agrees that water provided to the Premises shall be on a separate meter. GKM, Inc. shall provide Government with an invoice for all water usage charges on a monthly basis. GKM, Inc. shall, upon request by Government, provide Government with all data documenting the amount of water used by Government and for which Government is being billed a monthly fee.

8. **Exhibits:** The following are attached and made a part hereof:
8.1. Exhibit "A" – Building Layout
8.2. Exhibit "B" – General Clauses – Simplified Leases

9. **Successors Bound:** The Sublease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

10. **Subletting/Assignment:** Government may not sublet or assign sublease premises to without the prior written consent of GKM, Inc., which consent shall not be unreasonably withheld.

11. **Environmental Protection:** Government may not unlawfully pollute the air, ground or water, nor create a public nuisance. Government shall, at no cost to the Licensor, promptly comply with all applicable Federal, state, and local laws, regulations, and directives regulating the quality of the environment. This does not affect the Government's right to contest the validity of such laws, regulations or directives or to try to enjoin their applicability. Government shall use all required means to protect the environment and natural resources from any damage arising from Government's use of the facility and activities incident to its use. If any damage results to the environment or natural resources, Government shall restore the environment or damaged resources. Government agrees to comply with all applicable federal, state and local environmental laws and regulations, including, but not limited, to those laws

concerning any petroleum products, toxic substances, medical wastes and hazardous materials, substances or wastes.

12. **Anti-Deficiency Act:** (31 USC §1341, as amended). Nothing in this Sublease shall constitute an obligation of funds of the United States in advance of appropriation thereof.

13. **Indemnification:** The Government, in the manner and to the extent provided by the Federal Tort Claims Act (28 USC Sections 2671-2680 as amended) shall be liable for, and shall hold GKM, Inc. harmless from, claims for damage or loss of property, personal injury or death caused by the acts or omissions of the Government, its officers, employees and agents in the use of the leased premises.

14. **Insurance:** Government is a self-insured entity and as such is not required to provide GKM, Inc. with any certificate of insurance or notice of renewal, termination, cancellation, expiration or alteration of insurance policy.

15. **Ownership Of Improvements:** It is understood and agreed that any improvements added by the Government belong to the Government.

16. **Officials Not To Benefit:** No member or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Sublease or any benefit to arise there from, but this provision shall not be construed to extend to this Sublease if made with a corporation whose membership, includes a member or delegate to Congress or Resident Commissioner, who indirectly receives a general benefit from this Sublease.

17. **Amendment Or Modification:** No amendment or modification shall be valid unless evidenced by a written agreement signed by both parties. Government may install any security measures Government deems necessary.

18. **Severability:** If any term or provision of this Sublease is held invalid or unenforceable, the remainder of this Sublease shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

19. **Payments Of Taxes And Assessments:** The Government is not responsible for or liable for the payment of any real property taxes, personal taxes or assessments levied or assessed upon or against the leased premises.

20. **Entire Agreement:** This Sublease, with attachments, constitutes the only agreement between GKM, Inc. and Government. Any prior understanding or representation of any kind, which proceeded the date of this Sublease, are not binding on either party, except to the extent the understandings are incorporated into this Sublease.

21. **Mutual Authority:** GKM, Inc. and Government represent and warrant to each other that they have full right, power and authority to enter into this Sublease without the consent or approval of any other entity or person, other than as may otherwise be provided herein, and make these representations knowing that the other party will rely thereon. Furthermore, the signatories on behalf of GKM, Inc. and Government further represent and warrant that they have full right, power and authority to act for and on behalf of GKM, Inc. and Government in entering into this sublease.

22. **Attorney Fees:** To the extent not in conflict with federal law, should any dispute arise between the parties hereto or their legal representatives, successors and assigns concerning any provision of this Sublease or the rights and duties of any person in relation thereto, the party prevailing in such dispute shall be entitled, in addition to such other relief that may be granted, to recover reasonable attorneys' fees and legal costs in connection with such dispute as determined by the judgment or award of any court or tribunal of competent jurisdiction.

23. **Payment Process:** The following office will process sublease payments:
US Coast Guard Finance Center (Team 2A)
1430A Kristina Way
Chesapeake, VA 23326-1728

24. **Lease Administration:** The following office shall administer this Sublease:
Commander
Shore Infrastructure Logistics Center (SILC)
Product Line Division
Portfolio Management Branch
1301 Clay Street, Ste # 700N
Oakland, CA 94612-5203

25. **Tax Identification:** Government regulations require a GKM, Inc. tax identification number (TIN/SSN). GKM, Inc. hereby certifies that the following TIN/SSN and telephone number are correct:

TIN/SSN: 99-0354431

DUNS:

Telephone Number: (808) 329-7896

10/6/2010
Date

Signature

26. **Payment By Electronic Funds Transfer – Central Contractor Registration:**

26.1. Method of Payment

26.2. All payments by the Government under this contract shall be made by electronic funds transfer (EFT), except as provided in paragraph 26.3. As used in this clause, the term "EFT" refers to the funds transfer and may also include the payment information transfer.

26.3. In the event the Government is unable to release one or more payments by EFT, GKM, Inc. agrees to either accept payment by check or some other mutually agreeable method of payment or request the Government extend the payment due date until such time as the Government can make payment by EFT (but see paragraph 26.6 of this clause).

26.4. GKM, Inc.'s EFT information. The Government shall make payment to GKM, Inc. using the EFT information contained in the Central Contractor Registration (CCR) database. In the event

that the EFT information changes, GKM, Inc. shall be responsible for providing the updated CCR database.

26.5. Mechanisms for EFT payment. The Government may make payments by EFT through either the Automated Clearing House (ACH) network, subject to the rules of the National Automated Clearing House Association, or the Fedwire Transfer System. The rules governing Federal payments through the ACH are contained in 31 CRF part 210.

26.6. Suspension of payment. If GKM, Inc.'s EFT information in the CCR database is incorrect, then the Government need not make payment to GKM, Inc. under this contract until correct EFT information is entered into the CCR database; and any invoice or contract financing request shall be deemed not to be proper invoice for the purpose of prompt payment under this contract. The prompt payment terms of the contract regarding notice of an improper invoice and delays in accrual of interest penalties apply.

26.7. GKM, Inc. EFT arrangements. If GKM, Inc. has identified multiple payment receiving points (i.e., more than one remittance address and/or EFT information set) in the CCR database, and GKM, Inc. has not notified the Government of the payment receiving point applicable to this contract, the Government shall make payment to the first payment receiving point (EFT information set or remittance address is applicable) listed in the CCR database.

26.8. Liability for incomplete or erroneous transfer.

26.8.1. If an incomplete or erroneous transfer occurs because the Government used GKM, Inc.'s EFT information incorrectly, the Government remains responsible for making a correct payment, and paying any prompt payment penalty due and recovering any erroneously directed funds.

26.8.2. If an incomplete or erroneous transfer occurs because GKM, Inc.'s EFT information was incorrect, or was revised within 30 days of Government release of the EFT payment transaction instruction to the Federal Reserve System, and if the funds are no longer under the control of the payment office, the Government is deemed to have made payment and GKM, Inc. is responsible for recovery of any erroneously directed funds or if the funds remain under the control of payment office, the Government shall not make payment, and the provisions of paragraph 26.6 of this clause shall apply.

26.8.3. EFT and prompt payment. A payment shall be deemed to have been made in a timely manner in accordance with the prompt payment terms of this contract if, in the EFT payment transaction instruction released to the Federal Reserve System, the date specified for settlement of the payment is on or before the prompt payment due date, provided the specified payment date is a valid date under the rules of the Federal Reserve System

26.8.4. EFT and assignment of claims. If GKM, Inc. assigns the proceeds of this contract as provided for in the assignment of claims terms of this contract, GKM, Inc. shall require as a condition of any such assignment, that the assignee shall register in the CCR database and shall be paid by EFT in accordance with the terms of this clause. In all respects, the requirements of this clause shall apply to the assignee as if it were GKM, Inc.. EFT information that shows the ultimate recipient of the transfer to be other than GKM, Inc., in

the absence of proper assignment of claims acceptable to the Government, is incorrect EFT information within the meaning of paragraph 26.6 of this clause.

26.8.5. Liability for change of EFT information by financial agent. The Government is not liable for errors resulting from changes to EFT information made by GKM, Inc.'s financial agent.

26.8.6. Payment information. The payment or disbursing office shall forward to GKM, Inc. available payment information that is suitable for transmission as of the date of release of EFT instruction to the Federal Reserve System. The Government may request the GKM, Inc. to designate a desired format and method(s) for delivery of payment information from a list of formats and methods the payment office is capable of executing. However, the Government does not guarantee that any particular format or method of delivery is available at any particular payment office and retains the latitude to use the format and delivery method most convenient to the Government. If the Government makes payment by check in accordance with paragraph 26.1 of this clause, the Government shall mail the payment information to the remittance address contained in the CCR database.

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

United States Coast Guard	GKM, Inc.
Date: Sept 24, 2010	Date:
By (*Signature*) J. Gordon Townley	By (*Signature*)
Name	Name GARY LAMBERT
J. Gordon Townley Sr. Real Property Specialist Portfolio Management Branch USCG SILC – Product Line Division By direction	Title VICE PRESIDENT GKM INC 74-425 KEALAKEHE PKWY KAILUA KONA, HI 96740

I certify that I am an officer or managing member of GKM, Inc.; that the person who signed this sublease on behalf of GKM, Inc. was duly authorized by GKM, Inc. to sign on behalf of GKM, Inc.

Date:

By (*Signature*)

Name GARY A LAMBERT

Title VICE PRESIDENT

NOTARIAL ACKNOWLEDGEMENT ATTACHED

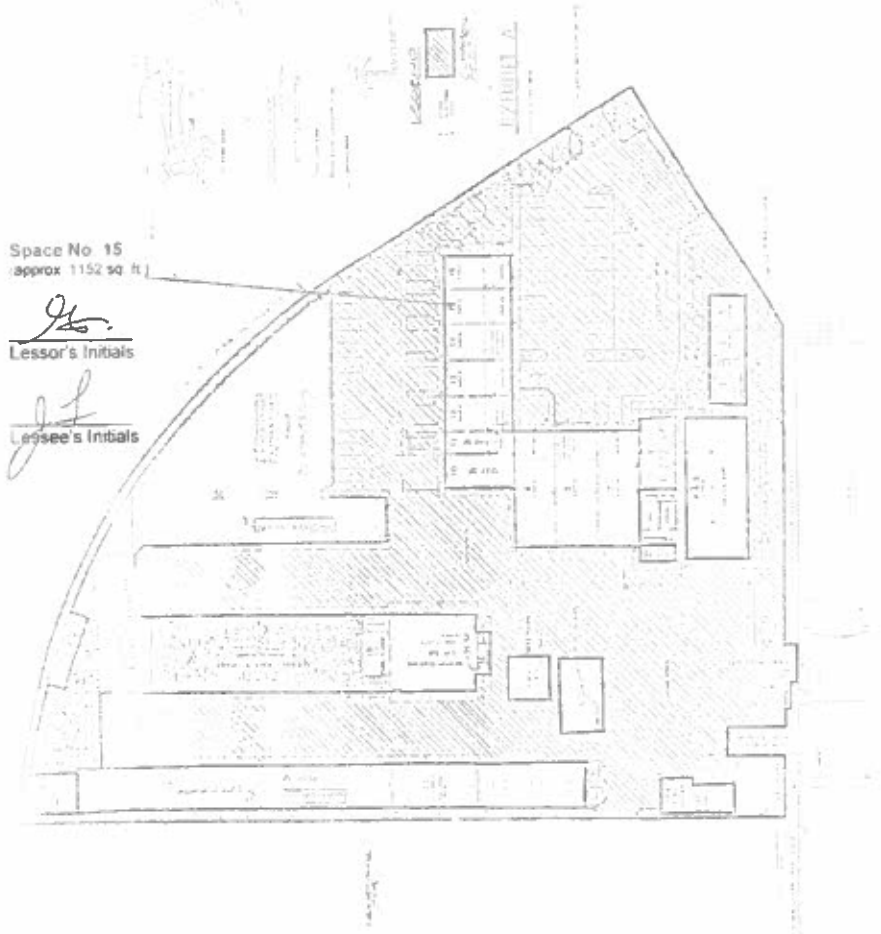
State of Hawaii)
) SS
County of Hawaii)

On this 7th day of October, 2010, in the Third Circuit, State of Hawaii, before me personally appeared GARY LAMBERT, to me personally known, who, being by me duly sworn or affirmed, did say that he or she executed the foregoing instrument identified or described as U. S. Government Sublease for Real Property as his or her free act and deed, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity. The foregoing instrument is dated October 1, 2010, and contained 9 pages at the time of this acknowledgment/certification.

AGNES K. BARROZO NOTARY PUBLIC Certification No 09-94 STATE OF HAWAII

Agnes K Barrozo
Printed Name: Agnes K. Barrozo
NOTARY PUBLIC, STATE OF HAWAII
My Commission No.: 09-94
My Commission Expires: MAR 2 9 2013

EXHIBIT A
PREMISES AND PROPERTY



GENERAL CLAUSES
(Simplified Leases)
(Acquisition of Leasehold Interests in Real Property for Leases Up to $100,000 Net Annual Rent)

1. The Government reserves the right, at any time after the lease is signed and during the term of the lease, to inspect the leased premises and all other areas of the building to which access is necessary to ensure a safe and healthy work environment for the Government tenants and the Lessor's performance under this lease.

2. If the building is partially or totally destroyed or damaged by fire or other casualty so that the leased space is untenantable as determined by the Government, the Government may terminate the lease upon 15 calendar days written notice to the Lessor and no further rental will be due.

3. The Lessor shall maintain the demised premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the Lessor under this lease, in good repair and tenantable condition. Upon request of the Contracting Officer, the Lessor shall provide written documentation that building systems have been maintained, tested, and are operational.

4. In the event the Lessor fails to perform any service, to provide any item, or meet any requirement of this lease, the Government may perform the service, provide the item, or meet the requirement, either directly or through a contract. The Government may deduct any costs incurred for the service or item, including administrative costs, from rental payments.

5. 52.252-2 CLAUSES INCORPORATED BY REFERENCE (VARIATION) (DEC 2003)
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available, or the full text may be found as GSA Form 3517C at http://www.gsa.gov/leasingform.

6. The following clauses are incorporated by reference:

GSAR 552-203-5	COVENANT AGAINST CONTINGENT FEES (FEB 1990) (Applicable to leases over $100,000.)
GSAR 552-203-70	PRICE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (SEP 1999) (Applicable to leases over $100,000.)
FAR 52.204-7	CENTRAL CONTRACTOR REGISTRATION (OCT 2003) (VARIATION)
FAR 52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JAN 2005) (Applicable to leases over $25,000.)
FAR 52.219-9	SMALL BUSINESS SUBCONTRACTING PLAN (JUL 2005) (Applicable to leases over $500,000.)
FAR 52.219-16	LIQUIDATED DAMAGES—SUBCONTRACTING PLAN (JAN 1999) (Applicable to leases over $500,000.)
GSAR 552.219-72	PREPARATION, SUBMISSION, AND NEGOTIATION OF SUBCONTRACTING PLANS (JUN 2005) (Applicable to leases over $500,000 if solicitation requires submission of the subcontracting plan with initial offers.)
GSAR 552.219-73	GOALS FOR SUBCONTRACTING PLAN (JUN 2005) (Applicable to leases over $500,000 if solicitation does not require submission of the subcontracting plan with initial offers.)

FAR 52.222-26	EQUAL OPPORTUNITY (APR 2002) (Applicable to leases over $10,000)
FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999) (Applicable to leases over $10,000.)
FAR 52.222-35	EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001) (Applicable to leases over $25,000.)
FAR 52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998) (Applicable to leases over $10,000)
FAR 52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001) (Applicable to leases over $25,000.)
FAR 52.232-23	ASSIGNMENT OF CLAIMS (SEP 1999) (Applicable to leases over $2,500.)
GSAR 552.232-75	PROMPT PAYMENT (SEP 1999)
GSAR 552.232-76	ELECTRONIC FUNDS TRANSFER PAYMENT (MAR 2000) (VARIATION)
FAR 52.233-1	DISPUTES (JUL 2002)
FAR 52.215-10	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997) (Applicable when cost or pricing data are required for work or services over $500,000)
FAR 52.215-12	SUBCONTRACTOR COST OR PRICING DATA (OCT 1997) (Applicable when the clause at FAR 52.215-10 is applicable)

The information collection requirements contained in this solicitation/contract, that are not required by regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

GENTRYS KONA MARINA SUBLEASE

SPACE No. 16

Lessor: GKM, INC.
Lessee: The Charter Locker, Inc.

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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of January, 2015 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and The Charter Locker, Inc. whose post office address is 74-425 Kealakehe Pkwy. #16, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request. Lessor consents to the sublease to Kona Zodiac, Ltd. Subject to State of Hawaii approval.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

The Charter Locker, Inc.
by _____
Name: G. Terry Causey
Its pres.

"LESSEE"

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT CIVIL CODE § 1189

State of California
County of Orange

On 2/3/15 (Date) before me, Carrie Duffy, Notary Public (Here insert Name and Title of the Officer)

personally appeared G. Terry Causey (Name(s) of Signer(s))

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

CARRIE DUFFY
Commission # 1996467
Notary Public - California
Orange County
My Comm. Expires Oct 30, 2016

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature: _____ (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: G. Terry Causey	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Individual	☐ Individual
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact	☐ Attorney in Fact
☐ Trustee	☐ Trustee
☐ Guardian or Conservator	☐ Guardian or Conservator
☒ Other: President The Charter Locker Inc	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____
RIGHT THUMBPRINT OF SIGNER — Top of thumb here	RIGHT THUMBPRINT OF SIGNER — Top of thumb here

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STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 23rd day of April, 2015, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

JAEDEEN KAM NOTARY PUBLIC Comm. No. 13-102 STATE OF HAWAII

Name: Jaedeen Kam
Notary Public, State of Hawaii

My commission expires: March 31, 2017

NOTARY CERTIFICATION
Doc. Date: Undated # Pages: 39
Name: Jaedeen Kam Third Circuit
Doc. Description: Gentrys Kona Marina Sublease
Signature
Date 4/23/15

JAEDEEN KAM NOTARY PUBLIC Comm. No. 13-102 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this _____ day of _____, 2015, before me personally appeared _____, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Name: _____
Notary Public, State of Hawaii

My commission expires: _____

EXHIBIT A
PREMISES AND PROPERTY

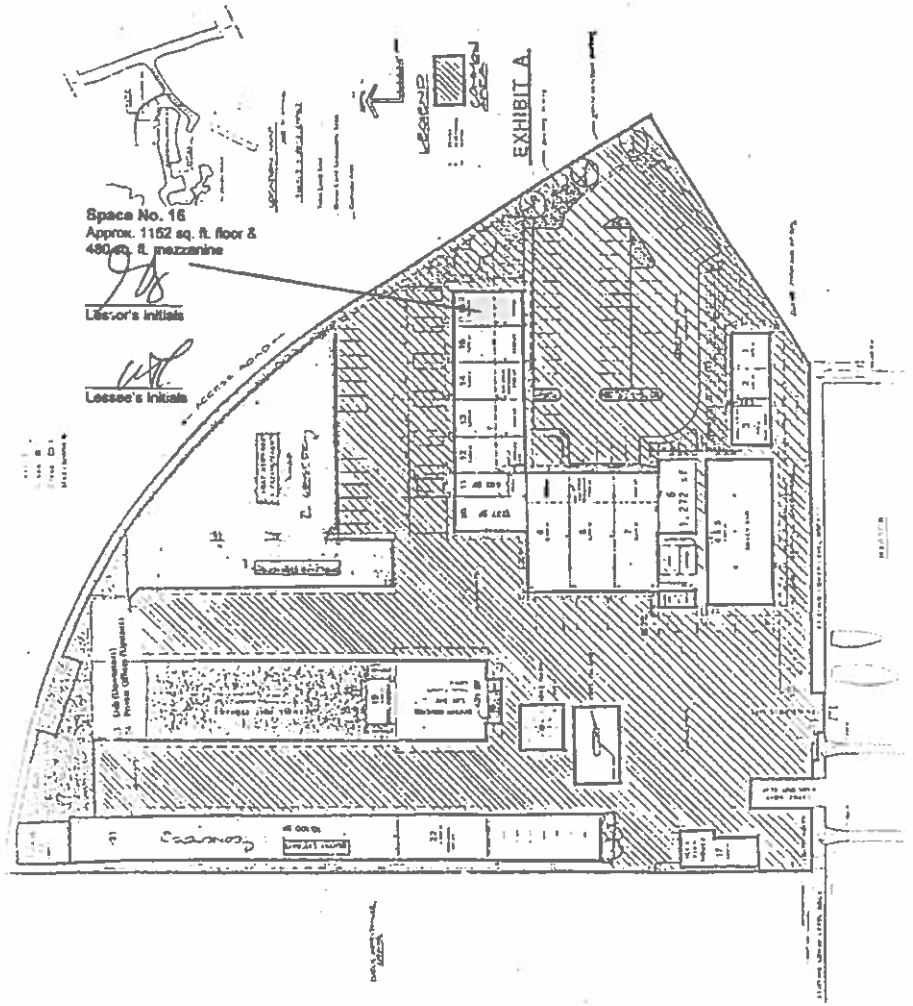

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: The Charter Locker, Inc.
Premises: Space No. 16

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is January 1, 2015
The "termination date" of the term is December 31, 2019

II. **USE:** Sales of sport activity charters, including sportfishing charters, snorkeling and water excursion charters. Sales of clothing with business logos only.

