

Reviewed and Approved by Executive Director: Craig L. Loh

July 5, 2023

FOR ACTION

I. REQUEST

Consider Authorizing the Executive Director to Amend the Existing Lease with Interior Showplace, Dated November 11, 2009, for the Property Located at 956/958 Queen Street, Honolulu, Hawaii, and Identified by Oahu Tax Map Key (1) 2-3-003: 022, to Extend the Term by an Additional Five Months Until May 31, 2024.

II. BACKGROUND

On March 31, 2023, the Hawaii Community Development Authority (HCDA) completed its purchase of 956/958 Queen Street and 955/957 Kawaiahao Street located in Kakaako Mauka (Block P) from Victoria Ward, Limited (Seller). As part of the purchase and sale agreement, the Seller assigned to the HCDA all four (4) existing tenant leases for the Block P property.

One of those leases was with Interior Showplace, Ltd., an office design company that operates its office and showroom out of the 10,000 square foot lot located at 956/958 Queen Street in Kakaako. The Interior Showplace, Ltd. lease was executed by the Seller in 2009 and currently terminates on December 31, 2023. The original lease and fifth (current) amendment are attached hereto as Exhibit A.

In a letter dated May 15, 2023, and attached hereto as Exhibit B, the president of Interior Showplace requested a sixth lease amendment to further extend the lease term by five months until May 31, 2024. Rent is proposed to remain at \$16,633.47 a month, as rent traditionally increased 3% annually, and the last rent increase took effect on June 1, 2023.

III. DISCUSSION

The letter also notes that Interior Showplace is in the process of relocating; however, has been unable to complete necessary renovations to its new location due to permit delays. The renovations were originally anticipated to be completed by the end of December 2023; however, Interior Showplace is requesting a lease extension until May 2024 to allow more time for the proper permits to be approved.

In order to protect the interests of both the HCDA and Interior Showplace, both parties would also be allowed to terminate the lease for any reason at any time, provided advance written notice to the other party is provided at least three months in advance of the proposed termination date.

All other terms and conditions of the original lease, as amended, shall remain unchanged.


IV. RECOMMENDATION

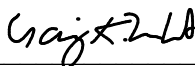
It is recommended that the Board Authorize the Executive Director to Amend the Existing Lease with Interior Showplace, Dated November 11, 2009, for the Property Located at 956/958 Queen Street, Honolulu, Hawaii, and Identified by Oahu Tax Map Key (1) 2-3-003: 022, to Extend the Term by an Additional Five Months Until May 31, 2024, and undertake all tasks necessary to effectuate the purpose(s) of this For Action.

Attachments:

Exhibit A – Interior Showplace, Ltd. Lease Dated November 11, 2009, as Amended

Exhibit B – Interior Showplace, Ltd. Letter Dated May 15, 2023

Prepared By: Lindsey Doi, Asset Manager 

Reviewed By: Craig Nakamoto, Executive Director 

FIFTH AMENDMENT OF LEASE

THIS FIFTH AMENDMENT OF LEASE (this "Amendment") is made February 27, 2023 (the "Effective Date"), by and between **VICTORIA WARD, LIMITED**, a Delaware corporation ("Landlord"), and **INTERIOR SHOWPLACE, LTD.**, a Hawaii corporation ("Tenant").

WITNESSETH:

WHEREAS Landlord and Tenant entered into that certain 956 Queen Street Building Space Lease dated November 11, 2009, as amended by that certain (i) First Amendment of Lease dated November 1, 2014, (ii) Second Amendment of Lease dated June 15, 2017, (iii) Third Amendment of Lease dated September 20, 2017, and (iv) Fourth Amendment to Lease dated March 22, 2022 (collectively, the "Lease"), covering all of the ground floor space in the building located at 956 Queen Street, Honolulu, Hawaii, together with all of the space on the mezzanine and in the shed area, containing, in the aggregate, approximately 6,921 square feet of usable area (all of the demised space in said building, mezzanine and shed area are hereafter collectively called the "Premises", and said building, mezzanine and shed area are hereafter collectively called the "Building"); and

WHEREAS the Building is situated on that certain parcel of land owned by Landlord and identified as Tax Map Key No. (1) 2-3-003-022 and containing approximately 10,000 square feet (said parcel of land and all improvements thereon including, without limitation, the Building, are hereafter called, collectively, the "Project"), the Premises, the Building and the Project and Tenant's licensing rights over the remaining portions of the Project not included in the Premises being more particularly described in the Lease; and

WHEREAS Tenant desires to extend the term of the Lease beyond its current expiration date of May 31, 2023, and otherwise to amend the Lease as hereinafter set forth; and

WHEREAS Landlord is willing to extend the term of the Lease beyond its current expiration date of May 31, 2023, and otherwise to amend the Lease as hereinafter set forth.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** The recitals set forth above are true and correct and are incorporated herein by this reference.
2. **Capitalized Terms.** Capitalized terms first defined herein shall have the meanings so given. Capitalized terms not defined herein shall have the meanings ascribed to them in the Lease.
3. **Lease Term.** The term of the Lease is hereby extended for a period of seven (7) months such that the Lease shall expire (unless sooner terminated pursuant to the terms of the Lease) on December 31, 2023. The period from June 1, 2023, through December 31, 2023, inclusive, is hereafter called (the "***Fourth Extension Period***"). Except as otherwise modified by this Amendment, all other terms and conditions of the Lease (including all payment obligations) shall remain in full force and effect during the Fourth Extension Period.

4. **Monthly Rent.** During the Fourth Extension Period, Tenant shall pay to Landlord, in accordance with the terms of the Lease, Monthly Rent set forth in the following rent schedule, plus any applicable Hawaii State Excise Tax thereon:

<u>Fourth Extension Period</u>	<u>Monthly Rent</u>
June 1, 2023 through December 31, 2023, inclusive	\$16,633.47

All sums of money or charges required to be paid by Tenant to Landlord under the Lease, whether or not the same are designated "additional rent" shall continue to be paid by Tenant as required under the Lease.

5. **Landlord's Special Termination Rights.** Section 18.4 of the Lease shall remain in effect.

6. **Release.** In consideration of Landlord's agreement to enter into this Amendment, Tenant, for itself and its parents, affiliates and subsidiaries, and each of their respective future, current and former general and limited partners, trustees, beneficiaries, officers, directors, shareholders, members, managers, employees, agents, successors and assigns (the "Tenant Releasing Parties"), hereby releases and forever discharges Landlord and its parents, affiliates and subsidiaries, and each of their respective future, current and former general and limited partners, trustees, beneficiaries, officers, directors, shareholders, members, managers, employees, agents, successors and assigns (the "Landlord Released Parties") of and from any and all charges, expenses, claims, counterclaims, damages, debts, actions, causes of action, demands, suits, promises, covenants, doings and liabilities of any kind, type or nature whatsoever whether in law or equity, whether sounding in tort, contract or under other applicable law, whether known or unknown, absolute or contingent, whether anticipated or unanticipated and whether previously asserted or otherwise ("Claims"); and from any defense (including, but not limited to claims of set off or any defense to non-payment of rent under the Lease), that Tenant or the Tenant Releasing Parties may have, may have had or may hereafter claim against any of the Landlord Released Parties, whether known or unknown, which Claims and/or defense accrued or commenced accruing prior to the date of this Amendment.

7. **Confidentiality.** Tenant will keep in complete confidence and not divulge the existence, contents or provisions of this Amendment to anyone without the written consent of Landlord (unless Tenant is ordered to do so by a court of law and/or administrative body, or to Tenant's lawyers, accountants and lenders as may be required). A breach of this covenant of confidentiality will be deemed a default and subject Tenant to all of Landlord's rights and/ or remedies under the Lease, at law and in equity, without further notice to Tenant.

8. **Severability.** This Amendment and the Lease shall be considered, for all intents and purposes, one instrument. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Lease, the terms and provisions of this Amendment shall, in all instances, prevail. If any provision of this Amendment or the application thereof to any person or circumstance is or becomes illegal, invalid, or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Amendment shall be interpreted as if such illegal, invalid or unenforceable provision did not exist herein.

9. **Covenants Running with the Land.** Each provision of the Lease and this Amendment shall extend to and shall bind and inure to the benefit of Landlord and Tenant, their respective heirs, legal representatives, successors and assigns.

10. **No Modification.** This Amendment may not be changed, amended, modified, waived, discharged or terminated, except by an instrument in writing signed by the party against whom enforcement of such change, amendment, modification, waiver, discharge or termination is sought.

11. **Entire Agreement.** This Amendment constitutes the entire agreement and understanding between the parties hereto respecting the subject matter hereof and there are no other agreements, understandings, undertakings, representations or warranties among the parties hereto with respect to the subject matter hereof except as set forth herein.

12. **Authority.** Tenant hereby warrants and certifies to Landlord that: (i) Tenant is a corporation duly organized and in good standing under the laws of the State of Hawaii; (ii) Tenant is authorized to do business in the State of Hawaii and to execute and deliver this Amendment; and (iii) the person executing this Amendment is authorized and empowered to bind the corporation to the terms of this Amendment by his or her signature hereto.

13. **Ratified.** Except as otherwise provided herein, the Lease is not otherwise modified and is hereby reaffirmed and ratified and shall continue in full force and effect.

14. **Counterparts; Multiple Originals.** This Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. **Electronic Signature.** Landlord and Tenant (each, a “*Party*” and collectively, the “*Parties*”) intend to enter into this Amendment with electronic signatures and consent to entering into this Amendment with electronic signatures. The Parties hereby agree that the electronic signature of a Party to this Amendment shall be as valid as an original handwritten signature of such party to this Amendment and shall be effective to bind such party to this Amendment. The Parties agree that this Amendment, as signed by the Parties with electronic signatures, shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed by the Parties to the same extent as if signed by the Parties with original handwritten signatures, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files, even though containing electronic signatures. Such paper copies or “printouts” of this Amendment as signed with electronic signatures, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the Parties to the same extent and under the same conditions as other original business records containing original handwritten signatures and created and maintained in documentary form. Neither Party shall contest the admissibility of true and accurate copies of this Amendment as signed by the Parties with electronic signatures on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means an electronic symbol or process attached to or logically associated with a contract or other record intended to serve as a manual signature.