III. **SECURITY DEPOSIT.** $2,056.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $2,056.00 per month.

B. Commencing on January 1, 2016 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: The Charter Locker, Inc.
Premises: Space No. 16

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,238 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,241 sq. ft.
Approximate common area sf in GKM	=	107,631 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1,152 sq. ft. (Lessee's Space not including 480 sq. ft of mezzanine)/70,241 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 1.64% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,813 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0 = 24,476 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 197,289 sq. ft.

1,152 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7,184 sq. ft. (Lessee's weighted space)/197,289 (total weighted space) = 3.91% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,793 sq. ft. (and is to be weighted 6.7) x 6.7	=	172,813 sq. ft.
"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0	=	24,476 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	229,499 sq. ft.

1,152 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 7,718 sq. ft (Lessee's weighted space)/229,499 (total weighted space) = 3.36% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: The Charter Locker, Inc.
Premises: Space No. 16

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.
2) No washdown of vessels will be allowed behind premises or in common areas of Gentry's Kona Marina.
3) The Charter Locker, Inc. agrees that for the term of this sublease the tenancy of Kona Zodiac, Ltd. as a sub-sub tenant and requires Kona Zodiac, Ltd. to acknowledge and agree to, in writing, the terms and conditions of this sublease which shall include the insurance requirements and naming of GKM, Inc. and the State of Hawaii as additionally insured. A copy of the acknowledgment to be delivered to GKM, Inc. Also, Kona Zodiac, Ltd. shall acknowledge that they are equally responsible for the payment of rents and GKM, Inc. will require a personal guaranty from a principal of Kona Zodiac, Ltd. and a copy of the guaranty to be delivered to GKM, Inc.

"LESSOR"
(initials)

"LESSEE"
(initials)

GENTRYS KONA MARINA SUBLEASE

SPACE No. 17

Lessor: GKM, INC.
Lessee: Keoni's Point of View, LLC

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THIS SUBLEASE (lease) is made this __th day of _____, 2016 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Keoni's Point of View, LLC, whose post office address is 78-1003 Bishop Road, Holualoa, Hawaii, 96725, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaning up, sweeping and janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax. Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failure to Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realty and personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within ten days after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restoration of Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether by voluntary sale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings, structures, alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, including without limitation, any claims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorney's fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 Attorney's, Architect's, Etc. Fees. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 Additional Improvements Upon Property. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 Force Majeure. In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 Master Lease. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 Trademarks. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentry's Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentry's Kona Marina" apart from Lessor's exclusive rights in the words "Gentry's Kona Marina", and that Lessee may only use the name and mark "Gentry's Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentry's Kona Marina", and any modifications of the name and mark which incorporate the words "Gentry's Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validity of any Trademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentry's Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 Arbitration of Disputes.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President
"LESSOR"

KEOLI'S POINT OF VIEW LLC
By: Koani Jones
Name: KEOLI KELOHA LLANES
Its MANAGER
"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 8th day of August, 2016, before me personally appeared KEONI KELOHA LLANES to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

LEONIE G. MELCHOR-HIROKANE NOTARY PUBLIC No. 89-540 STATE OF HAWAII

Name: LEONIE G. MELCHOR-HIROKANE
Notary Public, State of Hawaii

My commission expires: SEP 26 2017

Document Date AUG 08 2016 Pages 41
Notary Name: LEONIE G. MELCHOR-HIROKANE Third Circuit
Doc. Description Gentrys Kona Marina Sublease
AUG 08 2016
Notary Signature Date

LEONIE G. MELCHOR-HIROKANE NOTARY PUBLIC No. 89-540 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 11th day of August, 2016, before me personally appeared Gary Lambert to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-386 STATE OF HAWAII

Elnora Regpala
Name: Elnora Regpala
Notary Public, State of Hawaii

My commission expires: 12-18-19

NOTARY CERTIFICATION
Doc. Date 8-11-16 Pages 42
Name: Elnora Regpala 3rd Circuit
Doc. Description Gentrys Kona Marina Sublease Space No. 17
Elnora Regpala
8-11-16
Date

ELNORA REGPALA NOTARY PUBLIC Comm. No. 11-386 STATE OF HAWAII

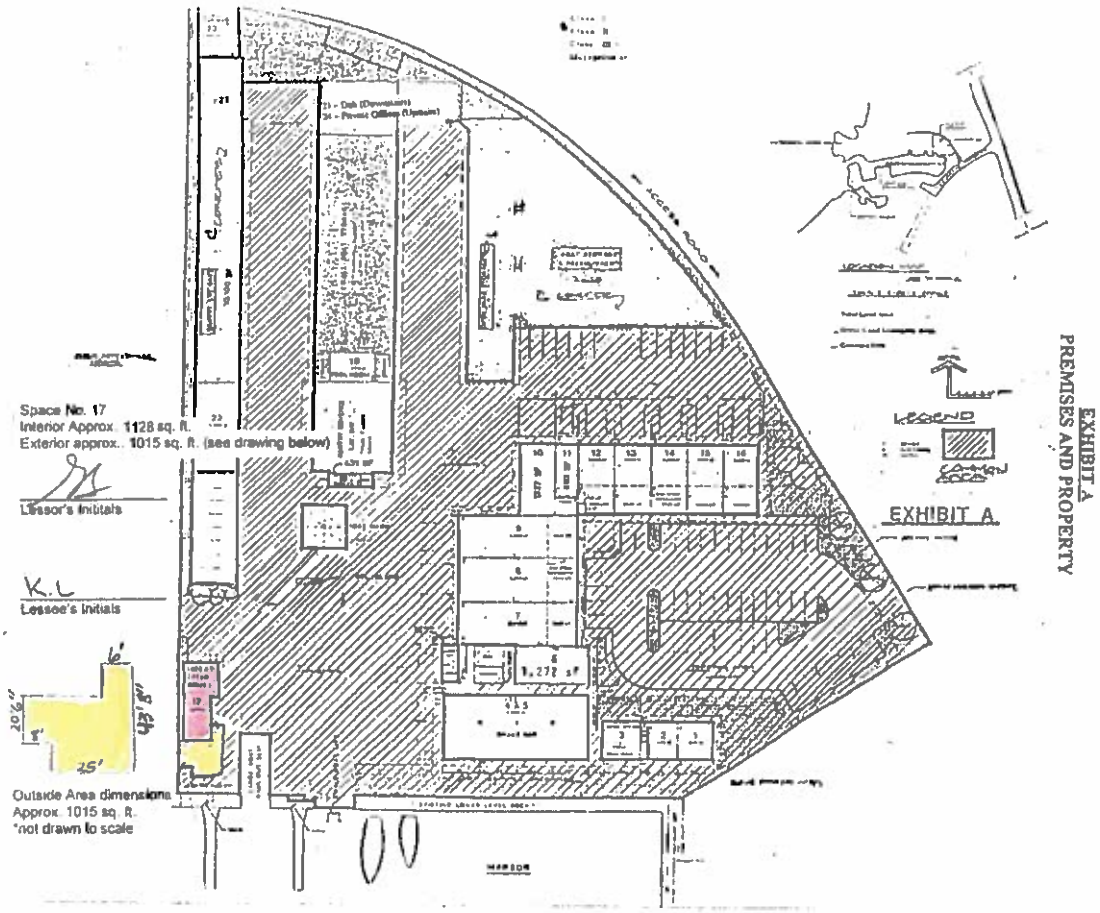

EXHIBIT A
PREMISES AND PROPERTY

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Keoni's Point of View, LLC
Premises: Space No. 17

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is ninety (90) days after the Board of Land and Natural Resources (BLNR) approval, with up to two (2) 30 day extensions on the commencement date contingent upon the progress of the construction improvements, OR the first day of business whichever occurs first. (See Exhibit D, Special Terms, Item No. 13 for extension conditions).
The "termination date" of the term is five years from the commencement date.

II. **USE:** Wholesale and retail sale of fresh, frozen, and packaged fish and seafood and operation of a seafood restaurant (see Exhibit D Special Terms).

III. **SECURITY DEPOSIT**. $4,399.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $4,399.00 per month. If commencement date does not begin on the first day of the month, then the rent for the first fractional month shall be prorated (30-day month) so that the rent falls due on the first day of each month thereafter.

B. Commencing a year (12 months) after the commencement date (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased 2.5% or an increase equal to the Consumer Price Index, whichever is higher. If the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date is higher it will be used and the adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then computation of any adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Keoni's Point of View, LLC
Premises: Space No. 17

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 1128 Indoor sq. ft., Class I area,)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 3.27% (Lessee's percentage share of real property taxes and assessments on all land in GKM); and 1,015 Outside Area, Class II area, (Lessee's Space)/70,917 sq. ft. = 1.43%

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

1128 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 7558 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 3.81% (Lessee's percentage share of real property taxes and assessments on all buildings); and 1015 sq. ft of Class II Area (Lessee's Space) x 2.0, which is Class II weight = 2030 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 1.02% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

1,128 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 7,558 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 3.81% (Lessee's percentage share of Property maintenance and operating expenses); and 1,015 sq. ft. of Class II area (Lessee's Space) x 2.0, which is Class I weight = 2,030 sq. ft (Lessee's weighted space)/231,011 (total weighted space = .87% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR"
(initials)

"LESSEE"
K.L
(initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Keoni's Point of View, LLC
Premises: Space No. 17

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

2) Lessee acknowledges acceptance of premises in the current condition including the responsibility to repair and maintain. (See sublease Article 1.2 Acceptance of the Premises). The current condition of the improvements are unknown and may not work at all. If there are any questions with regards to any of the improvements, prior to signing the Sublease, Lessor recommends hiring the proper tradesperson for inspection. Lessee may be responsible for the removal of the improvements upon termination of the agreement pursuant to the terms and conditions of this sublease.

3) Lessee understands that Space No. 17 shares power with the docks. There is a submeter located in Space No. 17 that GKM personnel read monthly. GKM will reimburse Lessee, monthly, its prorated share of the electricity used at the docks, using the same KWH rate that HELCO uses in its billing to Lessee. Any interruption in power caused by Lessee purposefully, would be considered a breach of this sublease agreement.

4) Walk-in freezer may be used by lessee. Equipment is in "as is, where is" condition and must be returned to lessor in same, or better, condition at the termination of this sublease. It is the lessee's sole responsibility for the maintenance and repair of the equipment in exchange for its use. Lessee agrees to hold Lessor harmless from any and all liability arising out of any claims, damages, bodily injury or death from use of this equipment (See Exhibit F Hold Harmless Agreement).

5) Lessee agrees and understands that the menu is to be limited as not to compete with other existing business in the Gentry's Kona Marina facility and that serving hamburgers and draft beer will not be permitted. Your menu will be limited to seafood and seafood products exclusively and your menu will need to be approved by GKM Inc.. Beer service will be limited to bottles and cans (no draft).

6) Obtaining and maintaining a liquor license is the lessee's sole responsibility and GKM Inc. makes no guaranties that one will be granted.

7) The maintenance of the sump/lift station adjacent to space no. 17 that connects to GKM, Inc.'s Wastewater Treatment Plant is solely the responsibility of the lessee. If any upgrades are needed to the sump then it is the responsibility of the lessee to upgrade the station to meet any federal, state and/or county standards.

8) Customer parking is limited. All ingress and egress are never to be blocked (see Common Area Rules & Regulations, a copy will be provided). The travelift area is not a parking area and must always be left clear.

9) An outside pedestrian walkway must be kept cleaned and maintained to our docks through the sublease area outside and south of building no. 17. Proper enclosures as part of the sublease improvements for the outside area must also be provided and maintained as to keep all patrons safe and separated from the work area used by GKM, Inc. for the travelift. Submit a plan for an enclosure if that area is to be used.

10) No retail of any sundry items, clothing, or pre-packaged convenience foods allowed. Only retail sales of Keoni's Point of View logo wear shirts and hats.

11) Hours of operation to be approved by GKM Inc., but not to exceed a 7 p.m. closing time. Live band/music will not be allowed at current location without prior written consent of GKM Inc.. The back gate will continue to be secured at 7 p.m. You will be responsible for securing the walk up pedestrian gate after 7 p.m.

12) Dock use is not included in this agreement. Docks are a very important part of the GKM operation and any interference (blocking access) with the GKM operation will be charged to Lessee on a posted hourly basis.

13) At the sole discretion of GKM, Inc. the commencement date of the sublease may be extended for up to two (30) day periods, beyond the initial 90 days from the date of the Board of Land and Natural Resource approval. The 30-day extensions will be contingent on Lessee's forward progress of the proposed improvements directly related to county and state building permitting and construction. No extensions will be given based on whether or not the lessee has obtained a liquor license or not. Lessee shall provide written documentation to GKM, Inc. demonstrating their progress on the improvements when requesting any extension. If at any time during the initial 90 days after board approval, or during any of the 30-day extension periods, the lessee begins operation then that first day of business will be considered the commencement date and all rents and any and all other charges under this sublease will commence.

"LESSOR"
(initials)

"LESSEE"
K.L
(initials)

Lessee: Keoni's Point of View
Premises: Space No. 17

EXHIBIT E
HOLD HARMLESS AGREEMENT

Lessor shall indemnify, defend and hold harmless GKM, Inc. (GKM) and GKM's employees, representative and invitees, from and against any and all claims, losses, costs and liability for property liens, claims, damages, bodily injury, death and/or damage of any kind whatsoever asserted by any persons or parties arising out of, caused by, or resulting from or relating to the use of walk-in freezer. Further, Lessee will indemnify, defend, and hold harmless GKM, and GKM's employees, representatives or invitees, from and against any and all claims, actions or proceedings arising from any breach, default or negligence on the part of the Lessee or Lessee's agents, employees, invitees in the use or relating to the use of above listed equipment pursuant to this sublease agreement and Lessee shall reimburse GKM for all costs, reasonable attorney's fees, and expenses incurred in connection with any such claim or any action or proceeding brought thereon. Lessee's indemnification obligation under this paragraph shall survive the termination of this agreement, and is in addition to any other rights or remedies which GKM may have under law or this sublease agreement.

"LESSOR"
(initials)

"LESSEE"
K.L
(initials)

GENTRYS KONA MARINA SUBLEASE

SPACE No. 18

Lessor: GKM, INC.
Lessee: Mike Akazawa dba Akazawa Painting

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Personal Guaranty of Lease Addendum

THIS SUBLEASE (lease) is made this 1st day of January, 2012 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Mike Akazawa dba Akazawa Painting, whose post office address is 74-425 Kealakehe Parkway #18, Kailua Kona, Hawaii, 96740, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms.** Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C** above.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to any assessment made under any betterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and accepts the premises in their existing condition and shall be solely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solely responsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on the premises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies**. The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations bereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures,

alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitation, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease**. All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification**. This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19, 2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as

Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and mark which incorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"
_____
Name: Mike AKAZAWA
Its Owner

"LESSEE"

_____
NOTARIAL CERTIFICATION ATTACHED

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 27 day of January, 2012, before me personally appeared Michael K Akazawa, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

_____
Name: Todd Hashimoto
Notary Public, State of Hawaii

My commission expires: 9/19/14
Commission #10-302

LS

NOTARY CERTIFICATION
Doc. Date: 1/27/12 # Pages 40
Name: Todd Hashimoto Third Circuit
Doc. Description: Contract Kamaina Subkeep
_____ 1/27/12
Notary Signature Date

LS

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 7th day of March, 2012, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to executed such instrument in such capacity.

AGNES K. BARROZO NOTARY PUBLIC 09-94 STATE OF HAWAII

Agnes K Barrozo
Name: Agnes K. Barrozo
Notary Public, State of Hawaii

My commission expires: MAR 29 2013

NOTARY CERTIFICATION
Doc. Date: undated # Pages: 40
Name: Agnes K. Barrozo 3rd Circuit
Doc. Description: Gentrys Kona Marina Sublease
Agnes K Barrozo
3/7/2012

AGNES K. BARROZO NOTARY PUBLIC 09-94 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY

Lessee: Mike Akazawa dba Akazawa Painting
Premises: Space No. 18

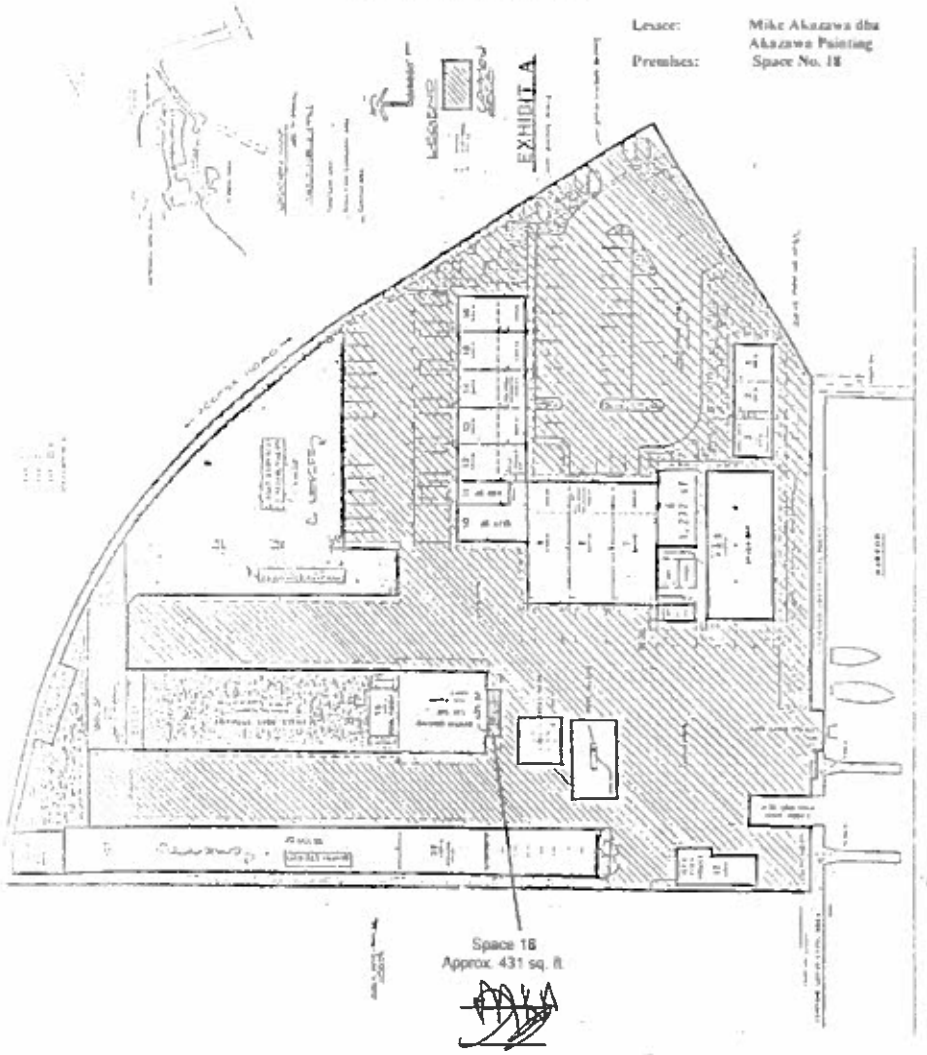

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Mike Akazawa dba Akazawa Painting
Premises: Space No. 18

Lessor and Lessee hereby agree and confirm that:

I. **TERM:**

The "commencement date" of the term is January 1, 2012
The "termination date" of the term is December 31, 2016

II. **USE**: Vessel repair and maintenance. Vessel repainting and refinishing. No engine repair or retail sales.

III. **SECURITY DEPOSIT**. $833.70

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $833.70 per month.

B. Commencing on January 1, 2013 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased by an amount equal to the increase in the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date. The adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then the computation of the adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR" Initials

"LESSEE" Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Mike Akazawa dba Akazawa Painting
Premises: Space No. 18

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	27,793 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,238 sq. ft.
"Class III", which is Open Space	=	30,210 sq. ft.
Approximate total leasable sf in GKM	=	70,241 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,196 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 431 sq. ft. (Lessee's Space)/70,241 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = .61 (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 27,793 sq. ft. (and is to be weighted 6.7) x 6.7 = 186,213 sq. ft. (which is the weighted amount of Class I improvements)

"Class II", which is 12,238 sq. ft. (and is to be weighted 2.0) x 2.0 = 24,476 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 210,689 sq. ft.

431 sq. ft of Class I Area (Lessee's Space) x 6.7, which is Class I weight = 2,888 sq. ft. (Lessee's weighted space)/210,689 (total weighted space) = 1.37% (Lessee's percentage share of real property taxes and assessments on all buildings)

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	186,213 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	24,476 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	30,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	240,899 sq. ft.

431 sq. ft. of Class I area (Lessee's Space) x 6.7, which is Class I weight = 2,888 sq. ft (Lessee's weighted space)/240,899 (total weighted space) = 1.20% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" MKA (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Mike Akazawa dba Akazawa Painting
Premises: Space No. 18

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentrys Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted byLesseeupon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

2) Tenant shall pay electric recovery charge of $50.00 per month.

"LESSOR" (initials)

"LESSEE" MKA (initials)

Gentry's Kona Marina Sublease

GENTRY PROPERTIES

A Hawaii Limited Partnership

to

Susan Vermillion dba

Hawaii Data Center

Sublease No. GKM-062
Space No. 1

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GENTRY KONA MARINA SUBLEASE

THIS SUBLEASE made and entered into this 14 day of February, 2000, by and between GENTRY PROPERTIES, A Hawaii Limited Partnership, hereinafter called "Sublessor", and Hawaii Data Center, whose principal place of business is 74-425 Kealakehe Parkway, #1, Kailua-Kona Hawaii 96740and post office address is P.O. Box 4129, Kailua-Kona, HI 96745, hereinafter called "Sublessee",

WITNESSETH:

In consideration of the rent to be paid and of the terms, covenants and conditions herein contained, all on the part of the Sublessee to be kept, observed and performed, the Sublessor does hereby demise and lease unto the Sublessee, and the Sublessee does hereby lease and hire from the Sublessor, the Premises hereinafter described in the Basic Provisions and Exhibits.