Notwithstanding the above paragraph, should the Parties elect to not enter into this Amendment with electronic signatures described above, in order to facilitate the agreements contemplated by this Amendment, transmission of photocopy signatures or signatures transmitted via e-mail in a "PDF" format may be used in place of original or electronic signatures on this Amendment. Each Party intends to be bound by such Party's photocopy or "PDF" format signature on this Amendment, is aware that the other Parties are relying on such Party's

photocopy or "PDF" format signature, and hereby waives any defenses to the enforcement of this Amendment based upon the form of signature. Promptly following any transmission of photocopy signatures or e-mail transmittal of "PDF" format signatures, the Parties shall deliver to the other Parties the original executed Amendment by reputable overnight courier to the addresses set forth in the Amendment, or such other address(es) as any Party may designate by written notice.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Amendment to be executed in their duly authorized capacities as of the Effective Date

Landlord:

VICTORIA WARD, LIMITED, a Delaware corporation

DocuSigned by:
By: David O'Reilly
5DD411B828E1441
David O'Reilly
CEO

Tenant:

INTERIOR SHOWPLACE, LTD., a Hawaii corporation

DocuSigned by:
By: Kim Kano Quezada
706C1AA8E8F34B1
Name: Kim Kano Quezada
Title: President

JOINDER AND CONSENT

In order to induce Landlord to enter into the foregoing Fourth Amendment of Lease, David Quezada and Kimberly Quezada, husband and wife on behalf of each of their martial community and sole and separate property estates, as personal guarantors of the above-described Lease under a separate Guaranty of Lease dated July 24, 2017 (the "Guaranty") hereby joins in and consents to the foregoing Fourth Amendment of Lease and agrees to the amendments made to the Lease therein, and agrees, further, that its continuing liability for all claims, demands, causes of action, rights to offset and other rights of Landlord against Tenant, and for all remaining obligations and liabilities of Tenant, shall survive the Effective Date of the foregoing Fourth Amendment of Lease, and such Guaranty has been continuously in full force and effect since July 24, 2017 and shall continue in full force and effect pursuant to the terms of the Guaranty.

Guarantor:

David Quezada

Kimberly Quezada

956 QUEEN STREET BUILDING SPACE LEASE

between

VICTORIA WARD, LIMITED

and

INTERIOR SHOWPLACE, LTD.

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EXHIBIT A: Site Plan

EXHIBIT B: [INTENTIONALLY OMITTED]

EXHIBIT C: Landlord-Tenant Fitting-Up Responsibilities

EXHIBIT D: [INTENTIONALLY OMITTED]

EXHIBIT E: Rules and Regulations for 956 Queen Street Building Project

EXHIBIT F: Guaranty of Lease

956 QUEEN STREET BUILDING SPACE LEASE

THIS SPACE LEASE (hereafter called this "Lease") is made this 11th day of November, 2009, by and between **VICTORIA WARD, LIMITED**, a Delaware corporation, whose principal place of business and mailing address is 1240 Ala Moana Boulevard, Suite 601, Honolulu, Hawaii 96814 (hereafter called "Landlord"), and **INTERIOR SHOWPLACE, LTD.**, a Hawaii corporation, whose principal place of business and mailing address is 956 Queen Street, Honolulu, Hawaii 96814 (hereafter called "Tenant").

W I T N E S S E T H:

ARTICLE 1: PREMISES, PARKING AND QUIET ENJOYMENT

Section 1.1. Premises.

In consideration of the rents, covenants and agreements contained in this Lease, Landlord leases to Tenant, and Tenant leases from Landlord, all of the ground floor space in the building located at 956 Queen Street, Honolulu, Hawaii, together with all of the space on the mezzanine and in the shed area, containing, in the aggregate, approximately 6,921 square feet of usable area (all of the demised space in said building, mezzanine and shed area are hereafter collectively called the "Premises", and said building, mezzanine and shed area are hereafter collectively called the "Building"). The Building is situated on that certain parcel of land owned by Landlord and identified as Tax Map Key No. (1) 2-3-003-022 and containing approximately 10,000 square feet (said parcel of land and all improvements thereon including, without limitation, the Building, are hereafter called, collectively, the "Project"), all as shown on the Site Plan attached hereto as Exhibit A and made a part hereof.

Section 1.2. Licensed Premises.

As an appurtenance to the Premises during the term of this Lease, Tenant shall have an exclusive license to use the remaining portions of the Project not included in the Premises (said portions, collectively, hereafter are called the "Licensed Premises") for the purposes for which they were designed including, without limitation, accessing the Premises and the parking of vehicles owned by Tenant and Tenant's employees, business invitees and service-suppliers, upon the following terms and conditions:

Subsection 1.2.1 All of Tenant's obligations and covenants under this Lease applicable to the Premises (including, without limitation, repair and maintenance, indemnity and insurance), and all of Landlord's rights under this Lease applicable to the Premises (including, without limitation, Landlord's default rights and remedies) shall be applicable equally to the Licensed Premises, to the extent determined by Landlord in its reasonable judgment, and Tenant shall, to the extent set forth herein, abide by, observe and perform all of said obligations and covenants, as well as abide by and observe all laws, ordinances, regulations and rules of federal, state and local governments applicable to the Licensed Premises.

Subsection 1.2.2 Tenant's right to use the Licensed Premises aforesaid shall terminate contemporaneously with the termination or earlier expiration of this Lease.

Section 1.3. Interest Limited to the Premises.

In entering into this Lease, Tenant acknowledges that nothing contained in this Lease shall be construed as creating in, or transferring to, Tenant any interest in land or in the air space above the Project. No diminution or shutting off of light or air or visibility by any structure which may be erected in the vicinity of the Building or Project, whether erected by Landlord or by others, shall affect the rights or obligations of Landlord or Tenant under this Lease or result in the imposition of any liability upon Landlord.

Section 1.4. Parking.

During the term of this Lease, Tenant shall have the right to use the designated parking areas of the Licensed Premises for the purpose of parking vehicles owned by Tenant and Tenant's employees, business invitees and service suppliers. In no event shall Tenant share, assign or sublet any of the parking areas or any portions thereof.

Section 1.5. Quiet Enjoyment.

Upon payment by Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, except as otherwise provided in this Lease, or for any encumbrances of public record, or for any mortgage of Landlord's interest in this Lease or the Project or any part thereof.

ARTICLE 2: LEASE TERM

Section 2.1. Commencement and Termination.

The term of this Lease shall be for a period commencing on December 1, 2009 (hereafter called the "Commencement Date"), and ending (unless sooner terminated pursuant to the terms of this Lease) on November 30, 2014.

Section 2.2. Confirmation of Commencement Date.

[INTENTIONALLY OMITTED].

ARTICLE 3: RENT AND ADDITIONAL FINANCIAL OBLIGATIONS

Section 3.1. Payment of Monthly Rent.

Tenant shall pay to Landlord at its principal place of business, or at such other address as Landlord may specify, on the first day of each month beginning on the Commencement Date and continuing throughout the term of this Lease, in advance and without the necessity of notice or demand, an amount for the Premises (hereafter called "Monthly Rent"), in United States currency, over and above all other charges herein described and without any deduction, set-off or counterclaim. Should the Commencement Date be on a day other than the first day of a calendar month, then Monthly Rent for that fractional month shall be calculated by dividing Monthly Rent by thirty (30) and multiplying that result by the number of days in said fractional month, which amount shall be paid to Landlord on the Commencement Date. Should the term of this Lease end on a day other than the last day of a calendar month, then Monthly Rent for that fractional month shall be calculated by dividing Monthly Rent by thirty (30) and multiplying that result by the number of days in such month prior to and including the day the term of this Lease ends.

Section 3.2. Amount of Monthly Rent.

The amount of Monthly Rent payable during the term of this Lease is as follows:

Subsection 3.2.1 NINE THOUSAND SIX HUNDRED EIGHTY-NINE AND 40/100 DOLLARS (\$9,689.40) per month for the period commencing on the Commencement Date and ending on November 30, 2011; and

Subsection 3.2.2 TWELVE THOUSAND ONE HUNDRED ELEVEN AND 75/100 DOLLARS (\$12,111.75) per month for the period commencing on December 1, 2011, and ending on November 30, 2014.

Section 3.3. Taxes.

Commencing on the Commencement Date, and continuing throughout the term of this Lease, Tenant shall pay, to Landlord, as additional rent in addition to Monthly Rent, all of the "Taxes" (as such term is defined in this Section 3.3) for the Building and Project. Tenant's obligations under this Section 3.3 shall survive the expiration or earlier termination of this Lease.

Subsection 3.3.1 Taxes. As used herein, "Taxes" (or "Tax") means all federal, state and local government taxes, assessments and charges of every kind or nature, whether general, special, ordinary or extraordinary, which Landlord shall pay or become obligated to pay because of or in connection with the ownership, leasing, management, control or operation of the Building or Project or any part thereof, or of the personal property, fixtures, machinery, equipment, systems and apparatus located in or used in connection with the Building or Project or any part thereof. Taxes for any year shall be Taxes which are attributed to that year in accordance with standard accounting principles as customarily applied to commercial

buildings in Honolulu. There shall be included in Taxes for any year the amount of all fees, costs and expenses (including reasonable attorneys' fees) paid by Landlord during such year in seeking or obtaining any refund or reduction of Taxes. If a special assessment payable in installments is levied against the Building or Project or any part thereof, Taxes for any year shall include only the installments of such assessment, and any interest, paid and/or accrued during such year. Taxes shall not include any federal, state or local, sales, use, general excise, franchise, capital stock, inheritance, general income, gift or estate taxes, except that if a change occurs in the method of taxation resulting in the substitution of any such taxes for any Taxes, such substituted taxes shall be included in Taxes. Any real property tax expense shall be the full amount of real property taxes applicable to the Building or Project or any part thereof, prior to any exemptions which may be granted due to the occupancy of space within the Building or Project by any tenants or other occupants which may be entitled real property tax exemptions.

Subsection 3.3.2 Estimated Payments. Commencing on the Commencement Date, and continuing throughout the term of this Lease, Tenant shall pay to Landlord on or before the first day of each and every month an amount equal to one-twelfth (1/12th) of the "Estimated Taxes" for the current calendar year. Tenant's monthly payment of Estimated Taxes as aforesaid shall be based on Landlord's estimate of Taxes for such calendar year which estimate, shall be subject to annual and final settlement under this Section 3.3. During each December during the term of this Lease, or as soon after each December as practicable, Landlord shall give Tenant written notice of the Estimated Taxes for the following calendar year; provided, however, that if such written notice is not given in December, Tenant will continue to make monthly payments on the basis of the prior year's Estimated Taxes until the month immediately following the month in which such written notice is given, at which time Tenant will commence making monthly payments based upon the Estimated Taxes shown in such written notice and, in addition, shall pay to Landlord the difference between the amount payable based upon the Estimated Taxes shown in such written notice and the amount payable based upon the prior year's Estimated Taxes, for each month which has elapsed since the start of the new calendar year. Should the term of this Lease end on a day other than the last day of a calendar month, then Tenant's monthly payment of Estimated Taxes for that fractional month shall be calculated by dividing Tenant's monthly payment of Estimated Taxes by thirty (30) and multiplying that result by the number of days Tenant has possession of the Premises in such month prior to and including the day the term of this Lease ends.