BASIC PROVISIONS AND EXHIBITS

Item A -- PREMISES: Premises is defined in this Sublease as the area outlined on Exhibit A which is attached hereto and made a part hereof. The Premises is located in the Honokohau Boat Harbor, and, is specifically in the area of property leased by Gentry Properties from the State of Hawaii.

Item B -- LEASE AREA: For all purposes under this Sublease, the Leased Area of the Premises shall be deemed to contain approximately 576 square feet, more or less.

Item C -- SUBLEASE TERM; SUBLEASE YEAR, EXTENSIONS AND RENEWALS: The Sublease Term is _5_ years, and __0__ months and __0__ days, commencing April 1, 2000, ("the Commencement Date"), or the first day of business (whichever is first) and ending no later than midnight on March 31, 2004, ("the Termination Date"). A Sublease Year shall mean a period of twelve (12) consecutive full calendar months. The first Sublease Year shall begin on the Commencement Date if such Commencement Date shall occur on the first day of a calendar month. If such Commencement Date shall not fall on the first day of a calendar month, the first Sublease Year shall commence on the first day of the calendar month immediately following the month in which the term would otherwise have commenced. Each succeeding Sublease Year shall commence on the anniversary date of the first Sublease Year. The Sublease Term includes all extensions and renewals of the original Sublease term herein set forth.

Item D -- PERMITTED USE: The Premises shall be used by the Sublessee solely for the following and for no other purpose(s):(1) Internet web site development and accounting services for marine related businesses. Office services for transient vessels including copies, fax and email services; web site access; shipping and mail drop services; typing, accounting and consulting. Tournament desk and official merchandise outlet for Hawaii International Billfish Tournament, Rolex/IGFA Tournament of Champions and Huggo's Wahine Tournament.

The Sublessee is aware that the Sublessor does not guarantee that the Permitted Use listed above shall be for the exclusive use of the Sublessee within the area of the Honokohau Boat Harbor and/or within the area of Gentry's Kona Marina.

Item E -- TRADE NAME: Sublessee shall operate and do business on the Premises with all signs and advertising under the trade name: Hawaii Data Center.

Item F -- FIXED MINIMUM RENT:

(1) From the Commencement Date through Sublease year one inclusive, a minimum annual rent of $9,324.00, in monthly installments of $777.00.

(2) For Sublease Year _2_, through _5_, inclusive, a minimum annual rent of $ (see below) in monthly installments of $ (see below).

The Fixed Minimum Rent for each Sublease Year after Sublease Year number one shall be adjusted annually on each anniversary of this Sublease by an amount equal to the percentage change in the Consumer Price Index, all Items, all Urban Consumers, Honolulu, Hawaii, from the Sublease commencement date. In no event shall the Fixed Minimum Rent paid during any succeeding Sublease year be less than the Fixed Minimum Rent during the immediately preceding Sublease Year.

Item G -- PERCENTAGE RENT: __none_____percent (0 %) In the event this Sublease provides that the percentage rent is to be renegotiated, then the parties shall mutually agree to the new percentage rent not less than 90 days prior to the expiration of the last Sublease Year for which the percentage rent is fixed; and, in the event Sublessor and Sublessee fail to so agree on a new percentage rent, then such percentage rent shall be redetermined by an arbitrator or arbitrators in the same manner as they are appointed and used under paragraph No. 3 entitled Rental Redetermination, hereinafter. In no event shall the redetermined percentage rent be less than the percentage rent for the immediately preceding period.

Item H -- SECURITY DEPOSIT: $777.00. The Security Deposit shall be held by Sublessor as security for the faithful performance by Sublessee of all of the terms, covenants and conditions of this Sublease by Sublessee. This deposit bears no interest, may be comingled with Sublessor's other funds, shall be increased by Sublessee if the Fixed Minimum Rent increases and shall be returned at the termination of this Sublease if the Sublessee has complied with all of the terms, covenants and conditions of this Sublease, including the payment of rent, and Sublessee has vacated Premises.

Item I -- GUARANTOR(S): _None_____.

Item J -- SUBLESSEE'S SHARE OF TAXES AND ASSESSMENTS: 81/100 percent (.81%) for the land and one and 94/100 percent (1.94%) for the buildings and improvements.

Said percentage has been calculated as shown in Exhibit "C" attached hereto and made a part hereof, and Sublessee hereby acknowledges that Sublessor may use any other method of weighted proration which reasonably allocates such charges among the leased areas, as solely determined by Sublessor. Sublessee also acknowledges that the square footages of the various classes of leasable space and of the common area space as estimated in Exhibit "C" may materially change as solely determined by Sublessor, as the Gentry Kona Marina is developed and subsequently operated.

Item K -- COMMON AREA EXPENSES: Sublessee's percentage of common area expenses which Sublessee must bear is one and 67/100 percent (1.67%). Said percentage of common area expenses shall be paid by Sublessee monthly within 5 days after Sublessor notifies Sublessee of the monthly amount due. Sublessee agrees that Sublessor may adjust once per each Sublease Year the above percentage of common area expenses which Sublessee must bear.

Said percentages has been calculated as shown in Exhibit "C" attached hereto and made a part hereof, and Sublessee hereby acknowledges that Sublessor may use any other method of weighted proration, which reasonably allocates such charges among the leased areas, as solely determined by Sublessor. Sublessee also acknowledges that the square footages of the various classes of leasable space and of the common area space as estimated in Exhibit "C" may materially change as solely determined by Sublessor, as the Gentry Kona Marina is developed and subsequently operated.

Item L -- BROKER(S): None

Item M -- STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION HARBOR LEASE NO. H-82-4

Notwithstanding anything contained tot he contrary in this Sublease, in any and all events, the State of Hawaii, Department of Transportation Harbor Lease No. H-82-4 between the State of Hawaii and Gentry Properties controls and is paramount, which includes the required consent of the State of Hawaii, otherwise this Sublease will be of no force and effect. (Lease No. H-82-4 is herein sometimes referred to as the "Lease".) The property subject to said Lease No. H-82-4 is depicted in Exhibit "A", and legally described in Exhibit "B", of which the Premises is a part.

Sublessee hereby acknowledges and represents that Sublessee has received a copy of the Lease, and has reviewed the Lease.

Item N -- SUBLESSOR'S ADDRESS FOR RENTAL PAYMENTS AND NOTICE: Gentry's Kona Marina, 74-425 Kealakehe Parkway, Kaihua-Kona, Hawaii 96740, and at such other place as Sublessor may designate in writing to Sublessee from time to time.

Item O -- EXHIBITS: The following drawings and special provisions are attached hereto as exhibits and are expressly incorporated in this Lease for all purposes.

Exhibit "A" -- Plan outlining the Premises and Site plan of Gentry Kona Marina.

Exhibit "B" -- Legal description of Gentry Kona Marina.

Exhibits "C" -- Projected Allocation Estimates for Sublessee's Percentage Liability of Real Property Taxes and Assessments (Item J) and Common Area Expenses (Item K).

Note: Although Gentry Properties may lease additional land in the Honokohau Boat Harbor, those additional lands will not be included in computing the percentages in Item J and K.

Item P -- OTHER CONDITIONS:

Sublessee agrees to pay to Sublessor, a sum of fifty dollars ($50.00) per month as additional rent in payment for electricity on the first day of each claendar month, and for the term of this sublease, without notice or demand. If, in any event, the $50.00 fails to cover the in/house electricity charge, Sublessor has the right to make any adjustments as deemed necessary.

Sublessee agrees, that when advertising, Sublessee shall use the full name, " Gentry's Kona Marina" in its advertising of the business conducted by Sublessee upon the premises. Sublessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to the Sublessee. In the event of a change in the name " Gentry's Kona Marina" Sublessee agrees to advertise under the new name. Sublessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Sublessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Sublessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

THE SUBLESSEE COVENANTS AND AGREES WITH THE SUBLESSOR AS FOLLOWS:

1. Payment of Rent. Beginning with the Commencement Date, monthly in advance throughout the term of this Sublease, without demand or notice, Sublessee shall pay said rent in legal tender of the United States of America to Gentry Kona Marina at the time, in the manner and form set forth in the Basic Provisions and Exhibits, and at the place specified above, or at such other place and to such other nominee as Sublessor may from time to time designate. In the event the Commencement Date falls on other than the first day of the month, the rental for the first fractional month shall be computed on a daily basis from the Commencement Date to the end of the month by multiplying the Fixed Monthly Minimum Rent by a fraction, the numerator of which is the number of days from the Commencement Date to the end of the month and the denominator of which is the number of days in the month.

2. Service Charge and Default Rate of Interest. Without prejudice to any other remedy available to Sublessor, a service charge of four (4) cents for each dollar of each rental payment owed for the particular month which is not made on time shall be assessed against Sublessee if the rental is paid more than 5 days after the due date to cover the extra expense involved in handling delinquent payments, and, any amounts owing by Sublessee to Sublessor under the terms of this Sublease shall bear interest from the date same becomes due until paid at the specified maximum rate, if any, then allowed by applicable law or if there is no such specified maximum rate, at a floating rate equal to three (3) percentage points over the large business prime rate then being charged by Bank of Hawaii. Said interest shall be considered as a part of the rental payable in this Sublease.

3. Rental Redetermination. Rental Redetermination means that a new Fixed Minimum Rent must be renegotiated. In the event this Sublease requires a reopening of the Fixed Minimum Rent, then such Fixed Minimum Rent shall be the rental for the immediately preceding Sublease Year, or 100% of the fair market rental at the time of the redetermination, whichever is higher.

In determining the fair market rental, the land, buildings and Permitted Use of the Premises as set forth herein in this Sublease shall be considered. The value of Sublessee's

equipment and furnishings shall not be considered in determining the said rental rate.

At the time of redetermination, the fair market rental shall be determined by mutual agreement of Sublessor and Sublessee not less than ninety (90) days prior to the expiration of the period for which minimum rent is fixed. If Sublessor and Sublessee fail to agree upon such fair market rental not less than ninety (90) days prior to the expiration of said fixed period, the fair market rental shall be determined by an arbitrator or arbitrators appointed as hereinafter provided.

Either party may give to the other written notice of its desire to fix such fair market rental by arbitration. If, within ten (10) days after the receipt of such notice, Sublessor and Sublessee are able to agree upon a single arbitrator, then said arbitrator alone shall determine said fair market rental. The decision and award of such arbitrator shall be final, conclusive and binding upon both parties for the period of redetermined rent, unless the same shall be vacated, modified or corrected, as provided in Chapter 658, Hawaii Revised Statutes, as the same may be amended. If Sublessor and Sublessee have not agreed upon one (1) such arbitrator within ten (10) days after said receipt of such notice, then such determination shall be made by two (2) arbitrators, each of whom must be a member of the American Institute of Real Estate Appraisers, and either party may give to the other party a written notice naming one (1) of the two (2) arbitrators. Thereupon, the other party shall, within ten (10) days after receipt of such notice, name a second arbitrator, and in case of failure so to do, the party who has already named an arbitrator may have the second arbitrator selected or appointed by any judge of the First Circuit Court of the State of Hawaii. With forty-five (45) days of their respective appointments, each arbitrator shall determine said fair market rental and submit their reports to the Sublessor and Sublessee. If the fair market rental determined by each of the arbitrators varies by five percent (5%) or less between them, the average of the two shall be controlling, unless the same shall be vacated, modified or corrected, as provided in said Chapter 658. If the fair market rental determined by each arbitrator varies by more than five percent (5%) between them, then, within ten (10) calendar days of the submission of the last fair market rental determination, both arbitrators shall appoint a third arbitrator who shall be a member of the American Institute of Real Estate Appraisers, and in case of failure so to do, either party may have the third arbitrator selected or appointed by any

judge of the First Circuit Court of the State of Hawaii. Said third arbitrator shall, within thirty (30) calendar days of his appointment, determine said fair market rental and submit his report to the Sublessor and Sublessee. The fair market rental determined by the third arbitrator shall be controlling unless it is less than that set forth in the lower fair market rental report previously obtained, in which case the fair market rental set forth in said lower report shall be controlling, or unless it is greater than that set forth in the higher fair market rental report previously obtained, in which case the fair market rental set forth in said higher report shall be controlling, and, unless the determination as herein provided with respect to the third arbitrator shall be vacated, modified or corrected, as provided in said Chapter 658. The arbitrator or arbitrators shall have all the powers and duties prescribed by said Chapter 658, and judgment may be entered upon any such decision and award as provided in said Chapter 658. All costs and expenses of the arbitration shall be borne equally by Sublessor and Sublessee except that each party shall bear the fees and costs of the arbitrator appointed by it, or by the Court on its behalf in lieu of appointment, and shall bear its own attorneys' and witnesses' fees and costs of court if the arbitration becomes the subject of litigation. If and whenever the fixing of such fair market rental is under arbitration, Sublessee, pending the determination thereof, shall continue to pay the then monthly rental which it had been paying during the period of fixed rent and shall promptly pay without any prior demand therefor and without any deduction or set off whatsoever, the deficiency, if any, upon the conclusion of the arbitration proceedings together with interest thereon at the rate of twelve percent (12%) per annum from the commencement of the period of rental redetermination until the date upon which said deficiency and interest are actually paid to Sublessor.

4. Percentage Rent. For each and every calendar month or fraction thereof during the term of this Sublease, Sublessee shall pay to Sublessor, on or before the tenth (10th) day of the next succeeding month, as additional rent, a sum of money determined by deducting the Fixed Minimum monthly or fractional monthly rent from the percentage rent for such preceding calendar month or fractional month. The percentage rent shall be determined by multiplying the percentage as set forth in Item G of the Basic Provisions hereinabove by Sublessee's gross sales for each month. In no event, however, shall the monthly rent to be paid by Sublessee to Sublessor be less than the Fixed Minimum Rent herein specified.

5. Gross Sales and Reports. The term "gross sales," means the entire amount of the actual sales price, whether for cash or otherwise, of all sales of merchandise or services, and all other receipts whatsoever of all business conducted at, in, from or upon the Premises, less any Hawaii State General Excise Taxes. Sublessee shall submit to Sublessor on or before the tenth (10th) day of each and every calendar month (excluding the 10th day of the first month of the first Sublease Year but including the 10th day of the month following the end of the term) at the place then fixed for the payment of rent, together with the remittance of monthly percentage rent, a written statement signed by Sublessee or by a person duly authorized by Sublessee showing in detail the amount of gross sales of the preceding calendar month or fractional month, if any.

6. Gross Income Tax. Sublessee shall also pay to Sublessor as additional rent, together with each payment of rental, real property taxes, and other charges payable by Sublessee hereunder, including but not limited to, the State of Hawaii General Excise Tax (the payment for which under this Sublease would presently be 4.167%).

7. Preservation and Disclosure of Records. For the purpose of ascertaining the amount of rent, Sublessee agrees to prepare and keep on the Premises for a period of not less than two (2) years following the end of each Sublease Year, or until Sublessor's auditors have had reasonable opportunity to audit the same, whichever is later, adequate records which shall show inventories and receipts of merchandise at the Premises and daily receipts from all sales and other transactions on the Premises by Sublessee and any other persons conducting any business upon said Premises.

8. Audits. Sublessee grants unto Sublessor and its agents the right at all reasonable times to have access to all books, accounts, records and reports, including, without limitation, gross income tax reports and purchase orders, which must be kept by Sublessee with respect to its business on the Premises for at least three (3) years following the end of a calendar year.

9. Taxes, Assessments, etc. Sublessee shall pay or cause to be paid, when due, as additional rent, its prorated amount, which is the percentage set forth in the Basic Provisions and Exhibits (Item J, and as set forth in Exhibit "C"), of all taxes, rates, assessments and other charges of every description to which said Premises are subject, including any improvements thereon and the parcel of land of which the Premises is a

part, which taxes, rates, assessments and other charges are now or may hereafter be assessed against the Sublessor or Sublessee by authority of law during the term of this Sublease; provided, however, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Sublessee shall be required to pay proratably only such installments, together with interest, as shall become due and payable during the term of this Sublease.

10. Minerals and Waters. Pursuant to the Lease, the State of Hawaii has reserved the right to all minerals as hereinafter defined, in, on or under the demised premises therein and the Premises herein, and the right, on its own behalf or through persons authorized by it, to prospect for, mine and remove such minerals and to occupy and use so much of the surface of the ground as may be required for all purposes reasonably extending to the mining and the removal of such minerals by any means whatsoever, including strip mining. "Minerals," as used herein shall mean any or all oil, gas, coal, phosphate, sodium, sulfur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits, whether solid, gaseous or liquid, in, on or under the land.

11. Prehistoric and Historic Remains. All prehistoric and historic remains found on the premises demised herein shall be and remain the property of the State of Hawaii and shall not be disturbed or removed by Sublessee, its employees, agents or contractors, without the express approval of the Director of Transportation of the State of Hawaii.

12. Easements. Sublessor and the State of Hawaii reserve the right to establish, or to sell or grant to others, easements required for maritime or utility purposes, provided that such easements shall not, in any substantial way, interfere with Sublessee's use of the Premises.

13. Construction of Improvements; Environmental Impact Assessment. In the construction of any improvements by Sublessee, if required by the State of Hawaii, Sublessee shall, within sixty (60) days of the issuance of the building permit, prior to constructing any improvements on the Premises, submit an Environmental Impact Assessment to the Department of Transportation of the State of Hawaii. Within thirty (30) days after the approval of any such required Environmental Impact Statement or

Negative Declaration, whichever is necessary to comply with Chapter 343, Hawaii Revised Statutes, as amended, and the Regulations of the State of Hawaii's Environmental Quality Commission, Sublessee will submit completed building plans to the Harbors Division and Sublessor for approval.

If required by the State of Hawaii or County of Hawaii, prior to construction, Sublessee must obtain Department of Health approval for disposal of sewage, Hawaii County approval of a shoreline management permit, and Hawaii County approval for shoreline setback requirements and a building permit from Hawaii County. All costs associated with meeting the requirements hereinabove will be borne by Sublessee. Sublessee must also file and receive, if required by the State of Hawaii and/or County of Hawaii, approval of a Conservation District Use Application from the Department of Land and Natural Resources.

During the term of this Sublease, no improvements, alterations or additions will be constructed on or under the Premises unless Sublessee first submits its plans and specifications to Sublessor for its approval (and to the State of Hawaii if required) and approval is granted by Sublessor in writing (and the State of Hawaii, if so required). The plans and specifications must be in full compliance with all statutes, ordinances, and rules and regulations applicable thereto.

14. Improvement Bond. Sublessee will, at the time of the issuance of any building permit to Sublessee procure and deposit with Sublessor a surety bond in the amount of the construction costs, which bond shall (1) name the State of Hawaii and Sublessor as obligees, (2) be conditioned upon the faithful observance and performance of the building plans submitted to and approved by Sublessor (and the State of Hawaii, if required) and (3) save and hold the State of Hawaii and Sublessor harmless from all liens, suits, actions or damages arising out of, caused by or attributable to such work performed under the building permit.

15. Contractor's Insurance. Before commencing the construction or installation of any improvements, equipment or fixtures on the Premises, Sublessee shall require that all contractors and subcontractors employed on the Premises by Sublessee or Sublessee's contractor procure and maintain in full force and effect during the course of construction and installation the following insurance:

a. Workmen's Compensation as required by law.

b. Contractor's Comprehensive General Liability and Property Damage with a combined minimum single limit of $1,000,000.00 for bodily injury and property damage per occurrence.

c. Contractor's Automobile General Liability and Protective Property with a combined minimum single limit of $500,000.00 for bodily injury and property damage per occurrence.

16. Utilities. Water, sewer, and electricity are available at the approximate locations depicted on Exhibit "A".

17. Utility Services; Rubbish Disposal. Sublessee shall pay when due, all charges, duties and rates of every description, including water, sewer, gas, refuse collection or any other charges, as to which said Premises, or any part thereof, or any improvements thereon or Sublessor or Sublessee in respect thereof may during the term of this Sublease become liable, whether assessed to or payable by Sublessor or Sublessee. If such utility services are furnished by Sublessor, the charges to Sublessee will be the greater of Sublessor's actual costs for the furnishing of said services or the rate which would be payable if the Tenant were to purchase the same services from the public utility involved.

18. Covenant Against Discrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates against anyone based upon race, sex, color, religion or ancestry.

19. Sanitation, etc. Sublessee shall keep the Premises and improvements in a strictly clean, sanitary and orderly condition.

20. Waste and Unlawful, Improper or Offensive Use of Premises. Sublessee shall not commit, suffer or permit to be committed any waste, nuisance, strip, loud or offensive noise, or unlawful, improper or offensive use of the Premises, or any part thereof.

21. Compliance with Laws. Sublessee shall comply with all of the requirements of all municipal, state and federal authorities and observe all municipal ordinances and state and federal statutes pertaining to the Premises, now in force or which may hereinafter be in force.

22. Inspection of Premises. Sublessee will permit Sublessor and the State of Hawaii

and their agents, at all reasonable times during the said term, to enter the Premises and examine the state of repair and condition thereof.

23. Improvements. Sublessee shall not at any time during the term of this Sublease construct, place, maintain and/or install on the Premises any building, structure and/or improvement of any kind and description whatsoever except with the prior approval of Sublessor and the prior approval of the Director of Transportation of the State of Hawaii, if required by the Director, and Sublessor and upon such conditions as said Director and Sublessor may impose.