Subsection 3.3.3 Revised Estimates. If at any time or times it appears to Landlord in its reasonable judgment that the actual Taxes for any calendar year will vary from the Estimated Taxes for such calendar year, Landlord may, by written notice to Tenant, revise the Estimated Taxes for such calendar year, and subsequent payments by Tenant in such calendar year will be based upon such revised Estimated Taxes. Tenant acknowledges that Landlord has not made any representation or given Tenant any assurance that the Estimated Taxes will equal or approximate the actual Taxes for any calendar year during the term of this Lease.

Subsection 3.3.4 Annual Settlement. Within one hundred twenty (120) days after the end of each calendar year or as soon after such 120-day period as practicable, Landlord will deliver to Tenant a statement of amounts payable under this Section 3.3 for such calendar year; provided, however, that Tenant's liability for any deficiency, and Landlord's obligation to provide Tenant a credit for any excess, shall not be affected by the issuance of such statement after the aforementioned periods. Such statement shall be final and binding upon Landlord and Tenant unless Tenant delivers to Landlord in writing a notice specifying Tenant's objections thereto within thirty (30) days after Tenant receives such statement. If such statement shows an amount owing by Tenant that is less than the estimated payments previously made by Tenant for such calendar year, the excess shall be held by Landlord and credited against future payments of Monthly Rent or additional rent; provided, however, that if this Lease has terminated and Tenant is not in default at the time of termination, Landlord will refund the excess to Tenant. If such statement shows an amount owing by Tenant that is more than the estimated payments previously made by Tenant for such calendar year, Tenant will pay the deficiency to Landlord within thirty (30) days after the delivery of such statement.

Subsection 3.3.5 Final Settlement. Notwithstanding any provision in Subsection 3.3.4 to the contrary, if this Lease terminates on a day other than the last day of a calendar year, the amount of Taxes payable by Tenant applicable to the calendar year in which this Lease terminates will be calculated proportionately on the basis of the number of days of the

term of this Lease falling within such calendar year and the tax periods for the Taxes payable for such calendar year and Tenant's obligation to pay such amounts shall survive the termination of this Lease.

Subsection 3.3.6 Late Fees. Tenant shall be responsible for any fines, penalties or fees imposed due to any late payment arising from Tenant's failure to comply with this Section 3.3.

Section 3.4. Reimbursement for Repairs.

Notwithstanding anything to the contrary contained in Section 3.3 of this Lease, Tenant shall reimburse Landlord for all expenses incurred by Landlord in repairing any damage to the Premises, Building and/or Project which shall be attributable to the conduct of Tenant and/or Tenant's directors, officers, partners, trustees, employees, agents, licensees, contractors and invitees (hereafter called, collectively, Tenant's Affiliates"). Landlord shall bill Tenant for the amount of any such repair expenses, and Tenant shall pay the amount so billed within twenty (20) days after the date of such billing. In no case shall this Section obligate Landlord to make any repairs to the Premises, Building or Project.

Section 3.5. Excise Tax.

To the extent Landlord must pay the same, Tenant shall pay to Landlord, as additional rent, together with each payment of Monthly Rent, Taxes and any other charges payable by Tenant hereunder, which are subject to the State of Hawaii general excise tax on gross income, as the same may be amended, and all other similar taxes imposed upon Landlord with respect to rental or other payments in the nature of a gross receipts tax, sales tax, privilege tax or the like, excluding federal or state net income taxes, whether imposed by the United States, State of Hawaii or City and County of Honolulu, an amount (herein called the "General Excise Tax Amount") which when added to such rental or other payment shall yield to Landlord after deduction of all such tax payable by Landlord with respect to all such payments a net amount which Landlord would have realized from such rental or other payment had no such tax been imposed. It is the intent of this Section 3.5 and of the other provisions of this Lease to insure that the Monthly Rent and other sums to be paid to or on behalf of Landlord by Tenant will be received by or credited to Landlord without diminution by any tax, assessment, charge or levy of any nature whatever, except United States and State of Hawaii net income taxes, and the terms and conditions of this Lease shall be liberally construed to effect such purpose.

Section 3.6. Conveyance Tax.

Tenant shall be responsible for paying when due, any conveyance tax imposed in connection with this Lease (including any extension, amendment or renewal thereof), and for preparing, executing and/or filing when due such documentation as may be necessary or proper in connection therewith. Tenant's obligations as aforesaid shall survive the expiration or earlier termination of this Lease.

Section 3.7. Business and Personal Property Tax.

Tenant shall be responsible for, and shall pay before delinquency, all City and County of Honolulu, State of Hawaii and Federal taxes assessed during the term of this Lease against Tenant by reason of the conduct of its business in, upon or about the Premises, Building or Project, its leasehold interest in, or leasehold improvements to, the Premises, Building or Project, or the personal property owned, or placed in, upon or about the Premises, Building or Project, by or at the expense of Tenant.

Section 3.8. Security Deposit.

Tenant has deposited with Landlord the sum of \$9,732.59 as security for the performance by Tenant of every covenant and condition of this Lease (hereafter called the "Security Deposit"). The Security Deposit may be commingled by Landlord with other funds of Landlord and shall bear no interest. Landlord, in its sole discretion, may increase the Security Deposit from time to time such that at all times during the term of this Lease the Security Deposit shall not be less than the sum of Tenant's Monthly Rent, Taxes and Covered Insurance (as such term is defined below) then to be paid by Tenant (calculated on a monthly basis), plus general excise tax thereon (and/or such other amount(s) payable thereon pursuant to Section 3.5 of this Lease).

Subsection 3.8.1 Use of Security Deposit. If Tenant shall default with respect to any covenant or condition of this Lease, Landlord may, in its discretion, without prejudice to any other right or remedy of Landlord provided in this Lease, cure the same and Tenant shall reimburse Landlord for the cost thereof on demand. Landlord may, in its discretion, apply the whole or any part of the Security Deposit to the payment of any sum in default or any other sum which Landlord may be required to spend by reason of Tenant's default. In the event Landlord should so apply all or any part of the Security Deposit, Tenant shall within fifteen (15) days after receipt of notice from Landlord, pay to Landlord the sum so expended in order to replenish the Security Deposit. Failure to do so shall be a default under this Lease. In the event any bankruptcy, insolvency, reorganization or other creditor-debtor proceedings shall be instituted by or against Tenant, the Security Deposit shall be deemed to be applied first to payment of any rents and/or other charges due Landlord for all periods prior to the institution of such proceedings, and the balance, if any, of the Security Deposit may be retained by Landlord in partial liquidation of Landlord's damages.

Subsection 3.8.2 Refund of Security Deposit. If Tenant has complied with all of the covenants and conditions of this Lease, a portion of the Security Deposit, or any balance thereof, shall be returned to Tenant at the expiration of the term of this Lease within thirty (30) days after Tenant has properly vacated the Premises, Building and Project. If the Taxes and/or Covered Insurance are payable by Tenant to Landlord, Landlord shall retain a portion of the Security Deposit sufficient to pay the Taxes and/or Covered Insurance due from Tenant determined on final annual computation. The balance of the amount retained by Landlord shall be returned to Tenant within thirty (30) days after final annual computation of Taxes and/or Covered Insurance.

Subsection 3.8.3 Assignment of Security Deposit. Landlord may assign and deliver the Security Deposit to any purchaser of Landlord's interest in this Lease or the Premises or the Project or any part thereof, and shall thereupon be released and discharged from any and all obligations and liabilities related to the Security Deposit. After such transfer, Tenant shall look only to such purchaser for any recovery of the Security Deposit to which Tenant is entitled. In the event of any valid assignment of this Lease by Tenant, Landlord shall not be required to return the Security Deposit to Tenant, and any such assignment shall be deemed to include an assignment of any and all of Tenant's rights to recover the Security Deposit upon the expiration of the term of this Lease. Landlord's duty to return the Security Deposit pursuant to this Section 3.8 shall inure to Tenant's valid and permitted assignee only.

Section 3.9. Late Payments.

Every installment of Monthly Rent and every other payment due hereunder from Tenant to Landlord which shall not be received by Landlord within ten (10) days after the same shall have become due and payable (or such later due date as specified in this Lease), shall bear interest as provided in Section 23.2 in this Lease, whether or not demand shall be made therefor. It is also agreed that since collection of any amount past due imposes an administrative cost on Landlord, in addition to any reasonable fees of collection agents or attorneys or other out-of-pocket costs, Tenant shall pay to Landlord a sum to reimburse Landlord for such administrative costs equal to five cents (\$.05) for every dollar past due as set forth in each billing or other written demand rendered or made by Landlord, computed on the amount then becoming past due as of each such billing or demand but not to exceed one such billing or demand per month. A similar charge of five cents (\$.05) for every dollar shall be charged for any check remitted for payment of Monthly Rent or any other amount due hereunder which is not honored upon its presentment for payment. Payments shall be applied as received, first to late charges, then to interest and finally to the oldest items then outstanding in Tenant's account. Notwithstanding any provision to the contrary contained in this Lease, it is further agreed that in the event that any provision herein contained for payment of costs or expenses shall be deemed a violation of any usury statute or other statute from time to time in effect, payment shall be limited to the maximum amount permitted pursuant to such usury or other statute.

Section 3.10. Additional Rent.

All sums of money or charges required to be paid by Tenant to Landlord under this Lease, whether or not the same are designated "additional rent," shall, for all purposes hereunder and also for the purposes of any rent trust fund pursuant to Hawaii Revised Statutes Section 666-21 or any successor or substitute statute, be deemed and shall be paid by Tenant as rent. If such amounts or charges are not paid at the times provided in this Lease, they shall nevertheless

be collectible as rent with the next installment of Monthly Rent thereafter falling due hereunder and shall be subject to late payment charges and interest pursuant to the terms of this Lease, and both current and past due rents as so defined shall constitute rents to be deposited into any such rent trust fund, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable under this Lease, or limit any other remedy of Landlord.