24. Repairs to Improvements. Sublessee shall, at its own expense, keep, repair and maintain the Premises and improvements thereon now existing or hereafter constructed or installed on the Premises in good order, condition and repair, reasonable wear and tear excepted.

25. Common Area; Rules and Regulations. The term "common area," as used in this Sublease, shall be deemed to include those portions of the Gentry Kona Marina as are designated by Sublessor for the non-exclusive use of Sublessee in common with other authorized users, including but not limited to, roadways, service areas, driveways, areas of ingress and egress, landscaped and planted areas, sidewalks and other pedestrian ways, corridors, courts, public washrooms, drinking fountains, community rooms, toilets, stairs, ramps, areas containing buildings or structures used in connection with the maintenance of said common area, together with the buildings and structures constructed thereon, and all other similar facilities from time to time provided for the joint use and convenience of such authorized users.

Sublessee shall pay to Sublessor during the term of this Sublease, as additional rent, its pro rata share which is the percentage set forth in the Basic Provisions and Exhibits at Item K, and as set forth in Exhibit "C", of the cost and expenses which are incurred by or on behalf of Sublessor each calendar year, or part thereof, in maintaining and operating the common area (as hereinabove defined), including insurance premiums for the common areas, and the utility systems, lines, conduits, appurtenances thereto and security services serving the Gentry Kona Marina.

Sublessor shall have the exclusive right to police, regulate traffic in and otherwise control the use of parking, sidewalks, and all other portions of the common areas of the

Gentry Kona Marina. In furtherance of such right, Sublessor may from time to time promulgate and amend reasonable rules and regulations with respect to the common area, including hours of operation, which shall be binding upon Sublessee on reasonable notice. For the enforcement of said rules and regulations, Sublessor shall have all remedies in this Sublease provided for a breach of the term of this Sublease, as if said rules and regulations were expressly incorporated herein, and all other legal or equitable remedies whether or not provided for in this Sublease.

26. Encumbrances, Rights Reserved to Sublessor. Sublessor reserves the following rights:

(a) The right to grant or relocate all easements now or hereafter required by Sublessor for the construction, installation, operation, maintenance, repair and replacement of rights of way, underground lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewage, drainage and other public services and utilities; and

(b) The exclusive right to the use of the roof, exterior walls and area beneath the Premises, together with the right, from time to time, to install, maintain, use, repair and replace utility mains and other facilities serving other premises within the Gentry Kona Marina, when such location is dictated by necessities of engineering design, good practice and/or code requirements.

27. Right to Change. Sublessor reserves the absolute right at any time and from time to time to increase, reduce, change, or alter the size, height, layout, or location of any buildings, driveways, entrances and exits, automobile parking areas, and other circulation areas now or at any time hereafter forming a part of the Gentry Kona Marina.

28. Right to Enter. The agents and representatives of the State of Hawaii and the County of Hawaii may enter and cross any portion of the Premises for the purpose of performing any public or official duties; provided, however, in the exercise of such duties, the rights of the Sublessee to the use and enjoyment of the Premises shall not be unreasonably interfered with.

Sublessee will permit Sublessor and its agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the same or for the purpose of maintaining the building in which said Premises are situated, or for the purpose of making

repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, without any rebate of rent and without any liability to Sublessee for any loss of occupation or quiet enjoyment of the Premises thereby occasioned; provided, that except in case of emergencies, Sublessor shall make such entry for the purpose of repairing and maintaining the building only during non-business hours, and all such work shall be done in such manner as to cause as little interference as reasonably possible.

29. Liens. Sublessee will not commit or suffer any act or neglect whereby the Premises or any improvement thereon or the estate of the State of Hawaii or Sublessor or Sublessee become subject to any attachment, lien, charge or encumbrance whatsoever, and shall indemnify and hold harmless the Sublessor and the State of Hawaii from and against all attachments, liens, charges and encumbrances and all expenses resulting therefrom.

30. Assignments and Subletting. Sublessee shall not transfer or assign this Sublease or any interest herein. Sublessee shall not rent nor further sublet the whole or any portion of the Premises, without the prior written approval of Sublessor and the Director of Transportation of the State of Hawaii, which written approval each may unilaterally and arbitrarily withhold. Sublessee understands that said Director and Sublessor also have the right to deny uses contrary to the primary purpose of this Sublease.

31. Rental Revisions under the Lease. Sublessee understands that the Board (as it is defined in the Lease) has the right to review and approve the rent to be charged to Sublessee herein and, if necessary, to revise the rent and rent structure charged to the Lessee by the State of Hawaii in the Lease in light of the rental rate to be charged to the Sublessee herein by Sublessor. In the event such revision takes place under the Lease, then Sublessor may revise the rent and rent structure charged to Sublessee herein by passing onto Sublessee the share of such revision attributed to the increase of the rent charged by the State of Hawaii in the Lease to Lessee therein. Likewise, Sublessee understands that this same procedure and rental revision right applies to any assignment or subletting which may be approved under paragraph no. 30 entitled, Assignments and Subletting, above.

32. Mortgage. Upon due application and with the written consent of Sublessor and

the State of Hawaii, Sublessee may mortgage this lease or any interest herein or create a security interest in the Premises. Any such mortgage, hypothecation or pledge given by Sublessee without the prior written approval of the Sublessor and said Director shall be null and void. If the mortgage or security interest is to a recognized lending institution, authorized to do business as a lending institution, in either the State of Hawaii or elsewhere in the United States, such consent may extend to foreclosure and sale of Sublessee's interest at such foreclosure to any purchaser, including the mortgagee, without regard to whether or not the purchaser is qualified under Chapter 171, Hawaii Revised Statutes, as amended, to lease, own or otherwise acquire and hold the land or any interest therein. The interest of the mortgagee or holder of this Sublease shall be freely assignable. The term "holder" shall include an insurer or guarantor of the obligation or condition of such mortgage, including the Department of Housing and Urban Development through the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Small Business Administration, Farmers Home Administration, or any other Federal agency and their respective successors and assigns or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States; provided, that the consent to mortgage to a non-governmental holder shall not confer any greater rights or powers on the holder than those conferred with respect to any of the aforementioned Federal agencies.

Sublessee shall upon execution of any such mortgage promptly deliver a true copy of such mortgage or written notice thereof to Sublessor. The mortgagee or its assigns may enforce such mortgage and acquire title to the leasehold estate in any lawful way, and pending foreclosure of such mortgage may take possession of and rent the Premises, and upon foreclosure thereof may without further consent of Sublessor sell and assign the leasehold estate by assignment in which the assignee shall expressly assume and agree to observe and perform all the covenants of the Sublessee contained in the mortgaged lease, and such assignee may make a purchase money mortgage thereof to the assignor, provided that upon execution of any such assignment or mortgage a true copy thereof shall be delivered promptly to Sublessor and that no other or further assignment of this Sublease for which any provision hereof requires written consent of Sublessor shall be made without such consent. The mortgagee or its assigns of such mortgage shall be liable to perform

the obligations of the Sublessee under such mortgaged Lease only during the period such person has possession or ownership of the leasehold estate. Nothing contained in such mortgage shall release or be deemed to relieve Sublessee from the full and faithful observance and performance of Sublessee's covenants herein contained or from any liability for the nonobservance or nonperformance thereof, nor be deemed to constitute a waiver of any rights of Sublessor hereunder, and the terms, covenants and conditions of this Sublease shall control in case of any conflict with the provisions of such mortgage.

33. Protection of Mortgagee. During the continuance in effect of any authorized mortgage of this Sublease, Sublessor will not terminate this Sublease because of any default on the part of Sublessee to observe or perform any of the covenants or conditions herein contained if the mortgagee or its assigns, within sixty (60) days after Sublessor has mailed to the mortgagee or its assigns at the last known address thereof a written notice of intention to terminate this Sublease for such cause, shall cure such default, if the same can be cured by the payment of money, or, if such is not the case, shall undertake in writing to perform and shall thereafter perform all the covenants of this Sublease capable of performance by the mortgagee or its assigns until such time as the leasehold estate shall be sold upon foreclosure of such mortgage, and any default consisting of Sublessee's failure promptly to discharge any lien, charge or encumbrance against the leasehold estate junior in priority to such mortgage shall be deemed to be duly cured if such mortgage shall be foreclosed by appropriate action instituted within said 60-day period and thereafter prosecuted in diligent and timely manner.

34. Subordination and Attornment. Sublessee agrees upon request of Sublessor to subordinate this Sublease and Sublessee's rights hereunder to the loans and mortgages now or hereafter placed, charged or enforced against Sublessor's interest in this Sublease and the leasehold estate hereby created, the Premises or the land, building or improvements included therein or of which the Premises are a part, and execute and deliver (but without cost to Sublessee) at any time and from time to time upon demand by Sublessor such documents as may be required to effectuate such subordination, and in the event that Sublessee shall fail, neglect or refuse to execute and deliver any such document within ten (10) days after receipt of written notice so to do and the receipt by Sublessee of the documents to be executed by it, Sublessee hereby appoints Sublessor, its successors and

assigns, the attorney in fact of Sublessee irrevocably to execute and deliver any and all such documents for and on behalf of Sublessee, provided that such holder of a mortgage shall agree that Sublessee may attorn to it or to any purchaser on foreclosure and this Sublease shall continue in effect if Sublessee is not then in default hereunder. In the event that the mortgagee or beneficiary of any such mortgage or deed of trust elects to have this Sublease a prior lien to its mortgage or deed of trust, then and in such event upon such mortgagee or beneficiary giving written notice to Sublessee to that effect, this Lease shall be deemed a prior lien to such mortgage or deed of trust whether this Sublease is dated or recorded prior to or subsequent to the date of filing of such mortgage or deed of trust.

35. Financial Statements. Should a lender advancing funds to Sublessor for the purpose of financing the construction of the Premises, or should the Sublessor require financial statements relating to Sublessee, Sublessee shall submit to such lender or to the Sublessor the required balance sheets and profit and loss statements and financial statements, and shall keep such reports, in the case of a lender, current so long as such lender shall require.

36. Indemnity. Sublessee will indemnify, defend and hold Sublessor and the State of Hawaii harmless (1) from and against any claim or demand by third persons for loss, liability or damage, including claim for property damage, personal injury or wrongful death, arising out of any accident in or about the Premises, sidewalks and roadways adjacent thereto or occasioned by any act or nuisance made or suffered on the Premises, or by any fire thereon or growing out of or caused by any failure on the part of Sublessee to maintain the premises in a safe condition; and will reimburse Sublessor and the State of Hawaii for all costs and expenses in connection with the defense of such claims; (2) from and against all actions, suits, damages and claims by whomsoever brought or made by reason of the non-observance or non-performance of any of the terms, covenants and conditions herein or the rules, regulations, ordinances and laws of the federal, state, municipal or county governments.

37. Costs of Litigation. In case Sublessor or the State of Hawaii shall, without any fault on their part, be made a party to any litigation commenced by or against Sublessee (other than condemnation proceedings), Sublessee shall and will pay all costs and expenses

incurred by or imposed on Sublessor and/or the State of Hawaii; furthermore, Sublessee shall and will pay all costs and expenses which may be incurred or paid by Sublessor or the State of Hawaii in enforcing the covenants and agreements of this Sublease, in recovering possession of the Premises or in the collection of delinquent rental, taxes and any and all other charges. In the event Sublessee brings an action or proceeding against Sublessor arising out of any breach of the terms and conditions hereof, and prevails against Sublessor, Sublessee shall be entitled to recover its costs and reasonable attorneys' fees from Sublessor.

38. Insurance.

A. Liability Insurance. Sublessee shall procure, at its own cost and expense, and keep in force during the entire term of this Sublease, with an insurance company or companies acceptable to Sublessor, a policy or policies of comprehensive general liability insurance in a combined single limit amount of not less than $1,000,000.00 for bodily injury and property damage per occurrence; that said policy or policies shall cover the Premises, including all buildings, improvements and grounds and all roadways and sidewalks on or adjacent to the Premises in the control of Sublessee. Sublessee shall furnish Sublessor with a certificate showing such policy to be in force and shall furnish a like certificate upon each renewal of such policy, each such certificate to contain or be accompanied by an assurance of the insurer that Sublessor and the State of Hawaii, through its Director of Transportation, shall be notified at least thirty (30) days prior to any termination or cancellation of, or material change in said policy. The procuring of this policy shall not release or relieve Sublessee of its responsibility under this Sublease. The policy or policies required under this provision shall name Sublessor and the State of Hawaii as additional insureds.

The minimum limits of insurance recited herein may be increased by such amounts as Sublessor and/or the Director of Transportation, in the exercise of sound and prudent judgment, may require.

B. Fire Insurance. Sublessee will, at its own expense, at all times during the term of this Sublease, keep the Premises insured in the names of Sublessor, the State of Hawaii, Sublessee and all Mortgagees, if any, as their interests may appear, against loss or damage by fire including perils specified in the extended coverage endorsement and in an

amount equal to the maximum insurable value thereof, in a company or companies approved by Sublessor, and will pay the premiums thereon at the time and place the same are payable; that the policy or policies of insurance shall be made payable in case of loss to Sublessor, the State of Hawaii, Sublessee, and the Mortgagees, if any, as their interests may appear, and shall be deposited with the Mortgagee, if any, otherwise with Sublessor; and that any proceeds derived therefrom in the event of total or partial loss shall be immediately available to, and as soon as reasonably possible, be used by Sublessee for rebuilding, repairing, or otherwise reinstating the buildings in a good and substantial manner according to the plans and specifications approved in writing by Sublessor, and the Director of Transportation; provided, however, that with the approval of Sublessor, Sublessee may surrender this lease and pay the balance owing on any mortgage and Sublessee shall then receive that portion of said proceeds which the unexpired term of this sublease at the time of said loss or damage bears to the whole of said term, Sublessor to retain the balance of said proceeds.

Sublessee shall furnish to Sublessor, the State of Hawaii, and the Mortgagees, if any, a certificate showing such policy or policies to be initially in force and shall furnish a like certificate upon each renewal of such policy or policies, each such certificate to contain or be accompanied by an assurance of the insurer to notify Sublessor, the State of Hawaii, and the Mortgagees, if any, of any intention to cancel or materially change any such policy or policies, 30 days prior to actual cancellation.

39. Surrender. Sublessee shall and will at the expiration or sooner termination of this sublease, peaceably and quietly surrender and deliver possession of the Premises to Sublessor, together with all improvements constructed thereon by Sublessee of whatever nature or description, in good order and condition, reasonable wear and tear excepted; provided, that trade fixtures, equipment and personal property may be removed by Sublessee prior to such expiration or termination; and provided further, that within sixty (60) days after the termination or expiration of this Sublease, Sublessor may, at its option and upon written notice to Sublessee, require Sublessee to remove all or any portion of any improvement constructed by Sublessee on the Premises, and its equipment, fixtures, trade or otherwise, and/or personal property all at Sublessee's sole expense and cost.

Sublessee shall, in the removal of any of its improvements, equipment, trade fixtures

and/or personal property from the Premises, conduct such removal in such a manner as to cause no damage to the Premises, and in the event of such damage, Sublessee shall, at its own cost and expense, repair or replace the same.

If Sublessee fails or neglects, when so required by Sublessor, to remove all or any portion of any improvement constructed on the Premises by Sublessee of whatever nature or description, equipment, fixtures, trade or otherwise, and/or personal property within sixty (60) days after receipt of written notice to so remove, Sublessor may remove and dispose of the same and charge the cost of such removal and disposal to Sublessee, which costs Sublessee hereby agrees to pay.

40. Breach. Time is of the essence of this Sublease and if Sublessee shall fail to yield or pay such rent, costs, charges, assessments, or the like, as required of Sublessee in this Sublease, or any part thereof at the times and in the manner aforesaid, or shall become bankrupt, or shall abandon the Premises, or if this Sublease and the Premises shall be attached or otherwise be taken by operation of law, or if any assignment be made of Sublessee's property for the benefit of creditors, or if Sublessee shall fail to observe and perform any of the covenants, terms and conditions herein contained and on its part to be observed and performed, and such failure shall continue for a period of more than ten (10) days with respect to the payment of rent with no written notice required, and for a period of more than thirty (30) days after delivery by Sublessor of a written notice of any other breach or default by personal service, registered mail or certified mail to the Sublessee at its last known address and to each mortgagee or holder of record having a security interest in the Premises, if any, Sublessor may, at once re-enter the Premises or any part thereof, and upon or without such entry, at its option, terminate this Sublease without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract; and in the event of such termination, all buildings and improvements constructed thereon by Sublessee shall become the property of the Sublessor, or at Sublessor's option, be removed by Sublessee as provided in paragraph 38 hereinabove.

In the case of the non-payment of rent during the term of this Sublease, Sublessor may re-enter the Premises and terminate the Sublease. Sublessee shall be liable for subsequently accruing rent during the term of the Sublease when the Premises are not

re-let and for any deficiency resulting from a re-letting of such Premises plus expenses for the re-letting.

In the event Sublessee discontinues using the Premises for 15 consecutive days for the uses enumerated herein and activities related thereto, without the consent of Sublessor from the date hereof, Sublessor reserves the right to terminate the Sublease on 10 days' written notice.

41. Condemnation. In the event that at any time during the term of this Sublease, the Premises or any part thereof shall be required, taken or condemned for any public use, by any condemning authority, the estate and interest of Sublessee in the property taken shall at once terminate, and all compensation payable or to be paid by reason of the taking of any land shall be payable to and be the sole property of Sublessor, and Sublessee shall not by reason of the taking be entitled to any claim against Sublessor for compensation or indemnity for its leasehold interest; that such compensation as shall represent the value of any buildings or improvements erected or owned by Sublessee upon the land shall be divided between Sublessor and Sublessee in the ratios that the expired and unexpired portions of the term of this Sublease, respectively, shall bear to the whole term hereby created, and that in case only a part of the buildings or improvements constructed or owned by Sublessee are taken, Sublessee may claim and receive from the condemning authority but not from Sublessor, any expense incurred by Sublessee in repairing any damage thereto; provided that, in case a part of the Premises shall be required, taken or condemned, the rent thereafter payable for the remainder of the term shall be reduced in the proportion that the area of land so taken shall bear to the area hereby subleased; provided, further, that in case such condemnation and taking shall by mutual agreement of the parties hereto be held to render the remainder of the Premises unfit for the purposes of Sublessee, Sublessee shall have the option to surrender this Sublease within 15 days of such condemnation and taking.

42. Inspection by Prospective Sublessees. Sublessor shall have the right to authorize any person or persons to enter upon and inspect the Premises at all reasonable times following a published notice for the proposed sale or other disposition of the Premises for purposes of informing and apprising such person or persons of the condition of the Premises preparatory to such proposed disposition; provided, however, that any

such entry and inspection shall be conducted during reasonable hours after notice to enter is first given to Sublessee, and shall, if Sublessee so requires, be made in the company of Sublessee or designated agents of Sublessee; provided, further, that no such authorization shall be given more than one year before the expiration of the term of this Sublease.

43. Sale or Assignment by Sublessor. Sublessor may at any time assign or transfer its interest as Sublessor in and to this Sublease, or any part thereof, and may at any time sell or transfer its interest in and to the whole or any portion of the Premises.

44. Attornment. Sublessee hereby agrees to attorn to the assignee, transferee, or purchaser of Sublessor from and after the date of notice to Sublessee of such assignment, transfer or sale, in the same manner and with the same force and effect as though this Sublease were made, in the first instance, by and between Sublessee and such assignee, transferee or purchaser.

45. Transfer of Sublessor's Obligations. In the event of any transfer or conveyance of the Sublessor's interest hereunder other than by way of security only, the Sublessor herein named, except as hereinafter provided (and in case of any subsequent transfers or conveyances, except by way of security only, the then Grantor) shall be automatically free and relieved from and after the date of such transfer or conveyance of all personal liability with respect to the performance of any covenants or obligations on the part of Sublessor contained in this Sublease thereafter to be performed, provided that any funds in the hands of such Sublessor, or the then Grantor, at the time of such transfer or conveyance in which Sublessee has interest shall be turned over to the Transferee or Grantee, and any amount then due and payable to Sublessee by Sublessor, or by the then Grantor, under any provisions of this Sublease shall be paid to Sublessee, it being intended hereby that the covenants and obligations contained in this Sublease on the part of the Sublessor to be kept and performed by it shall, subject as aforesaid, be binding on Sublessor, its successors and assigns only during and in respect to their respective successive periods of ownership.

46. Extension of Time. Notwithstanding any provision contained herein to the contrary, wherever applicable, Sublessor may for good cause shown, and in its sole discretion, allow additional time beyond the time or times specified herein to Sublessee, in which to comply with, observe or perform any of the terms, conditions and covenants

contained herein.

47. Quiet Enjoyment. Sublessor hereby covenants and agrees with Sublessee that upon payment of said rent at the times and in the manner aforesaid and the observance and performance of the covenants, terms and conditions hereof on the part Sublessee to be observed and performed, Sublessee shall and may have, hold, possess and enjoy the demised premises for the term hereby demised, without hindrance or interruption by Sublessor or any other person or persons lawfully claiming by, through or under it.

48. Short Form Lease. This Sublease shall not be recorded by either Sublessor or Sublessee, provided, that Sublessor may, at its discretion, permit Sublessee to record a short-form counterpart of this Sublease, setting forth only the date of commencement and the date of termination of this Sublease and describing the Premises.

49. Waiver of Jury Trial and Counterclaims. The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on matters relating to the payment of rent in this Sublease and matters relating to the proper use of the Premises.

50. Signs. All exterior signs, installed or painted, advertising the business or activity conducted on the Premises, shall be restricted to the appurtenant equipment or any improvements constructed by Sublessee and are subject to the approval of the Sublessor. All signs installed or painted shall be done in good aesthetic taste and shall strictly conform to the sign ordinance of Hawaii County.