Section 3.11. Guaranty of Lease.

The obligations of Tenant under this Lease are guaranteed by LINDA L. KANO pursuant to the terms of that certain Guaranty of Lease executed contemporaneously herewith, the form of which is attached hereto as **Exhibit F** and made a part hereof. Any default under such Guaranty of Lease or a repudiation of such Guaranty of Lease shall constitute a default under this Lease.

ARTICLE 4: USE AND CONDITION OF PREMISES

Section 4.1. Permitted Use of Premises.

The Premises may be used and occupied only for the display and distribution by manufacturers and designers of furniture and accessories; subject, however, to Tenant's obligation, at Tenant's sole expense, to obtain and keep all governmental approvals, permits and/or licenses necessary for such use(s) of the Premises, if any, in full force and effect. Tenant agrees that the Premises may be used for no other purpose, except as consented to in advance in writing by Landlord, which consent may be withheld in Landlord's sole discretion.

Section 4.2. Prohibited Use of Premises.

No use shall be made of the Premises, Building or Project, nor act done in, upon or about the Premises, Building or Project, which is illegal, unlawful, or which will increase the existing rate of insurance upon the Building or Project, nor shall any use be made of the Premises, Building or Project which would cause Landlord to be in default under any mortgage of Landlord's interest in this Lease or the Project or any part thereof. Tenant shall not use the Premises or Project for cooking (except for microwave) or sleeping and shall not permit pets nor the storage of inflammable liquids nor the excessive storage of empty boxes, crates or waste materials nor commit or allow to be committed any waste upon the Premises or Project, or any public or private nuisance, nor shall Tenant install or use any machine, apparatus or equipment which may cause heat to be emitted into the surrounding air, other than those in normal commercial use, without first obtaining Landlord's written consent, which consent may be withheld by Landlord in its sole discretion, nor shall Tenant use any machine, apparatus or equipment or conduct any operation in, upon or about the Premises or Project which shall cause any substantial noise, odor or vibration, nor shall Tenant overload the floors of the Premises or Building.

Section 4.3. Prohibited Advertising.

Tenant shall not, without Landlord's prior written consent, which consent may be withheld by Landlord in its sole discretion, inscribe any inscription or post, place or in any manner display any sign, notice, picture, placard or poster, or any advertising matter whatsoever, anywhere in or about the Premises, Building or Project at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises. Tenant agrees that all inscriptions, signs, notices, pictures, placards, posters and advertising matters shall be in compliance with all applicable local, state and federal ordinances, rules, regulations, codes, statutes and laws.

Section 4.4. Condition of Premises.

Tenant has been in possession of the Premises, Building and Project and accepts the Premises, Building and Project in its present condition AS IS, WITH ALL FAULTS. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representation or warranty with respect to the Premises, Building or Project or with respect to the suitability of the Premises, Building or Project for Tenant's intended use including, without limitation, warranties or representations as to the serviceability of any of the equipment or fixtures therein or thereon, if any. Tenant shall be responsible, at Tenant's own expense, for performing all work and supplying all materials necessary to prepare the Premises, Building and Project for the continued occupancy and use by Tenant (including, without limitation, any work of Tenant specified in **Exhibit C**), and all such Tenant improvements shall be made in

accordance with the provisions of Article 7 and Exhibit C of this Lease. In addition to the foregoing, Tenant shall maintain on the Premises, in highly visible and easily accessible areas, at all times during the term of this Lease, and in proper working condition, no less than the minimum number and type of fire extinguishers required by all applicable federal, state or local laws, statutes, regulations, ordinances or codes. In the event Tenant is permitted to use the Premises for restaurant or cooking purposes, Tenant shall also maintain, in proper working condition, an automatic rangehood extinguishing system on the Premises and an annual service contract for such rangehood system at all times during the term of this Lease.

ARTICLE 5: GOVERNMENTAL REGULATIONS, HAZARDOUS MATERIALS AND LIENS

Section 5.1. Governmental Regulations.

Tenant, at Tenant's sole cost and expense, shall comply with all of the requirements of all municipal, county, state, and federal authorities in force from time to time pertaining to the use, occupation or alteration of the Premises, Building or Project or any part thereof and shall observe faithfully in the use, occupation or alteration of the Premises, Building and Project all government ordinances, statutes, and regulations in force from time to time and shall indemnify and hold Landlord harmless from Tenant's noncompliance or nonobservance of such requirements. In addition, Tenant also shall comply with any recommendations made by Landlord's or Tenant's insurance carrier in order to comply with said ordinances, statutes and regulations. If, after receiving written notice from Landlord or a municipal, county, state, or federal authority of infractions of law or a failure to meet any requirements of such authority, Tenant refuses or neglects to take proper corrective action, Landlord, in its sole discretion and without prior notice, may enter the Premises, Building or Project and take any action necessary to eliminate the infractions or to achieve compliance with such requirements on Tenant's behalf without liability to Tenant for any loss or damage which may result to Tenant's property or to Tenant's business by reason thereof. Upon Landlord's presentation to Tenant of the bill for the work (including, without limitation, the materials used in performing the work) done by Landlord to eliminate such infractions or to achieve such compliance, Tenant shall pay the amount so billed within twenty (20) days after the date of such billing. Tenant's obligations under this Section 5.1 shall survive the expiration or earlier termination of this Lease.