51. Non-Waiver. The waiver by Sublessor of any breach of any term, covenant or condition herein contained, including the acceptance of rent, shall not be deemed to be a waiver of the term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained, and the exercise of one right or remedy by Sublessor shall not impair Sublessor's right to any other remedy.

52. Brokerage Commissions. Sublessee represents that Sublessee has dealt directly with (and only with) the broker(s) identified in Item L of the above Basic Provisions and Exhibits in connection with this Sublease, and that no other broker negotiated this Sublease or is entitled to any commission in connection herewith. Sublessee agrees to indemnify Sublessor against, and hold Sublessor harmless from, all liabilities arising from

the claims of any other broker based upon acts of Sublessee (including, without limitation, attorneys' fees incurred by Sublessor in connection therewith).

IN WITNESS WHEREOF, the State of Hawaii, Sublessor, and Sublessee herein have caused these presents to be executed this 15 day of February, 2000, both effective on the day and year hereinabove set forth.

GENTRY PROPERTIES,
a Hawaii limited partnership
By GENTRY-PACIFIC, LTD.
a Hawaii corporation
Its General Partner

For Sublease No. GKM-062/Space No. 1

By Norman Gentry
Its President

By _____
Its

Sublessor

Susan Vermillion dba Hawaii Data Center

Susan Vermillion

Sublessee

LS

On February 11, 2000, before me personally appeared Susan Vermillion, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Laura Lam Boots
Notary Public, State of Hawaii

My commission expires: 11-19-2003

NOTARY SEAL

STATE OF HAWAII)
) ss:
CITY AND COUNTY OF HONOLULU)

On this 15th day of February, 2000, before me personally appeared NORMAN GENTRY, to me personally known, and who, being by me duly sworn or affirmed, and did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity

SYLVIA T. HAYASHI
Notary Public, State of Hawaii

My commission expires: 10/26/03

GKM-062, Space No. 1

REPAIR YARD
HONOKOHAU BOAT HARBOR

Being a portion of Government Land of Kealakehe

Being also a portion of submerged land of Honokohau Boat Harbor

Land situated at Kealakehe, North Kona, Island of Hawaii, State of Hawaii

Beginning at the northwest corner of the Repair Yard, on the northwest side of Access Road, the coordinates of said point of beginning referred to "HAWAII PLANE COORDINATE GRID SYSTEM, ZONE 1" (Central Meridian 155° 30' 00.00") being 305,540.20 feet north and 319,530.41 feet east and running by azimuths measured clockwise from Grid South of said Hawaii Plane Coordinate Grid System, Zone 1:

1.	307°	52'	49"	425.78 feet along on a curve to the right with a radius of 485.00 feet;
2.	333°	55'		233.09 feet along Access Road;
3.	63°	55'		156.33 feet along the southeast boundary of the Repair Yard;
4.	96°	03'		238.34 feet along the southern boundary of the Repair Yard;
5.	6°	03'		40.00 feet along a portion of the Repair Yard, walkway and submerged land of the boat harbor;
6.	96°	03'		115.00 feet along submerged land of the boat harbor;
7.	186°	03'		545.09 feet along a portion of submerged land of the boat harbor and western boundary of the Repair Yard to the point of beginning and containing an area of 177,860 square feet or 4.083 acres.

EXHIBIT B

EXHIBIT "C"

GENTRY KONA MARINA
PROJECTED ALLOCATION ESTIMATES FOR
SUBLESSEE'S PERCENTAGE LIABILITY OF REAL PROPERTY TAXES AND ASSESSMENTS (ITEM J) AND COMMON AREA EXPENSES (ITEM K)

I. APPROXIMATE SQUARE FOOTAGE OF AREAS IN GENTRY'S KONA MARINA (GKM):

"Class I", which is Improved, Enclosed Space	25,827 sf
"Class II", which is Partially Improved, Roofed Space	12,880 sf
"Class III", which is Open Space	32,210 sf
Approximate total leasable sf in GKM	70,917 sf
Approximate common area square feet	106,955 sf
Approximate total area sf of GKM	177,872 sf

II. COMPUTATION OF REAL PROPERTY TAXES AND ASSESSMENTS FOR SUBLESSEE:

A. Computation on land - Sublessee's pro rata share of taxes and assessments for land is computed as follows:

576 sq. ft. (Sublessee's space) ÷ 70,917 sq. ft. (Approximate total leaseable square feet in Gentry's Kona Marina) = .81% (Sublessee's percentage of liability for real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Sublessee's weighted pro rata share of taxes and assessments for buildings and improvements is computed as follows:

Class I, which is 25,827 sq. ft. (and is to be weighted 6.7) X 6.7 = 173,041 sf (which is the weighted amount of Class I improvements)

Class II, which is 12,880 sq. ft. (and is to be weighted 2.0) X 2.0 = 25,760 sf (which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvement = 198,801 sf

576 sq. ft. of Class I Area (Sublessee's premises) X 6.7, which is Class I weight = 3859 (Sublessee's weighted space) 198,801 (total weighted space) = 1.94% (Sublessee's percentage of liability for real property taxes and assessments on all buildings and improvements in GKM)

III. COMPUTATION OF COMMON AREA MAINTENANCE CHARGE FOR SUBLESSEE:

Sublessee's weighted pro rata share of common area maintenance charges is computed as follows:

Class I, which is 25,827 sf (and is to be weighted 6.7) X 6.7	= 173,041
Class II, which is 12,880 sf (and is to be weighted 2.0) X 2.0	= 25,760
Class III, which is 32,210 sf (and is to be weighted 1.0) X 1.0	= 32,210
Total weighted amount of Class I, II, and III space	= 231,011

576 sq. ft. of Class I area (Sublessee's premises) X 6.7, which is Class I weight = 3859 (Sublessee's weighted space) 231,011 (total weighted space) = 1.67% (Sublessee's percentage of liability for common area maintenance charges)

CERTIFICATE OF LIABILITY INSURANCE

05/01/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. T CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLIC BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORI REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to t certificate holder in lieu of such endorsement(s).

PRODUCER

*Aloha Insurance Services Inc - Aloha Insurance Service, Inc
75-5931 Walua Road
Kailua-kona, HI 96740

CONTACT NAME:
PHONE (A/C, No, Ext): FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC
INSURER A : First Indemnity Insurance of Hawaii, Inc.	41734
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Hawaii Data Center
74-425 Kealakehe Pkwy Ste 24C
Kailua Kona, HI 96740-2708

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PER INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH T CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TER EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY							
	X COMMERCIAL GENERAL LIABILITY			BOP00027537-04	06/15/2016	06/15/2017	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$100,000
							MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
	AUTOMOBILE LIABILITY							
	ANY AUTO						COMBINED SINGLE LIMIT (Ea accident)	
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per person)	
	HIRED AUTOS / NON-OWNED						BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
	UMBRELLA LIAB OCCUR							
	EXCESS LIAB CLAIMS-MADE						EACH OCCURRENCE	
	DED RETENTION						AGGREGATE	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N	N / A					E.L. EACH ACCIDENT	
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	
							E.L. DISEASE - POLICY LIMIT	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Bookkeeping Services - Office
74-425 Kealakehe Pkwy, Suite 24C
Kailua Kona, HI 96740-2708

CERTIFICATE HOLDER

Gentry's Kona Marina State of Hawaii Honokohau Hrbr
74-425 Kealakehe Pkwy
Kailua Kona, HI 96740-2708

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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GENTRYS KONA MARINA SUBLEASE

SPACE No. 26

Lessor: GKM, INC.
Lessee: Douglas Armfield

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Exhibit D Special Terms
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THIS SUBLEASE (lease) is made this 14 day of March, 2017 by and between GKM, INC., a Hawaii corporation, whose post office address is 74-425 Kealakehe Parkway, Kailua-Kona, Hawaii 96740, hereinafter called the "Lessor," and Douglas Armfield, whose physical address is 74-425 Kealakehe Parkway #26, Kailua Kona, Hawaii 96740 and mailing address is 658 Front Street #7296, Lahaina, Hawaii 96761, hereinafter called the "Lessee", who agree as follows:

ARTICLE I
GRANT

1.1 **Premises; Common Areas**. The Lessor leases to the Lessee, and the Lessee hires from the Lessor, those certain premises more particularly shown and outlined in red on **Exhibit A** attached hereto, and all improvements thereon and therein (the "premises"), within the GENTRYS KONA MARINA situate in the District of North Kona, County and State of Hawaii, on real property identified on the tax maps of the Third Taxation Division of the State of Hawaii as Tax Map Key (3) 7-4-008:042 (Tax Map Key 7-4008:042 and the improvements thereon shall hereafter be collectively referred to as the "Property"). Lessor and Lessee acknowledge that the square footage of the premises set forth above in **Exhibit A** and in **Exhibit C** is merely an approximation of the actual area of the premises. Notwithstanding that the square footage set forth in **Exhibit A** and in **Exhibit C** is an approximation, Lessee agrees that the stated figure shall govern in any question relating to the area of the premises, whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**. The square footage figure set forth in **Exhibit A** and in **Exhibit C** shall serve as the base figure in determining the prorata rent reduction/abatement in the event of damage, condemnation or other circumstance requiring such reduction, abatement or other adjustment of rent as provided in this lease.

In addition to the premises, Lessee shall have, as an appurtenance thereto, full right of access to the premises over and across any common entrances, sidewalks, halls, corridors, parking areas and stairways on the Property (the "common areas"), subject, however, in every case to (i) Lessee's observance and performance of its covenants, obligations, promises and agreements set forth in this lease, and (ii) the rights of Lessor reserved in the common areas as described below. All common areas shall at all times be subject to the exclusive control and management of Lessor, and shall be subject to such rules and regulations as Lessor may adopt and promulgate from time to time. Lessee will not use the common areas in such a way as to impede or interfere with the operation of the Property, or with Lessor or any tenant therein or thereon. Lessor shall have the right, in its sole discretion, to increase or reduce the common areas, to rearrange the parking spaces and improvements in the common areas and to make any other changes therein from time to time. There shall be no reduction of Lessee's monthly base rent or any other charges hereunder for any change to the common areas.

1.2 **Acceptance of the Premises**. As of the date the Lessor delivers the premises to the Lessee, Lessee accepts possession of the premises in their "as is, where-is" condition as set forth in Section 5.6. After the commencement date, Lessee shall be solely responsible and liable for the repair, restoration and maintenance of the premises as provided in this lease.

1.3 **Quiet Enjoyment**. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

1.4 **Special Terms**. Any special terms (the Special Terms) applicable to this lease are set forth in **Exhibit D** attached hereto. Upon payment of the rent and observance and performance of the conditions and agreements on the part of the Lessee to be observed and performed, the Lessee shall peaceably hold and enjoy the premises for the term of the lease without hindrance or interruption by the Lessor or any other person lawfully claiming by, through or under the Lessor except as expressly provided herein.

ARTICLE II
TERM

2.1 **Term**. The term of this lease shall commence (the "commencement date") and terminate (the "termination date") on the dates stated in **Exhibit B** attached hereto (the term). If Lessor, for any reason other than the negligence or willful misconduct of Lessee, cannot deliver access to the premises to Lessee on or before the commencement date, this lease shall not be void or voidable, and Lessor shall not be liable to Lessee for any loss or damage resulting from Lessor's failure to deliver the premises to Lessee. However, during such period of non-delivery, the rent (i.e., monthly base rent and additional rent) payable under this lease shall be abated until Lessors offers occupancy of the premises to Lessee.

2.2 **Option to Extend the Term**. If Lessee shall have the right to extend the term of this lease, such extension shall be upon the terms and provisions set forth in the Option Addendum, if any, attached hereto. Such extension, if any, shall be upon the same terms and conditions of this lease, excepting for this option and the monthly base rent.

ARTICLE III
RENT; SECURITY DEPOSIT

3.1 **Monthly Base Rent**. Commencing on the commencement date and for each and every calendar month during the term, Lessee shall pay to the Lessor, on or before the first (1st) day of each month, in advance, at Lessor's address, monthly base rent as set forth in **Exhibit B** attached hereto. The monthly base rent, additional rent, security deposit and all other sums payable under this lease to Lessor by Lessee, which security deposit and other sums shall constitute additional rent hereunder, are collectively referred to herein as the "rent." Lessee specifically acknowledges and agrees that the amount of the monthly base rent and other rent set forth in this lease are negotiated figures and shall govern whether or not the actual square footage of the premises is the same as the approximate square footage set forth in **Exhibit A** and in **Exhibit C**.

3.2 **Additional Rent.**

(a) In addition to the monthly base rent, commencing on the commencement date, Lessee agrees to monthly pay, as additional rent, a percentage share of all Property maintenance and operating expenses as hereinafter defined. Lessee's percentage share of the Property maintenance and operating expenses is set forth in **Exhibit C** attached hereto. Lessee shall have no right to withhold, deduct or offset any amount from the additional rent even if the actual square footage of the premises is less than the approximate square footage of the premises set forth in **Exhibit A** and in **Exhibit C**.

(b) As used in this Section 3.2, "Property maintenance and operating expenses" shall include, without limitation: (i) Lessor's overhead expenses pertaining to the Property and the common areas; (ii) costs of non-structural repairs, line painting, landscaping and irrigation, electricity, maintenance of parking areas, bulb replacement, cleaningup,sweepingand janitorial service; and cost of garbage and refuse removal, and any repairs, improvements or replacements required by law; (iii) costs of any repairs, alterations, modifications, amendments, additions and/or improvements to the Property and/or the premises, not otherwise paid for by any tenant of the Property, necessary, required or appropriate in order to bring the Property and/or the premises into compliance with the requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto; (iv) all billing, security, management and legal expenses incurred or paid by Lessor relating to the protection, maintenance and operation of the Property, the common areas and/or the premises not separately payable by any other tenant of the Property; (v) any utility charges for the Property, the common areas and/or the premises not separately metered to or paid for by any tenant of the Property; (vi) the costs of liability, fire and other property damage insurance, including any deductibles payable by the Lessor thereunder, which Lessor shall, in its sole discretion, deem necessary and/or appropriate with respect to the premises, the Property, the common areas and/or Lessee and/or Lessee's business, fixtures, equipment, installations and/or operations in the premises, common areas and/or Property; and (vii) any other costs which the Lessor shall conclude, in its sole discretion, are reasonable and necessary for maintaining and operating the common areas and/or the Property.

(c) Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 above shall be computed on an annual basis, at the beginning of each calendar year, and, to the extent such expenses are not fixed or known in advance, shall be estimated by the Lessor for the ensuing year. Lessee shall pay such expenses, as additional rent, prorata throughout the calendar year, in advance, with the monthly base rent, subject to reconciliation and adjustment as provided below. Lessor shall notify Lessee of Lessee's share of the Property maintenance and operating expenses for the coming calendar year as soon as reasonably possible after the beginning of each year. In the event Lessee's lease term shall commence or end at any other time than the beginning or end of a calendar year, the Lessee's additional rent under this Section 3.2 shall be adjusted prorata for such shortened period. Lessor shall have the right, in the event of unusual or extraordinary maintenance and operating expenses, to assess and collect, as additional rent, either as a one time or continuing charge, additional sums under this Section 3.2 to pay such expenses without affecting the Lessee's liability for the monthly sums hereinabove described.

(d) A statement of Lessee's percentage share of the Property maintenance and operating expenses described in this Section 3.2 shall be provided annually to Lessee within one hundred twenty (120) days of each calendar year end. If the Property maintenance and operating expenses according to such statement shall differ from the Property maintenance and operating expenses estimated by Lessor as provided above, the Property maintenance and operating expenses according to such statement shall be deemed correct and an appropriate adjustment shall be made in the additional rent by prompt payment by Lessee of any deficiency or, in the event of an excess, an adjustment of additional rent thereafter due to Lessor under this Section 3.2 to provide Lessee with reimbursement over a period of time not to exceed twelve (12) months. Notwithstanding the preceding, however, Lessors failure to provide Lessee with a statement of the Property maintenance and operating expenses by the date provided above shall in no way excuse Lessee from its obligation to pay its pro rata share of the Property maintenance and operating expenses or constitute a waiver of Lessor's right to bill and collect such pro rata share of the Property maintenance and operating expenses from Lessee as provided in this Section 3.2.

3.3 **Place of Payment**. The Lessee will pay the rent in legal tender of the United States of America to the Lessor at the address set forth above or at such other address as the Lessor may from time to time designate in writing to the Lessee at the times and in the manner previously set forth and without any deduction, notice, or demand.

3.4 **Security Deposit**. Lessee shall deliver a security deposit to Lessor in the amount set forth in Exhibit B attached hereto. This security deposit shall be held by Lessor, without liability for interest, as security for the faithful performance by Lessee of all of the terms, covenants, and conditions of this lease to be kept and performed by Lessee during the term of this lease. If Lessee fails to keep and perform any of the terms, covenants and conditions of this lease to be kept and performed by Lessee, including the payment of rent or any other sum to Lessor, then Lessor, at its option, may appropriate and apply the entire deposit, or so much of the deposit as may be necessary, to compensate Lessor for any overdue rent or other sum or any loss or damage sustained or suffered by Lessor due to such breach by Lessee. Should the entire deposit, or any portion thereof, be so appropriated and applied by Lessor for the payment of losses, damages, overdue rent or other sums due and payable to Lessor by Lessee hereunder, then Lessee shall, upon the written demand of Lessor, forthwith remit to Lessor a sufficient amount to restore the security deposit to the original sum deposited. Lessee's failure to do so within five (5) days after receipt of such demand shall constitute a breach of this lease. If Lessee complies with all of such terms, covenants, and conditions and promptly pays all of the rent and all other sums payable by Lessee to Lessor under this lease as they fall due, then the security deposit shall be returned, without interest, to Lessee at the end of the term of this lease, or upon earlier termination of this lease. Lessor may transfer and/or deliver the security deposit, as such, to the purchaser of the reversion of this lease, in the event that the reversion is sold and thereupon Lessor shall be discharged from any further liability to Lessee in reference thereto.

ARTICLE IV
TAXES AND OTHER CHARGES

4.1 **Property Taxes And Assessments**. The Lessee will pay directly to Lessor a percentage share of all real and personal property taxes and assessments of every description for which the premises and the Property, and the improvements on the premises and the Property, or the Lessor or the Lessee in respect of the premises or the Property or the improvements on the premises or the Property, are now or during the term may be assessed or become liable, whether assessed to or payable by the Lessor or the Lessee. Lessee's percentage share of such taxes and assessments is set forth in **Exhibit C** attached hereto. All such taxes shall be prorated between the Lessor and the Lessee as of the commencement and expiration, respectively, of the term, and with respect to anyassessment made under anybetterment or improvement law which may be payable in installments, the Lessee shall be required to pay only such installments of principal, together with interest on the unpaid balance, as shall become due and payable during the term.

4.2 **General Excise Tax; Conveyance Tax.** The Lessee shall pay to the Lessor with each payment of rent or any other payment hereunder which is subject to the general excise tax on gross income imposed by the State of Hawaii and all similar taxes imposed from time to time on the Lessor with respect to the rent and other payments (whether actually or constructively received) in the nature of a gross receipts tax, sales tax, privilege tax or the like (excluding net income taxes), whether imposed by the United States of America, the State of Hawaii or the County of Hawaii, an amount which, when added to such rent or other payments, shall yield to the Lessor, after deduction of all such taxes payable by the Lessor with respect to all such rent or other payments, a net amount equal to that which the Lessor would have realized if no such tax had been imposed. Lessee will also pay any conveyance taxes imposed by the State of Hawaii in respect of this lease.

4.3 **Master Lease Rent**. The monthly base rent set forth in Section 3.1 above includes a portion of the rent payable by Lessor under the Master Lease ("Master Lease Rent") described in Section 17.16 below as of the commencement date of this lease. If at any time after the commencement date, the Lessors Master Lease Rent for the Property increases over the amount of the Master Lease Rent as of the commencement date, then in such event, as of the date of such increase to Lessor, Lessees share of the Property maintenance and operating expenses payable under Section 3.2 above shall increase by an amount derived by multiplying the amount of the increase in the Master Lease Rent by the Lessee's percentage share set forth in Section 4.1 above. Lessee shall pay such percentage share of the increased Master Lease Rent as additional rent.

4.4 **Substitute Taxes and Additional Taxes**. The Lessee shall not be required to pay any taxes measured by the net income or inheritance, estate or transfer taxes of the Lessor. If at any time during the term the State of Hawaii or any political subdivision or agency or the federal government levies or assesses against the Lessor a tax, fee, or excise on: (i) rents, (ii) the area of the premises, (iii) the occupancy of the Lessee, (iv) any personal property tax, or (v) any other tax, fee, or excise, however described, including, without limitation, a so-called value added tax, as a direct substitution in whole or in part for, or in addition to, any real property taxes or excise tax, Lessee shall pay that tax, fee, or excise on rents before delinquency. The Lessee's share of any such

tax, fee, or excise shall be determined by the Lessor unless separately assessed or allocated by the tax assessor.

4.5 **Utilities and Other Services**. The Lessee will pay directly all charges, duties, rates, and other outgoings of every description for electricity, gas, water, telephone, refuse collection, sewage disposal or any other utilities or services to the premises.

4.6 **Right of Contest**. The Lessee shall have the right to contest the amount, validity or application of any tax, rate, assessment, lien, attachment, judgment, encumbrance, imposition, duty, charge or other outgoing payable by Lessee under this lease by any appropriate proceedings commenced before the disputed item becomes delinquent in the name of Lessee or in the name of Lessor if required by law, provided that (i) such proceeding shall be brought in good faith and diligently prosecuted, (ii) the Lessee shall pay all expenses thereof, and (iii) Lessee shall indemnify, defend and hold the Lessor harmless from and against all claims, demands and liability based on or arising from the Lessee's noncompliance with the matter which is the subject of such contest.

ARTICLE V
USE OF THE PREMISES

5.1 **Specific Use Allowed**. The premises shall be occupied and used by the Lessee only for the purpose(s) set forth in **Exhibit B** attached hereto and for no other purposes without the prior written consent of the Lessor. The Lessee shall not use or suffer or permit the premises in whole or part to be operated or to be used for any other purpose or purposes.

5.2 **Improvements Required By Law**. The Lessee will at its own expense make, build, rebuild, and maintain any and all improvements which may be required by law or private agreement to be made, built, rebuilt, and maintained upon or adjoining or in connection with or for the use of the premises in whole or in part. If such improvements shall be built, maintained, or rebuilt by the Lessor, the Lessee shall reimburse the Lessor its costs upon demand.

5.3 **Compliance with Law**. The Lessee shall, at Lessee's expense, comply with all laws concerning the premises or the Lessee's use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto, and all applicable laws pertaining to air and water quality, hazardous materials, waste disposal, air emissions and other environmental matters, and all zoning and land use matters, and the obligation to alter, maintain or restore the premises in compliance with laws relating to the condition, use or occupancy of the premises during the term.

5.4 **Waste or Nuisance**. The Lessee shall not use the premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

5.5 **Vacation and Abandonment**. The Lessee shall not vacate or abandon the premises at any time during the term.

5.6 **Condition of the Premises**. As of the commencement date, the Lessee has examined and acceptsthe premisesintheir existingcondition and shall besolely responsible for the adequate design, construction, and repair of all improvements now or hereafter made thereon. Except as specifically provided in this lease, the Lessee shall be solelyresponsible for obtaining at its expense (i) all utility services and connections and any other services or facilities required for or in connection with the use of the premises, and (ii) any governmental zoning, classification, approval, or consent required by law for or in connection with the use of the premises. Lessee agrees that (i) neither Lessor nor any employee, representative or agent of Lessor, has made any representation concerning the suitability of the premises for the conduct of the Lessees business nor has there been any other representations covering the physical condition of the premises; (ii) Lessees acceptance of the premises evidenced by Lessees entry and the possession thereof shall constitute unqualified proof that the premises are, as of the date of commencement of Lessees occupancy thereof , in a tenantable and good condition; and (iii) Lessee shall be deemed to have waived any patent or latent defect in the premises except those latent defects in the premises discovered by Lessee during the period of any contractors warranty covering such defective condition.

5.7 **Hazardous Materials**.

(a) As used herein, the term "hazardous material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the County in which the premises are located, the U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the U.S. Food and Drug Administration, the Hawaii Department of Health, or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment.

(b) Lessee agrees not to introduce any hazardous material in, on or adjacent to the premises without (i) obtaining Lessor's prior written approval, (ii) providing Lessor with thirty (30) days prior written notice of the exact amount, nature, and manner of intended use of such hazardous materials, and (iii) complying with all applicable federal, state and local laws, rules, regulations, policies and authorities relating to the storage, use, disposal and clean-up of hazardous materials, including, but not limited to, the obtaining of all proper permits.

(c) Lessee shall immediately notify Lessor of any inquiry, test, investigation, or enforcement proceeding by, against or directed at Lessee or the premises concerning a hazardous material. Lessee acknowledges that Lessor shall have the right, at its election, in its own name or as Lessee's agent, to negotiate, defend, approve, and appeal, at Lessee's expense, any action taken or order issued with regard to a hazardous material by any applicable governmental authority.

(d) If Lessee's storage, use or disposal of any hazardous material in, on or adjacent to the premises results in any contamination of the premises, the soil, surface water, groundwater, air, or sea, above, under or around the premises (i) requiring remediation under federal, state or local statutes, ordinances, regulations or policies, or (ii) at levels which are unacceptable to Lessor, in Lessor's sole and absolute discretion, Lessee agrees to clean-up the contamination immediately, at Lessee's sole cost and expense. Lessee further agrees to indemnify, defend and hold Lessor

harmless from and against any claims, suits, causes of action, costs, damages, loss and fees, including attorneys' fees and costs, arising out of or in connection with (i) any clean-up work, inquiry or enforcement proceeding relating to hazardous materials heretofore, currently or hereafter used, stored or disposed of by Lessee or its agents, employees, contractors or invitees on or about the premises, and (ii) the use, storage, disposal or release by Lessee or its agents, employees, contractors or invitees of any hazardous materials on or about the premises.

(e) Notwithstanding any other right of entry granted to Lessor under this lease, Lessor shall have the right to enter the premises or to have consultants enter the premises throughout the term of this lease at reasonable times for the purpose of determining: (1) whether the premises are in conformity with federal, state and local statutes, regulations, ordinances and policies, including those pertaining to the environmental condition of the premises; (2) whether Lessee has complied with this Section 5.7; and (3) the corrective measures, if any, required of Lessee to ensure the safe use, storage and disposal of hazardous materials. Lessee agrees to provide access and reasonable assistance for such inspections. Such inspections may include, but are not limited to, entering the premises with machinery for the purpose of obtaining laboratory samples. Lessor shall not be limited in the number of such inspections during the term of this lease. If, during such inspections, it is found that Lessee's use of hazardous materials constitutes a violation of this lease, Lessee shall reimburse Lessor for the cost of such inspections within ten (10) days of receipt of a written statement therefor. If such consultants determine that the premises are contaminated with hazardous material or in violation of any applicable environmental law, Lessee shall, in a timely manner, at its expense, remove such hazardous materials or otherwise comply with the recommendations of such consultants to the reasonable satisfaction of Lessor and any applicable governmental agencies. If Lessee fails to do so, Lessor, at its sole discretion, may, in addition to all other remedies available to Lessor under this lease and at law and in equity, cause the violation and/or contamination to be remedied at Lessee's sole cost and expense. The right granted to Lessor herein to inspect the premises shall not create a duty on Lessor's part to inspect the premises, or liability of Lessor for Lessee's use, storage or disposal of hazardous materials, it being understood that Lessee shall be solely responsible for all liability in connection therewith.

(f) Lessee shall surrender the premises to Lessor upon the expiration or earlier termination of this lease free of hazardous materials and in a condition which complies with all governmental statutes, ordinances, regulations and policies, recommendations of consultants hired by Lessor, and such other reasonable requirements as may be imposed by Lessor.

(g) Lessee's obligations under this Section 5.7 and all indemnification obligations of lessee under this lease shall survive the expiration or earlier termination of this lease.

(h) Lessor makes no representation, covenant or warranty to Lessee, its successors and assigns, regarding whether or not the premises are in full or partial compliance with any federal, state or local environmental statutes, regulations and ordinances or any other environmental requirements in any way relating to or affecting the premises or storage of hazardous materials.

5.8 **Rules and Regulations**. Lessor shall have the right to promulgate rules and regulations to police, regulate traffic in and control parking and common area use (including controlled access and employee parking), restrict tenant advertising and displays within the Property and otherwise regulate and control the Property, and amend the same from time to time,

with respect to the use and operation of the Property which shall be binding upon Lessee on notice to Lessee. In enforcing the rules and regulations, Lessor shall have all remedies provided in this lease for a breach of a term of this lease, and all other legal and equitable remedies. Lessor shall not be liable to Lessee or any other person for any nonobservance or nonperformance of these rules and regulations nor shall Lessor be liable to Lessee or any other person on account of Lessor's enforcement or nonenforcement of the rules and regulations. Lessor shall also have the right to enact and enforce reasonable monetary fines and penalties for any violation of the rules and regulations promulgated by Lessor and Lessee shall be liable to Lessor for such fines and penalties incurred by Lessee or Lessee's employees, contractors or suppliers as additional rent under this lease.

ARTICLE VI
ALTERATIONS

6.1 **Construction/Alteration**. Lessee shall not make any additions or alterations to the premises, or install or cause to be installed any exterior lighting, exterior shades or awnings, colored or tinted glass, window tinting, exterior antennas, radio or satellite dishes or receivers, or make any changes to the exterior of the premises or any part of the common areas without first obtaining the written approval of the Lessor therefor. The Lessee shall present plans and specifications for such work at the time approval is sought and any construction which is performed by Lessee in the premises or on the Property shall be performed only in accordance with the plans and specifications previously approved by Lessor and using a contractor licensed in the State of Hawaii. All improvements, fixtures and equipment installed by Lessee in the premises and any common areas shall be new or completely reconditioned and acceptable in all respects to Lessor for use in the premises and the common areas. The Lessee shall pay all costs of construction done by or for it on the premises and will keep the premises, building other improvements and land of which the premises are a part free and clear of all liens of mechanics and materialmen. Notwithstanding the fact that any such alterations and improvements may become an integral part of the premises and/or the Property, such alterations and improvements shall not be deemed a rent substitute or any other payment to or for the benefit of Lessor. Lessor expressly reserves the exclusive right to the use of the roof and the exterior walls of the premises and the building in which the premises are located.

6.2 **Bond Against Liens**. Prior to commencing any construction or alterations to the premises having a construction cost in excess of $5,000.00, the Lessee shall furnish evidence satisfactory to the Lessor that the Lessee is financially able to pay the contractor and, if required by Lessor, Lessee shall furnish a bond in an amount, in a form and with a surety acceptable to the Lessor, naming the Lessor and the Lessee as obligees and insuring completion of the proposed work free and clear of all liens.

6.3 **Removal and Restoration by Lessee**. Any alterations made shall remain on and be surrendered with the premises on expiration or termination of this lease, except that the Lessee, if not in default, may remove any trade fixtures installed on the premises and shall repair any damage caused by removal.

6.4 **Improvements Required by Law**. During the term, the Lessee will pay all costs and expenses of making, building, maintaining and repairing any and all improvements which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of the premises, including, without limitation, all requirements, policies and/or procedures of "The Americans with Disabilities Act of 1990," 42 U.S.C. Section 12101 et. seq., and/or any rules and/or regulations promulgated with respect thereto.

6.5 **Signs**. Without the prior written consent of Lessor, Lessee shall not place or permit to be placed (i) any sign, advertising material or lettering upon the exterior of the premises or (ii) any sign advertising material or lettering upon the exterior or interior surface of any door or window within the premises, or at any point inside the premises, such that the same may be visible from outside the premises. Upon request of Lessor, Lessee will immediately remove any sign, advertising material or lettering that Lessee has placed or permitted to be placed in violation of this Section 6.5 and if Lessee fails so to do, Lessor may enter the premises and remove such sign, advertising material or lettering at Lessee's expense. Subject to Lessor's and approval, Lessee shall have the right to erect signs of a size and type allowed by County Code. Lessee's signs shall be installed at Lessee's own risk and expense and Lessee agrees to maintain said signs in good state of repair and to save Lessor harmless from any loss, cost or damage which may have been caused by the erection, existence, maintenance and removal of such signs. Upon the expiration or earlier termination of this lease, Lessee shall remove all of Lessee's signs at Lessee's own expense and repair all damage resulting from the placement or removal of signs. Lessor shall have sole authority and discretion with regard to any off-premises or centralized signs or directories within the Property. Lessee shall not install any paintings, murals, sculptures, mosaics or other works of visual art in the premises that cannot be removed without destroying, damaging or modifying such art without Lessor's prior written approval and consent, which may be withheld for any reason including, without limitation, Lessee's failure to provide Lessor with written waivers under 17 U.S.C. 113(d) by the creators of such art of their rights thereto.

ARTICLE VII
MAINTENANCE

7.1 **Repair and Maintenance by Lessee**. The Lessee shall at its cost at all times maintain the premises in good condition including, without limitation, all personal property of the Lessee, signs, windows, lighting and plumbing fixtures, interior painting, and floor covering, excepting reasonable wear and tear and destruction by unavoidable casualty not required to be insured against.

7.2 **Lessee's Failureto Maintain**. The Lessee will permit Lessor and its agents to enter the premises and examine the state of repair and condition at all reasonable times during the term and will correct and repair at its expense those defects required by this lease to be repaired by the Lessee. If the Lessee does not maintain and repair the premises as soon as reasonably possible after written demand, the Lessor may make such repairs without liability to the Lessee for any loss or damage to the Lessee's merchandise, fixtures or other property or to the Lessee's business. If the Lessor is required to make repairs, the Lessor may add the cost of such repairs to the next rental due, including annual interest at one percent per month on the cost from date of completion of repairs, and the Lessee shall pay the same as additional rental.

7.3 **Repair and Maintenance by Lessor**. Lessor shall keep all structural portions of the premises and Property in good condition and repair during the term of this lease. In this connection, structural portions of the premises shall mean the foundation, columns, girders, supports, load-bearing walls and roof. The cost of maintenance of such structural portions of the premises and Property, and the cost of repairs and/or replacement of such structural portions of the premises and Property shall be a maintenance and operating expense of the Property. Notwithstanding anything to the contrary herein, Lessor shall not be required to make any repairs occasioned by the act or negligence of Lessee, its agents, employees, subtenants, licensees and concessionaires. Lessee waives the provisions of any law permitting Lessee to make repairs at Lessor's expense. If Lessor is required to make alterations, improvements, additions, modifications and/or repairs to structural or nonstructural portions of the Property or the premises by reason of Lessee's negligent acts or omissions to act, or Lessee's failure to comply with or perform any covenant, condition, term or agreement contained in this lease, including Lessee's obligation to comply with the requirements and standards of "The Americans with Disabilities Act of 1990," Lessor may add the cost of such alterations, improvements, additions, modifications and/or repairs to the rent which shall thereafter become due, and Lessee shall pay the same as additional rental. The phrase "structural portions of the Property, as above used, shall not be so construed as to require Lessor to make repairs to the interior surfaces thereof unless the damage to such interior surface resulted from Lessor's acts or omissions or defects otherwise required to be kept in repair by Lessor.

ARTICLE VIII
DISCLAIMER OF LIABILITY AND INDEMNITY

8.1 **Disclaimer of Liability**. Lessee assumes all risk of personal injury, death or property damage occurring on the premises. The Lessee waives all claims against the Lessor for damages to persons or property arising for any reason except that the Lessor shall be liable to the Lessee for damage to the Lessee resulting from the gross negligence or willful acts of the Lessor. The Lessee will hold all goods, material, fixtures, equipment, machinery and other tangible property on the premises at its risk and hold the Lessor harmless from any loss or damage to the Lessee's property from any cause. Lessor shall not be liable to Lessee for any damage or loss, including loss or interruption to Lessee's business or services, occasioned by any service provided by Lessor under this Lease or electricity, plumbing, gas, water, air conditioning, sprinkler or other pipes and sewage systems, or the loss, interruption or stoppage thereof, or by the bursting, leaking, overflowing or running over of any tank, washstand, closet, waste or other pipes in or about the premises or the property, nor for any damage occasioned by water coming into the premises from any source whatsoever, or for any damage or injury arising from any acts or neglect of the other lessees of, or any other persons on, the Property or of any adjacent property, or of the public, unless such damage or loss shall result from a wanton and willful act or gross negligence of Lessor. All property of Lessee kept or stored on the premises or in any common area shall be kept or stored at the risk of Lessee only, and Lessee shall hold Lessor harmless from any claims arising out of damage to the same, including subrogation claims by Lessee's insurance carriers unless such damage shall be caused by the wanton and willful act or gross negligence of Lessor. In no event shall Lessor be liable to Lessee, its principals, agents or employees for lost profits or any other consequential damages suffered by Lessee, its principals, agents or employees from any cause,

unless such losses or damages shall result from a wanton and willful act or gross negligence of Lessor.

8.2 **Indemnity.** The Lessee will indemnify the Lessor from and against all loss, costs, expenses and liability for injury or death to persons or damage to property occurring in, on or about the premises, whether the claims are made by officers, partners, employees or agents of either party and whether arising out of any accident, fire, nuisance or failure to maintain, unless such damage was caused by the wanton and willful act or gross negligence of the Lessor. The Lessor shall hold harmless the Lessee from all claims and demands for injury or death to persons or damage to property arising out of the gross negligence or willful acts or omissions of the Lessor. Each party shall also hold the other party harmless from all costs and expenses, including attorney's fees, arising in connection with such claims. The provisions of this Section 8.2 shall survive the expiration, termination, assignment or cancellation of this lease.

8.3 **Indemnity-Hazardous Materials Claims**. The Lessee will indemnify the Lessor against and hold the Lessor harmless from all reasonable expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Lessor which may arise out of or may be directly or indirectly attributable to (i) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Material on, within, under or about the premises, and (ii) the Lessor's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect of such claims. The provisions of this Section 8.3 shall survive the expiration, termination, assignment or cancellation of this lease.

ARTICLE IX
INSURANCE

9.1 **Public Liability and Property Damage Insurance**. Lessee shall take out and keep in force during the term of this ease, at Lessee's expense, commercial general liability insurance on an "occurrence" not "claims made" basis, with coverage in the minimum amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) for property damage and in the amount of ONE MILLION AND NO/100 DOLLARS ($1,000,000.00) per occurrence with a TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) annual aggregate limit for personal injury or death to one or more persons or a single limit policy of not less than TWO MILLION AND NO/100 DOLLARS ($2,000,000.00) naming Lessor and Lessor's agent, if any, as additional insureds. If Lessee's use of the premises shall include the sale or service of alcoholic beverages, Lessee's liability insurance shall include a liquor liability endorsement naming Lessor and Lessor's agent, if any, as additional insureds.

9.2 **Insurance Of Premises and Improvements**. The Lessee will at its expense during the entire term cause the improvements now or hereafter located on the premises to be insured under a "Special Form" policy against loss or damage by earthquake, hurricane, flood, fire with extended coverage, inflation guard, vandalism and malicious mischief endorsements and demolition clause, if applicable, to the extent of the full replacement cost without deduction for depreciation. The insurance policy or policies shall be issued in the name of the Lessor, the Lessee

and their mortgagees and made payable to the Lessor and the Lessee as their interests may appear for use and disposition as herein provided.

9.3 **Insurance on Contents**. During the entire term the Lessee shall, at its sole cost and expense, maintain or cause to be maintained on all of its fixtures, furnishings and equipment which may be from time to time located on the premises and on all fixtures, furnishings and equipment of others which are in Lessee's possession and which are located on thepremises under a "Business Personal Property of Insured" policy or policies with extended coverage endorsement or its equivalent to the extent of their full replacement cost. The proceeds shall be payable to Lessor, but if this lease is and remains in effect, such proceeds shall be used for the repair or replacement of the furniture, fixtures, equipment and other personal property of the Lessee.

9.4 **Requirements of Policies.** All policies of insurance required in this lease:

(a) Shall be effected by valid and enforceable policies issued by responsible insurance companies authorized to do business in the State of Hawaii with a financial rating of "A" (Excellent) or better, and with a policyholder's rating of Class VI or better as rated in the most recent edition of Best's Insurance Reports.

(b) Shall contain an agreement by the insurer that the policy constitutes primary insurance, without contribution.

(c) Shall provide that the policies shall not be canceled or materially altered without at least thirty days' prior written notice to the Lessor.

(d) Shall, unless impracticable to obtain and waived in writing by the Lessor:
- (i) Provide that the liability of the insurer shall not be affected by, and that the insurer shall not claim any right of setoff, counterclaim, apportionment, proration or contribution by reason of, any other insurance obtained by the Lessor;
- (ii) Contain no provision relieving the insurer from liability for loss occurring while the hazard to any buildings is increased, whether or not within the knowledge or control of the Lessor or the Lessee or because of any breach of warranty or condition or any other act or neglect by the Lessor or the Lessee or any tenant or any other persons under either of them;

(e) Contain a standard mortgagee clause.

The insurance required by this lease may be effected by a policy or policies of blanket insurance which may cover other properties or locations not constituting a part of the premises or located thereon, provided that (i) evidence of the underlying policy satisfactory to the Lessor shall be deposited with the Lessor and (ii) upon written request of the Lessor, such blanket policy shall irrevocably allocate to the premises (both realtyand personalty severally) as the first payable loss under such policy the specific amount of coverage required to be carried by the Lessee under this lease.

9.5 **Payment of Premiums and Delivery Of Policies.** The Lessee shall pay all premiums and all fees and expenses for the insurance required herein when due and will deliver true and correct copies of all policies or certificates of insurance together with evidence of payment of the premiums, to the Lessor within tendays after the commencement of the term and thereafter deliver replacement policies or renewals not less than twenty days prior to the expiration dates of expiring policies. If the Lessee defaults in insuring the premises or in delivering the policies (or certificates), the Lessor, at its option but without being so obligated, may effect such insurance from year to year and pay the premiums, and the Lessee will reimburse the Lessor on demand for any premiums so paid with interest from the time of payment at the rate of one percent per month. The Lessor shall not be responsible for such insurance or for the collection of any insurance proceeds or for the insolvency of any insurer or insurance underwriter.

9.6 **Determination of Replacement Value And Additional Coverage.** The "full replacement value" of the building and other improvements to be insured hereunder shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three years either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

9.7 **Review of Coverage**. The adequacy of the coverage afforded by the insurance shall be subject to review such that if that a prudent businessman in Hawaii operating a business similar to that operated by the Lessee on the premises would increase the limits of liability or hazard insurance coverage or would insure the property against additional perils when such insurance is available in Hawaii, the Lessee shall forthwith increase such coverage and/or provide insurance against such additional perils.

9.8 **Waiver of Recovery**. Lessor shall not be liable to Lessee nor to any insurance company (by way of subrogation or otherwise) insuring the Lessee for any loss or damage to any building, structure or tangible personal property, or any resulting losses under worker's compensation laws and benefits, even though such loss or damage may have been caused by the negligence of Lessor or Lessor's authorized representatives if any such loss or damage is covered by insurance benefitting Lessor or if Lessee was required to obtain insurance by this lease to cover such loss or damage. Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Lessor in connection with any damage covered by any policy.

ARTICLE X
DAMAGE OR DESTRUCTION

10.1 **Lessor's Election**. Except as may otherwise be required by the Master Lease and/or any mortgage on the Property, if the premises or any portion of the Property should be damaged or destroyed during the term hereof by any uninsured casualty or should the Property be damaged to an extent of twenty-five percent (25%) or more of the then tax assessed value thereof, then the Lessor may either terminate this lease or elect to repair or restore said damage or destruction, in

which latter event Lessor shall repair and/or rebuild the same as provided for below and the monthly base rent shall be abated proportionately as provided herein. Lessor shall advise Lessee in writing whether it intends to rebuild or repair within ninety (90) days after the casualty. If Lessor elects not to repair or rebuild, this Lease shall terminate without further notice, in which event all further obligations of either party shall cease, effective as of the date Lessee shall cease business in the premises. If such damage or destruction occurs and this lease is not so terminated by Lessor, this lease shall remain in full force and effect, and the parties waive the provisions of any law to the contrary. The Lessor's obligation under this Section 10.1 shall in no event exceed the scope of the work done by the Lessor in the original construction of the Property and the premises. Lessee agrees during any period of reconstruction or repair of the premises and/or of the Property to continue the operation of its business in the premises to the extent reasonably practicable from the standpoint of good business practice. Except in those cases where damage or destruction to the premises shall have been caused by the fault of the Lessee, the base rent shall be abated proportionately during any period during which, by reason of any damage or destruction, there is a substantial interference with the operation of the business of Lessee in the premises, and such abatement shall continue for the period commencing with such destruction or damage and ending with the completion by the Lessor of such work of repair and/or reconstruction as Lessor has elected to do. Nothing in this Section 10.1 shall be construed to abate or diminish additional rent or abate base rent where interference with the operation of the Lessee's business shall have been a result of the Lessee's acts, omissions or other fault.

10.2 **Lessee's Obligation**. Lessee shall, in the event of any damage or destruction affecting the premises, unless this Lease shall be terminated as provided above, promptly replace or fully repair all furniture, improvements, trade fixtures, equipment, and other fixtures originally installed by Lessee. Lessor shall have no interest in the proceeds of any insurance carried by Lessee on Lessee's interest in this lease, and Lessee shall have no interest in the proceeds of and insurance carried by Lessor.

ARTICLE XI
CONDEMNATION

11.1 **Definitions**.

(a) "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (ii) a voluntary sale or transfer by the Lessor to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(b) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(c) "Award" means all compensation, damages, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(d) "Condemnor" means any public or quasi-public authority or private corporation or individual having power of condemnation.

11.2 **Total Taking**. If the premises are totally taken by condemnation, this lease shall terminate on the date of taking.

11.3 **Partial Taking of Premises**. If any portion of the premises is taken by condemnation, this lease shall remain in effect, except that the Lessee may elect to terminate this lease if the remaining portion of the premises or access thereto is rendered unsuitable for the Lessee's continued use of the premises. The Lessee must exercise this right to terminate pursuant to this by giving notice to the Lessor within fifteen days after the nature and the extent of the taking have been finally determined. If the Lessee does not terminate this lease within the fifteen-day period, this lease shall continue in full force and effect.

11.4 **Effect on Rent**. If a portion of the premises or any access thereto is taken by condemnation and this lease remains in effect, the rent shall not be reduced and all other obligations of Lessee under this lease shall remain in full force and effect.

11.5 **Restorationof Premises**. If after a partial taking of the premises this lease remains in effect, the Lessee at its cost shall accomplish all necessary restoration.

11.6 **Award - Distribution**. Except as hereinafter provided, the award received for a total or partial condemnation shall belong to and be paid to Lessor. Lessee may recover from the condemning authority such award as may be separately recovered by Lessee in its own right for its leasehold interest, and for merchandise, furniture, fixtures, equipment and other personal property of Lessee or business interruption.

ARTICLE XII
TRANSFERS

12.1 **Prohibition Against Voluntary Assignment, Subletting, and Encumbering**. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the premises, or sublease all or any part of the premises, or allow any other person or entity (except authorized representatives) to occupy or use all or any part of the premises without the prior written consent of the Lessor and Master Lessor. Lessor shall in all cases have the right to determine that any proposed assignee or sublessee shall be of sound financial condition and shall use the premises only for suitable purposes. A consent by the Lessor or Master Lessor to one assignment, mortgage, subletting, occupation or use by any other person, shall not be deemed to be a consent to any subsequent assignment, mortgage, subletting, occupation or use by another person.
Any such assignment or subletting without the Lessor's and Master Lessors consent shall be void, and shall, at the option of Lessor, terminate this lease. The Lessor shall not have the right to impose any charge or fee on the Lessee with respect to any consent requested under this Section except a reasonable administrative fee of not more the $500.00 for actual attorney's fees incurred by Lessor with respect to such request.

12.2 **Change of Ownership**. If the Lessee is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of the partner or partners owning fifty percent or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment. If the Lessee is a corporation, any dissolution, merger, consolidation, or other

reorganization of the Lessee, or the transfer of a controlling percentage of the stock, or the sale of fifty percent of the value of the assets of the Lessee, shall be deemed a voluntary assignment. If Lessee is a limited liability company, any sale or transfer of any management interest or more than fifty percent of the ownership interest shall be deemed a voluntary assignment.

12.3 **Involuntary Assignment**. No interest of the Lessee in this lease shall be assignable by operation of law (including, without limitation, the transfer of this lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment:

(a) If the Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the Bankruptcy Act in which the Lessee is the bankrupt; or, if the Lessee is a partnership or consists or more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent or makes an assignment for the benefit of creditors;

(b) If a writ of attachment or execution is levied on this lease;

(c) If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the premises.

12.4 **Effect of Involuntary Assignment**. An involuntary assignment shall constitute a default by the Lessee and the Lessor shall have the right to elect to terminate this lease, in which case this lease shall not be treated as an asset of the Lessee.

12.5 **Absolute Assignment of Sublease Rents**. Lessee hereby absolutely assigns and transfers to Lessor all rents and other sums due and payable to Lessee under all subleases of the premises or any portion thereof; provided that, until the occurrence of any default as described in Section 13.1 below, Lessee may receive and hold such rents. Upon the occurrence of such default, Lessor shall have the immediate right, with or without terminating this lease, to receive and collect all rents and profits due or accrued or to become due under said subleases, and said rents and profits are hereby assigned to Lessor, and Lessor is hereby irrevocably appointed the attorney-in-fact of Lessee with power in the name of Lessee or Lessor, to demand, sue for, collect, recover and receive all such rents and profits, to compromise and settle claims of rents or profits upon such terms and conditions as may seem proper, and to enter into, renew or terminate leases or tenancies, and to apply any rents and profits collected to the payment of all amounts due to Lessor under this lease, and any such application shall in all respects be binding upon Lessee for all purposes. Each and every sublease of the premises or any portion thereof shall expressly provide that the sublessee shall, upon receipt of written notice from Lessor of Lessees default under this lease, tender and pay to Lessor all rents and other sums then due and owing to the sublessor under such sublease and shall continue to pay such sums to Lessor as and when due as if Lessor were the sublessor under the sublease, and Lessee hereby acknowledges and agrees that a sublessees payment of any amounts under this Section 12.5 shall discharge such sublessees payment obligations under the sublease to the same amount, and any contractual provisions to the contrary shall be null and void as between such sublessee and Lessee. Notwithstanding the foregoing, Lessor and Lessee acknowledge and agree that any amounts collected by Lessor under this Section 12.5 in excess of amounts owed by Lessee under this lease at the time of such collection shall be held by Lessor in

trust for the benefit of Lessee and Lessor shall pay over such excess amounts to Lessee upon satisfaction of all of Lessees then outstanding debts and obligations to Lessor under this lease.

12.6 **Restriction on Mortgages**. The Lessee shall not mortgage this lease or its leasehold estate without the prior written consent of the Lessor and, if required, the Master Lessor.

12.7 **Assignment by Lessor**. If Lessor transfers or assigns its interest in this lease or in the Property to any person, Lessor shall thereby be released from any further obligations arising from and after the date of the assignment hereunder, and Lessee agrees to look solely to such successor-in-interest of Lessor for performance of such obligations. If any security given by Lessee to secure the performance of Lessee's obligations hereunder is assigned or transferred by Lessor to any such successor-in-interest, then Lessor shall thereby be discharged of any further obligation relating thereto. For the purposes of this Section, any holder of a mortgage that affects the premises or the Property at any time will be a successor-in-interest to Lessor as to the premises and the Property when it succeeds to the interest of the Lessor or any successor-in-interest, whether byvoluntarysale, assignment or transfer or by way of foreclosure, deed in lieu of foreclosure or dispossession of Lessor. Lessee agrees to attorn to the assignee, transferee, or purchaser of Lessor's interest from and after the date of notice to Lessee of any such assignment, transfer or sale, in the same manner and with the same force and effect as though this lease were made, in the first instance, by and between Lessee and such assignee, transferee or purchaser. If any proceedings are instituted for foreclosure, or in the event of the exercise of the power of sale under any mortgage made by Lessor covering the premises or the Property, Lessee shall, upon such mortgagee's request, attorn to the transferee or successor-in-interest upon any such foreclosure, deed in lieu of foreclosure, sale or termination and recognize such transferee or successor-in-interest as the Lessor under this lease.

ARTICLE XIII
DEFAULT

13.1 **Lessee's Default**. The occurrence of any of the following shall constitute a default by the Lessee:

(a) Failure to pay rent when due.

(b) Abandonment of the premises (failure to occupy and operate the premises of fifteen consecutive days shall be deemed an abandonment).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty days after notice has been given to the Lessee. If the default cannot reasonably be cured within thirty days, the Lessee shall not be in default of this lease if the Lessee commences to cure the default within the thirty-day period and diligently and in good faith continues to cure the default.

13.2 **Lessor's Remedies**. The Lessor shall have the following remedies if the Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies allowed by law or in equity.

(a) Lessee's Right to Possession Not Terminated. The Lessor may continue this lease in full force and effect as long as the Lessor does not terminate the Lessee's right to possession, and the Lessor shall have the right to collect rent when due. During the period the Lessee is in default, Lessor may enter the premises and relet them, in whole or any part, to third persons for the Lessee's account. The Lessee shall be liable immediately to the Lessor for all costs the Lessor incurs in reletting the premises, including, without limitation, brokers' commission, expenses of remodeling the premises required by the reletting, and like costs. Reletting may be for a period shorter or longer than the remaining term of this lease. The Lessee shall pay to the Lessor the rent due under this lease on the dates the rent is due, less the rent the Lessor receives from any reletting. No act by the Lessor allowed by this shall terminate this lease unless the Lessor so notifies the Lessee.

If the Lessor elects to relet the premises as provided in this Section, rent that the Lessor receives from reletting shall be applied to the payment of: (i) first, any indebtedness from the Lessee to the Lessor other than rent due from the Lessee; (ii) second, all costs, including for maintenance, incurred by the Lessor in reletting; and (iii) third, rent due and unpaid under this lease. After deducting the payments referred to in this Section, any sum remaining from the rent the Lessor receives from reletting shall be held by the Lessor and applied in payment of future rent as rent becomes due under this lease. In no event shall the Lessee be entitled to any excess rent received by the Lessor. If, on the date rent it due under this lease, the rent received from the reletting is less than the rent due on that date, the Lessee shall pay to the Lessor, in addition to the remaining rent due, all costs, without limitation, the Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this Section.

(b) Lessee's Right to Possession is Terminated. The Lessor may terminate the Lessee's right to possession of the premises at any time. No act by the Lessor other than giving notice to the Lessee shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on the Lessor's initiative to protect the Lessor's interest under this lease shall not constitute a termination of Lessee's right to possession. On termination, the Lessor has the right to recover from the Lessee, in addition to any other remedies Lessor may have, any and all damages and losses Lessor may incur by reason of Lessees default, including the cost of recovering the premises, attorney's fees, and the worth at the time of such termination of the excess, if any, of the amount of rent and additional rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

13.3 **Appointment of Receiver**. If the Lessee is in default of this lease, the Lessor shall have the right to have a receiver appointed to collect rent and conduct the Lessee's business. Neither the filing of a petition for the appointment of a receiver nor the appointment itself shall constitute an election by Lessor to terminate this lease.

13.4 **Lessor's Right To Cure Lessee's Default; Interest**. The Lessor, at any time after the Lessee commits a default, can cure the default at the Lessee's cost. If the Lessor at any time, by reason of the Lessee's default or pursuant to this lease, pays any sum or does any act that requires the payment of any sum, the sum paid by the Lessor shall be due immediately from the Lessee to the Lessor at the time the sum is paid, and if paid at a later date shall bear interest at the rate of one and one-half percent (1%) per month. The sum, together with interest, shall be additional rent.

13.5 **Late Fee and Interest on Past Due Accounts**. Lessee hereby acknowledges that late payment by the Lessee of rent and other sums due under this lease will cause the Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on the Lessor by the terms of any mortgage covering the premises. Therefore, in the event the rent hereunder shall not be received by the first (1st) of the month, a late fee computed at the rate of five percent (5%) of the rent and other sums not paid shall be automatically charged until payment is received. Any amounts owing by Lessee to Lessor under the terms of this lease shall carry interest from the date the same become due until paid at the rate of one and one-half percent (1%) per month. Said interest shall be considered as a part of the rent payable under this lease.

13.6 **Expenses of Lessor**. The Lessee will pay to the Lessor on demand all costs and expenses, including reasonable attorney's fees, incurred by the Lessor in enforcing any covenants or conditions contained in this lease, in remedying any breach by the Lessee, in collecting any delinquent rent, taxes or other charges hereunder payable by the Lessee, in recovering possession or in connection with any litigation (other than condemnation proceedings) commenced by or against the Lessee to which the Lessor shall without fault on its part to be made a party.

ARTICLE XIV
LESSOR'S ENTRY ON PREMISES

14.1 **Right of Entry**. The Lessor, Master Lessor and their authorized representatives shall have the right to enter the premises at all reasonable times upon providing the Lessee with twenty-four hours prior notice for any purpose, including, without limiting the generality of the foregoing, (a) to determine whether the premises are in good condition and whether the Lessee is complying with its obligations under this lease; (b) to do any maintenance and to make any restoration that the Lessor has the right or obligation to perform; (c) to serve, post, or keep posted any notices required or allowed under the provisions of this lease; (d) to post "for sale" signs at any time during the term, to post "for rent" or "for lease" signs during the last twelve months of the term, or during any period while Lessee is in default; (e) to show the premises to prospective brokers, agents, buyers, tenants, or persons interested in an exchange, at any time during the term; (f) to shore the foundations, footages and walls within the premises; and (g) to erect scaffolding in and protective barricades around and about the premises, but not so as to prevent entry to the premises, and to do any other act or thing necessary for the safety or preservation of the premises or the buildings and other improvements on the Property if any excavation or other construction is undertaken or is about to be undertaken on any adjacent property or nearby street; the Lessor's right under this clause (g) extends to the owner of the adjacent property on which excavation or construction is to take place and the adjacent property owner's authorized representatives.

The Lessor, Master Lessor or their authorized representatives may enter at any time and without notice to the Lessee in circumstances when persons or property may be in imminent danger, provided, however, that notice of entry shall be given as soon as reasonably possible thereafter.

14.2 **No Liability for Entry**. The Lessor and Master Lessor shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of the Lessor's or Master Lessors entry on the premises as provided in this Article, except damage resulting from the willful or grossly negligent acts or omissions of the Lessor, Master Lessor or their authorized representatives. The Lessee shall not be entitled to an abatement or reduction of rent if the Lessor or Master Lessor exercises any rights reserved in this Article in a manner that does not materially interrupt the normal operation of the Lessee's business. The Lessor shall, to the extent reasonably possible, conduct its activities on the premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance or disturbance to the Lessee.

ARTICLE XV
WAIVER

15.1 **Waiver**. No delay or omission in the exercise of any right or remedy of the Lessor on any default by the Lessee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by the Lessor of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved. No act or conduct of the Lessor, including, without limitation, the acceptance of the keys to the premises, shall constitute an acceptance of the surrender of the premises by the Lessee before the expiration of the term. Only a notice from the Lessor to the Lessee shall constitute acceptance of the surrender of the premises and accomplish a termination of the lease. The Lessor's consent to or approval of any act by the Lessee requiring the Lessor's consent or approval shall not be deemed to waive or render unnecessary the Lessor's consent to or approval of any subsequent act by the Lessee. Any waiver by the Lessor of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this lease.

ARTICLE XVI
SURRENDER OF PREMISES; HOLDING OVER

16.1 **Surrender of Premises**. At the expiration of the term of this lease, the Lessee shall surrender the premises in the same condition of cleanliness, repair and sightliness as the premises were in upon the commencement date of this lease. Lessee shall surrender all keys for the premises to Lessor at the place then fixed for the payment of rent and shall inform Lessor about all combinations on locks, safes and vaults, if any, in the premises. On such day, unless the Lessor shall, in its sole discretion, require the removal thereof, all buildings,structures,alterations, additions, improvements, all hard surface bonded or adhesively affixed flooring, and all fixtures on the premises other than Lessee's trade fixtures and operating equipment, shall become the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof, without disturbance, molestation or injury, and without credit to Lessee, its sublessees, concessionaires or licensees. On or before the last day of the term or the sooner termination hereof, Lessee, if not then

in default, shall remove all trade fixtures, operating equipment and other personal property of Lessee. In addition, if required by the Lessor, Lessee shall remove any or all buildings, structures, alterations, additions, improvements, flooring and other fixtures as Lessor shall require, from the premises and repair any damage occasioned by any such removal. If Lessor is required to repair any damage caused to the premises by such removal, Lessee shall repay the Lessor for the cost of the same. Property not so removed shall be deemed abandoned by Lessee. If the premises are not surrendered at such time, Lessee shall indemnify Lessor against loss or liability resulting from delay by Lessee in so surrendering the premises, includingwithout limitation, anyclaims made by any succeeding tenant based on such delay and/or Lessor's lost rental income. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of this lease.

The Lessor may retain or dispose of in any manner any buildings, structures, alterations, trade fixtures or personal property that the Lessee does not remove from the premises on expiration or termination of this lease by giving at least ten days' notice to the Lessee. Title to any such alterations, trade fixtures or personal property that the Lessor elects to retain or dispose of on expiration of the ten-day period shall vest in the Lessor. The Lessee waives all claims against the Lessor for any damage to the Lessee resulting from the Lessor's retention or disposition of any such alterations, trade fixtures or personal property. The Lessee shall be liable to the Lessor for the Lessor's costs for storing, removing, and disposing of any buildings, structures, alterations, trade fixtures or personal property that Lessor was required, but failed, to remove.

16.2 **Liquidated Damages**. If Lessee shall, at the expiration or other termination of this lease, fail to yield possession to Lessor, Lessor shall have the option to require Lessee to pay and Lessee shall pay, as liquidated damages, for each day possession is withheld, an amount equal to double the amount of the daily monthly base rent computed on the basis of a thirty (30)-day month, together with additional rent and any other payments required under this lease.

16.3 **Holding Over**. If the Lessee, with Lessor's written consent, remains in possession of the premises after expiration or termination of the term, or after the date in any notice given by the Lessor to the Lessee terminating this lease, such possession shall be deemed to be a month-to-month tenancy terminable on thirty days' written notice given at any time by either party. All provisions of this lease except those pertaining to term shall apply to the month-to-month tenancy.

ARTICLE XVII
MISCELLANEOUS PROVISIONS

17.1 **Consent of Parties**. Except as otherwise provided herein, whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval and no charge shall be made for consent except for reasonable attorneys fees and out of pocket costs incurred in connection with the review and preparation of the consent.

17.2 **Exhibits--Incorporation in Lease** All exhibits referred to are attached to the lease and incorporated by reference.

17.3 **Hawaii Law**. This lease shall be construed and interpreted in accordance with Hawaii law.

17.4 **Integrated Agreement; Modification** This lease contains the entire agreement between the parties, and any agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of this lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought. It is expressly understood and agreed that each and all of the provisions of this lease are conditions precedent to be faithfully and fully performed and observed by the Lessee to entitle Lessee to continue in possession of the premises hereunder; that said conditions are also covenants on the part of Lessee; and that time of performance of each is of the essence of this lease.

17.5 **Notices**. Any notice or demand which a party may or is required to give to the other party or parties to this lease shall be in writing and given to such party, or delivered by a reputable air courier service, e.g., Federal Express or UPS, which provides written evidence of delivery, addressed to it at its address set forth on the first page of this lease, or facsimile number or to such other address, facsimile number as shall be designated by one party in a written notice to the other party or parties. Each such notice or demand shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified and the appropriate confirmation is received, (ii) if given by United States certified mail, return receipt requested with first class postage prepaid, addressed as aforesaid, upon receipt or (iii) if given by any other means, when delivered at the address specified above.

17.6 **Submission to Condominium Property Regime**. Lessor shall also have the right, without the consent of Lessee to submit all or a part of the Property of which the premises are a portion to a Condominium Property Regime under Chapter 514A of the Hawaii Revised Statutes or any successor statute and to execute and record a Declaration of Condominium Property Regime and any amendments thereto, as deemed appropriate or necessary by Lessor; provided, however, that any such submission to a Condominium Property Regime shall be subject to the Lessee's rights under this lease. Lessor shall have the right to add, delete, relocate, realign, reserve and grant all easements and rights of way over, under and on the common areas, the Property and the premises as may be necessary or desirable in connection with such submission of the Property; provided, however, that such easements and rights-of-way shall not materially impair the use of the premises by Lessee. To the extent that the joinder of Lessee shall be required in order to validate any Declaration of Condominium Property Regime or amendment contemplated therein, Lessee hereby agrees to join in and to execute the same, and for purposes of further securing the foregoing covenant, Lessee hereby irrevocably appoints Lessor as its attorney-in-fact, coupled with an interest, for purposes of executing, recording and acknowledging any such Declaration or amendment for and on behalf of Lessee.

17.7 **Rent Payable in U.S. Money**. Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

17.8 **Severability**. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

17.9 **Subordination of Lease**. This lease shall automatically be subordinate to any mortgage, encumbrance or deed of trust heretofore or hereafter placed upon the premises by Lessor, to any and all advances made or to be made thereunder, to the interest on the obligations secured thereby, and to all renewals, replacements and extensions thereof; provided, however, that in the event of foreclosure of any such mortgage or deed of trust or exercise of the power of sale thereunder, Lessee shall attorn to the purchaser at such foreclosure or sale, and recognize such purchaser as lessor under this lease if so requested by such purchaser. Within ten days after request therefor by Lessor, or, in the event that upon Lessor's sale, assignment or hypothecation of the Lessor's interest in land or improvements which comprise the premises, an estoppel or offset statement shall be required from Lessee, Lessee shall deliver in recordable form a certificate to any purchaser, mortgagee under such mortgage, or to Lessor, certifying (if such be the case) that this lease is in full force and effect and that there are no defenses or offsets thereto, or stating those claimed by Lessee, and stating such other facts and conditions as may be reasonably required of Lessee. In the event Lessor is refinancing the premises, Lessee agrees to deliver a current financial statement to the proposed lender. If any mortgagee or beneficiary elects to have this lease superior to its mortgage or deed of trust and gives notice of its election to Lessee, then this lease shall thereupon become superior to the lien of such mortgage or deed of trust, whether this lease is dated or recorded before or after the mortgage or deed or trust. Lessee shall execute promptly after demand, without charge, all forms, documents and instruments required by Lessor to carry out the terms of this Section.

17.10 **Singular and Plural; Pronouns**. When required by the context of this lease, the singular shall include the plural. A pronoun of one gender shall include reference to all genders as the context may require.

17.11 **Binding Effect**. Except as otherwise provided herein, this lease and each and every provision hereof shall be binding on and shall, subject to the required consent of Lessor, inure to the benefit of the parties hereto, their respective personal representatives, successors, heirs, and permitted assigns, and to each and every successor-in-interest of any party hereto, whether such successor acquires any such interest by way of gift, purchase, foreclosure, merger, or by any other method.

17.12 **Right to Estoppel Certificates**. Each party, within ten days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of the base monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this lease is in full force and effect and has not been modified except as may be represented by the party requesting the certificate.

17.13 **Attorney's, Architect's, Etc. Fees**. If Lessor and/or its agent shall, without fault, be made a party to any litigation by or against Lessee arising out of Lessee's occupancy of the premises or any act of Lessee concerning the premises or this lease, or if litigation shall be brought for recovery of possession of the premises, for the recovery of rent or any other amount due under the provisions of this lease, or because of the breach of any covenant in this lease to be kept or performed by Lessee, and a breach shall be established, the Lessee shall pay to Lessor and/or its agent all expenses incurred in connection therewith, including attorney's fees. Lessee shall also pay any and all costs and fees incurred or paid by the Lessor, including attorney's fees and the fees of architects or other professionals employed by Lessor, to review, revise or prepare any document, plan or other writing of any nature presented by or on behalf of the Lessee to Lessor for review or approval in connection with Lessee or any action by Lessee under this lease, including, without limitation, requests for consents to assignments, subleases, mortgages or other similar items, or certificates, approvals, opinions, or other agreements with respect thereto, which such items in the opinion of the Lessor require the employment of an attorney or other professional on behalf of the Lessor. Any failure of the Lessee to pay such costs or fees upon demand of the Lessor shall be deemed a default under this lease and the Lessor shall be entitled to exercise its rights on account of such default as provided above. Lessor shall not be obligated to consider, review, execute or deliver any consent, approval, certificate or other item until the costs and fees herein required to be paid by the Lessee have been paid.

17.14 **Additional Improvements Upon Property**. Lessor reserves the right, at any time, to make alterations or additions to, and to build additional stories on the building in which the premises are contained and to build in areas adjoining the premises. Lessor also reserves the right, from time to time, to construct other buildings or improvements on the Property and to make alterations or additions thereto and to build additional stories on any such buildings and to build adjoining the same and to construct controlled or elevated parking facilities. Lessor's exercise of these rights will not require Lessor to compensate Lessee in any way, nor will it result in any liability by Lessor to Lessee or in any way affect Lessee's obligations under this lease.

17.15 **Force Majeure.** In the event that either Lessor or Lessee shall be delayed or hindered in or prevented from the performance from any act required under this lease by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or other reason of a like nature, not the fault of the party delayed in performing the work or doing the acts required under the terms of this lease then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 17.15 shall not operate to excuse Lessee from the prompt payment of rent, or any other payments required by the terms of this lease.

17.16 **Master Lease**. This lease is subject to that certain Harbor Lease H-82-4 dated April 8, 1983, made by and between the STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION, as Lessor (the Master Lessor), and GENTRY-PACIFIC, LTD., as Lessee, recorded in Book 17799, Page 314, in the Bureau of Conveyances of the State of Hawaii, which Harbor Lease was, (a) by mesne assignment, assigned to the Lessor herein by that certain unrecorded Assignment of Lease dated October 15, 2002, consent thereto given by the State of Hawaii, Board of Land and Natural Resources, by unrecorded instrument executed March 19,

2003, and (b) extended by Extension of Harbor Lease No. H-82-4 dated May 12, 2006, recorded as Document No. 2009-147205 in the Bureau of Conveyances of the State of Hawaii, as the same may hereafter be amended from time to time (the "Master Lease"). Lessee acknowledges having received and reviewed a copy of the Master Lease. If there is any conflict between the provisions of this lease and the provisions of the Master Lease, then, in every such event, the provisions of the Master Lease shall control, to the exclusion of any inconsistent provisions of this lease. Lessee covenants and agrees that it will not violate any term, covenant or condition contained in the Master Lease and on the part of Lessor to be observed and performed. Lessee acknowledges that this lease and the Lessees right to occupy and use the premises under this lease is subject to and conditioned upon the Master Lessors approval of this lease and Lessee accepts the risk that the Master Lessor will not approve this lease. In the event the Master Lessor refuses to approve this lease, this lease, and the Lessors and Lessees rights, duties and obligations under this lease, will terminate and the Lessor shall not be liable to Lessee for any loss or damage resulting from the Master Lessor's refusal to approve this lease or the termination of this lease by reason thereof.

17.17 **Trademarks**. Lessee acknowledges that Lessor is owner of all right, title and interest in and to the name and mark "Gentrys Kona Marina", that Lessor is owner of all right, title and interest in and to the trade name "Gentrys Kona Marina" apart from Lessor's exclusive rights in the words "Gentrys Kona Marina", and that Lessee may only use the name and mark "Gentrys Kona Marina" with the approval and permission of Lessor. For purposes of this Section, the name and mark "Gentrys Kona Marina", and any modifications of the name and markwhichincorporate the words "Gentrys Kona Marina", are collectively referred to as the "Trademarks". Lessee agrees never to contest Lessors title to the Trademarks or the validityofanyTrademark application or registration therefor filed or obtained by Lessor.
Lessee shall not use the name of Lessor, the Property, the Trademarks, or words to that effect, except for the use of "Gentrys Kona Marina" as a part of Lessee's address. Lessee acknowledges that Lessor shall be entitled to immediate injunctive relief against any misuse or infringement of the Trademarks by Lessee, and Lessee agrees to pay all attorneys' fees of Lessor resulting from any action taken by Lessor to terminate such misuse, infringement or other violation of this Section. In the event that Lessor changes or modifies any of the Trademarks, Lessor shall not be liable to Lessee for any cost, loss or expense whatsoever incurred by Lessee with respect thereto and Lessor shall have no obligation to purchase from Lessee any inventory, advertising materials or other property of Lessee which utilized the changed Trademark.

ARTICLE XVIII
ARBITRATION

18.1 **Arbitration of Disputes**.

(a) Submission to Arbitration. Except as otherwise provided in Subsection (d) below, in the event of any dispute or claim arising out of this lease or the parties' performance or default hereunder (other than the nonpayment of rent or other sums expressly due and payable under this lease), such dispute or claim shall be submitted to binding arbitration by a single arbitrator, pursuant to the provisions of Hawaii Revised Statutes Chapter 658A, as amended ("Chapter 658A") and this Article XIX.

(b) Appointment of Arbitrator. Except as otherwise provided in Subsection (d) below,

the arbitrator shall be selected by the parties or if they are unable to agree upon the arbitrator, the arbitrator shall be appointed by the Circuit Judge of the Third Circuit Court, as provided in Chapter 658A.

(c) Arbitrator's Decision Final. The award of the arbitrator shall be final and binding subject only to confirmation, modification, correction or vacation as provided in Chapter 658Aand judgment may be entered thereon as provided in Chapter 658A; provided, however, that no such award shall provide for an award of punitive damages or other exemplary relief. The costs and fees incurred by the parties in the arbitration, and the costs of the arbitration, shall be paid by the non-prevailing party as determined by the arbitrator; the costs and fees incurred by the parties in any judicial proceeding subsequent to an award, and the cost of such proceedings, shall be paid to the prevailing party as provided in Chapter 658A.

(d) Matters That May be Pursued in Court. Notwithstanding any provision to the contrary in this Article XVIII, the parties have reserved the right to pursue, in a court of competent jurisdiction, (i) a temporary restraining order, preliminary injunction and/or specific performance, as appropriate, where the failure to enjoin a party's breach of an obligation under this lease or the failure to enforce a party's compliance with any obligation or condition of this lease will create irreparable harm to the party seeking such relief and monetary damages would be an inadequate remedy at law, and (ii) an action for summary possession and a writ to be issued therein under Hawaii Revised Statutes Chapter 666, as amended, where Lessee has failed to pay the rent or other sums due and payable under this lease. Regardless of whether the court grants or denies the request for such equitable or summary relief, all issues relating to monetary damages or costs of any type (other than the nonpayment of rent or other sums expressly due and payable under this lease) shall continue to remain subject to arbitration as provided herein.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have executed this lease on the day and year first above written.

GKM, INC., a Hawaii corporation

By _____
Name: GARY LAMBERT
Its Vice President

"LESSOR"

_____

Name: _____
Its _____

"LESSEE"

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 14 day of March, 2017, before me personally appeared Douglas H Arnfidd, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

TERESA A. KUALAAU NOTARY PUBLIC No. 99-524 STATE OF HAWAII

Name: _____
Notary Public, State of Hawaii

My commission expires: 10/24/2019

TERESA A. KUALAAU
Notary Public, Third Judicial Circuit
State of Hawaii

Doc. Date: MAR 14 2017 # Pages 30
Notary Name: Teresa A. Kualaau Third Circuit
Doc. Description Gentrys Kona Marina Sublease Space No. 26
_____ MAR 14 2017
Notary Signature Date

TERESA A. KUALAAU NOTARY PUBLIC No. 99-524 STATE OF HAWAII

STATE OF HAWAII)
) ss.
COUNTY OF HAWAII)

On this 30th day of March, 2017, before me personally appeared Gary Lambert, to me personally known, who, being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Toni Claire Haanio
Name: Toni Claire Haanio
Notary Public, State of Hawaii

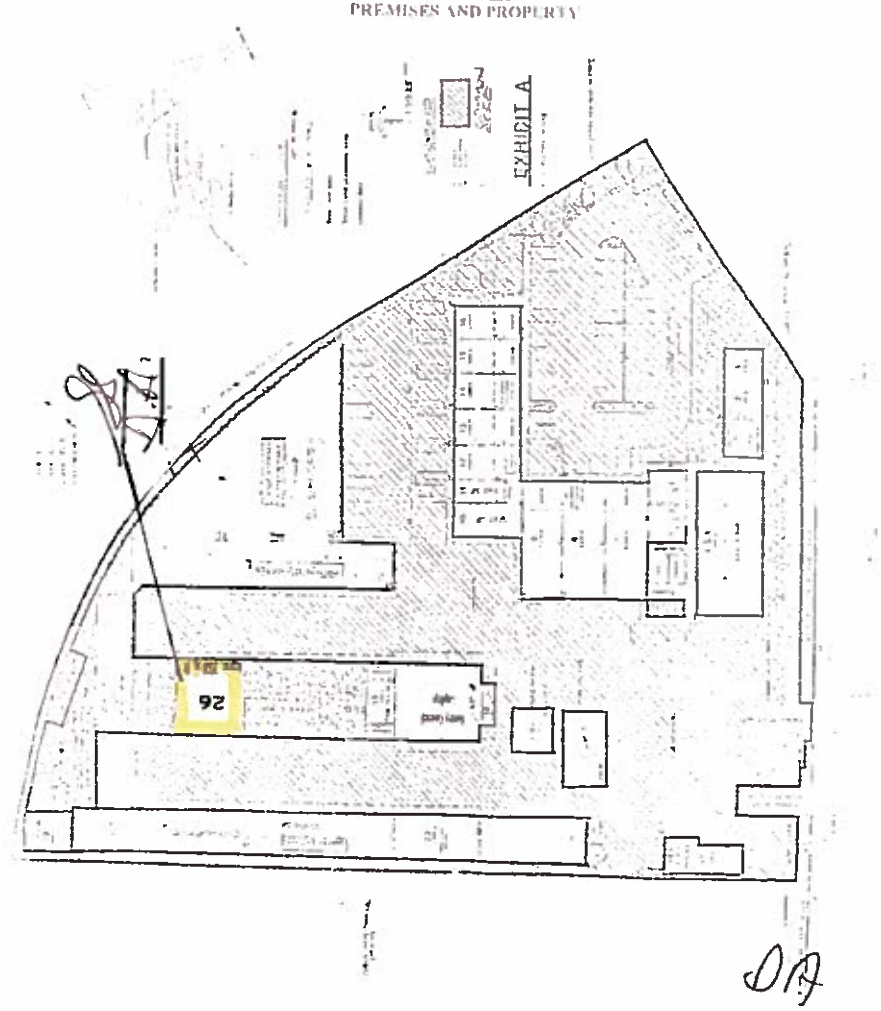
My commission expires: May 4 2018

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

NOTARY CERTIFICATION
Doc. Date: 3-14-17 # Pages: 30
Name: Toni Claire Haanio Third Circuit
Doc. Description: Gentry Kona Marina Sublease - Space 26
Toni Claire Haanio
Signature
3-30-17
Date

TONI CLAIRE HAANIO NOTARY PUBLIC Commission No. 86-197 STATE OF HAWAII

EXHIBIT A
PREMISES AND PROPERTY



DA

EXHIBIT B
TERM, USE, SECURITY DEPOSIT AND MONTHLY BASE RENT

Lessee: Douglas Armfield
Premises: Space No. 26

Lessor and Lessee hereby agree and confirm that:

I. **TERM**:

The "commencement date" of the term is December 1, 2016
The "termination date" of the term is November 30, 2021

II. **USE**: Work shed for vessel repair, rebuild and maintenance, and storage facility for marine parts and supplies. No retail, or wholesale, sales of any kind.

III. **SECURITY DEPOSIT**, $3,470.00

IV. **MONTHLY BASE RENT:**

A. As of the commencement date, the monthly base rent is $3,470.00 per month.

B. Commencing on December 1, 2017 (or such other date as may be agreed upon by Lessor and Lessee) and on the same day of each calendar year thereafter during the remainder of the term of this lease (the "adjustment date"), the monthly base rent shall be increased 2.5% or an increase equal to the Consumer Price Index, whichever is higher. If the Consumer Price Index for the twelve (12)-month period immediately preceding the adjustment date is higher it will be used and the adjusted monthly base rent shall become the monthly base rent for the next twelve (12) following-month period. The Consumer Price Index hereinabove referred to is the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers, Honolulu, Hawaii, All Items--Series A. Should the Bureau discontinue publication of its Consumer Price Index, then computation of any adjustment of the monthly base rent during each period shall be based upon the index the Bureau designates as providing the most accurate comparison with consumer prices for each period of the term of this lease, provided, however, that the adjusted monthly base rent shall in no case be less than the monthly base rent during the month immediately preceding the adjustment date.

"LESSOR"
Initials

"LESSEE"
DA
Initials

EXHIBIT C
PROPERTY MAINTENANCE AND OPERATING EXPENSES, TAXES AND ASSESSMENTS
(Lessees Percentage Share)

Lessee: Douglas Armfield
Premises: Space No 26

I. Approximate total square footage of areas in Gentry's Kona Marina.

"Class I", which is Improved, Enclosed Space	=	25,827 sq. ft.
"Class II", which is Partially Improved, Roofed Space	=	12,880 sq. ft.
"Class III", which is Open Space	=	32,210 sq. ft.
Approximate total leasable sf in GKM	=	70,917 sq. ft.
Approximate common area sf in GKM	=	106,955 sq. ft.
Approximate total area sf of GKM	=	177,872 sq. ft.

II. Sections 4.1 and 4.3: Computation of Real Taxes, Assessments and Master Lease Rent.

A. Computation on land - Lessee's percentage share of real property taxes and assessments for land is computed as follows: 3,000 sq. ft. (Lessee's Space)/70,917 sq. ft. (Approximate total leasable square feet in Gentry's Kona Marina) = 4.23% (Lessee's percentage share of real property taxes and assessments on all land in GKM)

B. Computation on buildings and improvements - Lessee's weighted percentage share of taxes and assessments for buildings and improvements is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7 = 173,041 sq ft (which is the weighted amount of Class I improvements)

"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0 = 25,760 sq. ft. which is the weighted amount of Class II improvements)

Total weighted amount of Class I and II improvements = 198,801 sq. ft.

3,000 sq. ft of Class II Area (Lessee's Space) x 2.0, which is Class II weight = 6,000 sq. ft. (Lessee's weighted space)/198,801 (total weighted space) = 3.02% (Lessee's percentage share of real property taxes and assessments on all buildings)

DA

III. Section 3.2: Computation of Lessee's percentage share of Property maintenance and operating expenses.

Lessee's weighted percentage share of Property maintenance and operating expenses is computed as follows:

"Class I", which is 25,827 sq. ft. (and is to be weighted 6.7) x 6.7	=	173,041 sq. ft.
"Class II", which is 12,880 sq. ft. (and is to be weighted 2.0) x 2.0	=	25,760 sq. ft.
"Class III", which is 32,210 sq. ft. (and is to be weighted 1.0) x 1.0	=	32,210 sq. ft.
Total weighted amount of Class I, II and III spaces	=	231,011 sq. ft.

3,000 sq. ft. of Class II area (Lessee's Space) x 2.0, which is Class II weight = 6,000 sq. ft (Lessee's weighted space)/231,011 (total weighted space = 2.60% (Lessee's percentage share of Property maintenance and operating expenses)

"LESSOR" (initials)

"LESSEE" (initials)

EXHIBIT D
SPECIAL TERMS

Lessee: Douglas Armfield
Premises: Space No. 26

Lessor and Lessee agree that the following Special Terms shall be a part of the attached Gentry's Kona Marina Sublease.

1) Lessee agrees, that when advertising, Lessee shall use the full name, "Gentry's Kona Marina" in its advertising of the business conducted by Lessee upon the premises. Lessor shall have the right to change the name of "Gentry's Kona Marina" upon ninety (90) days written notice to Lessee. In the event of a change in the name "Gentry's Kona Marina", Lessee agrees to advertise under the new name. Lessee agrees that any name used for the Gentry's Kona Marina, shall be the sole property of, and belong to, the Lessor. From and after the termination or expiration of the term of the Sublease, for any reason whatsoever, Lessee shall cease using the name of Gentry's Kona Marina, or any change thereof, for any reason.

"LESSOR" (initials)

"LESSEE" (initials)

MAREINC-02 IYASAK

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 04/04/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Servco Pacific Insurance
700 Bishop Street, Suite 1400
Honolulu, HI 96813

CONTACT NAME
PHONE (A/C, No, Ext): (808) 540-3333 FAX (A/C, No): (808) 540-3334
E-MAIL ADDRESS

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Atlantic Specialty Insurance Company	27154
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Mareva, Inc. et al.
658 Front Street
126A, Suite 7258
Lahaina, HI 96761

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
	UMBRELLA LIAB / EXCESS LIAB — OCCUR / CLAIMS-MADE						EACH OCCURRENCE	
	DED RETENTION $						AGGREGATE	$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N / N / A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	P&I*			B5JH 71924	10/01/2016	10/01/2017	Each Occurrence	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Other Named Insureds: Seabern Yachts, Inc.; Ranger Boat Charters; Doug Armfield, Rebecca Dillinger, and Pardner, Inc.
Hull & Machinery insurance on the following vessels at agreed amounts: START ME UP (Document #1027039), START ME UP TOO (Document #1093757), START ME UP LI DAT (Document #933290), START ME UP DAS IT (Document #994189), START ME UP CUZ (Document #1154997), START ME UP AGAIN (Document #918878), JUN KEN PO (Document #591267), & ACTION (Document # 689839).
*Protection & Indemnity Insurance, including Jones Act Crew Liability and Passenger Liability, with respect to above vessels.
The Certificate Holder is added as an Additional Insured as their interest may appear but only to the extent set forth in the policy provisions.

CERTIFICATE HOLDER

State of Hawaii, DLNR
Division of Boating & Ocean Recreation
4 Sand Island Access Road
Honolulu, HI 96819

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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