Subsection 5.1.1 ADA Compliance. Tenant, at its sole cost and expense, shall be responsible for ensuring that the Premises, Building and Project, all alterations and improvements in or upon the Premises, Building or Project, and Tenant's use and occupancy of the Premises, Building and Project, comply with the requirements of Title III of the Americans with Disabilities Act of 1990 (42 U.S.C. 12181, et seq., The Provisions Governing Public Accommodations and Services Operated by Private Entities), and all regulations promulgated thereunder, and all amendments, revisions or modifications thereto now or hereafter adopted or in effect in connection therewith, and to take such actions and make such alterations and improvements as are necessary for such compliance; provided, however, that any such alterations or improvements shall be made by Tenant in accordance with the provisions of Article 7 in this Lease. Tenant's obligations under this Subsection 5.1.1 shall survive the expiration or earlier termination of this Lease.

Subsection 5.1.2 Hazardous Materials Compliance. Tenant shall not cause or permit any "Hazardous Materials" (as such term is defined in this Subsection 5.1.2) to be brought, used, stored, generated, or disposed of on, in, under or about the Premises, Building or Project, except in full compliance with all "Hazardous Materials Laws" (as such term is defined in this Subsection 5.1.2). Tenant shall be solely responsible for, and shall vigorously defend, indemnify and save harmless Landlord, its directors, officers, employees, agents, successors and assigns, from and against, any claims, demands, actions, lawsuits, proceedings, losses, damages, liabilities, fines, penalties, judgments, awards, costs and expenses directly or indirectly arising out of or attributable to the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, threatened release, discharge, disposal, removal or presence of Hazardous Materials on, in, under or about the Premises, Building or Project, including, without limitation, (i) all foreseeable and unforeseeable consequential damages, (ii) the costs of any required or necessary repair, cleanup or detoxification of the Premises, Building or Project and the preparation and implementation of any closure, remedial or other required plans, (iii) being responsible for any required and/or corrective action, repair, cleanup,

detriment, and removal, closure, remedial or other plans, and the costs thereof, relating to any tanks containing Hazardous Materials, including any gasoline storage tanks and pumps, whether above or below ground, and whether or not governed by any underground storage tank laws, and (iv) all reasonable costs and expenses incurred by Landlord in connection with the items referred to in the foregoing clauses (i), (ii) and (iii), including, without limitation, attorneys' fees. No settlement of any such action, lawsuit or proceeding shall be made without Landlord's prior written approval, which shall not be unreasonably withheld. As used in this Subsection 5.1.2, the term Hazardous Materials means and includes, without limitation, any flammable explosives, radioactive materials, oil and petroleum, asbestos, organic compounds (including those organic compounds known as polychlorinated biphenyls), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, and any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "extremely hazardous wastes", "hazardous materials" or "toxic substances" under the Hazardous Materials Laws. As used in this Subsection 5.1.2, the term Hazardous Materials Laws shall mean and include, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, the Clean Water Act, the Clean Air Act, the Toxic Substances Control Act and the Safe Drinking Water Act, as the same may be amended from time to time, the Hawaii Environmental Response Law, Hawaii Revised Statutes Chapter 128D, as the same may be amended from time to time, as well as any similar federal, state and local laws and ordinances, and regulations now or hereafter adopted, published and/or promulgated pursuant thereto, including those governing underground storage tanks. Tenant's obligations under this Subsection 5.1.2 shall survive the expiration or earlier termination of this Lease. Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant agree that Tenant's responsibilities under this Lease with regard to the presence of Hazardous Materials on, in or under the Premises, Building and/or Project shall be those arising from conditions caused during the term of this Lease.

Section 5.2. Liens and Encumbrances.

Tenant shall keep the Premises, Building and Project free from any attachment, execution or judgment liens and encumbrances arising out of any claim against Tenant whatsoever, and, should any such lien, charge or encumbrance or notice thereof be recorded against or attach to the Premises, Building or Project or any part thereof, or any interest therein, then Tenant immediately shall pay off the same and cause the same to be satisfied and discharged of record, and if Tenant shall not pay off the same and cause it to be satisfied and discharged of record promptly, Landlord may, at its option, pay off the same and any amount so paid by Landlord immediately shall become due and payable by Tenant to Landlord as additional rent hereunder. Tenant's obligations under this Section 5.2 shall survive the expiration or earlier termination of this Lease.

ARTICLE 6: SERVICES AND UTILITIES

Section 6.1. Standard Services.

Tenant shall arrange and pay for all water, electricity, air conditioning, gas, telephone, sewage and rubbish disposal, and other utilities and services, furnished directly to or for the benefit of the Premises, Building and/or Project, directly with and to the sources providing such utilities and services, and Tenant shall be responsible for and shall pay the costs (including installation and separate metering) of insuring that charges therefor are separately billed and allocated solely to the Premises, Building and/or Project; provided, however, Tenant shall obtain Landlord's consent prior to installing any separate lines or meters for the Premises, Building and/or Project.

Section 6.2. Common Area Maintenance.

[INTENTIONALLY OMITTED].

Section 6.3. Extraordinary Property and Services.

[INTENTIONALLY OMITTED].

Section 6.4. Apparatus Requiring Excessive Utilities Usage.

Tenant shall not, without the prior written consent of Landlord, connect with any gas or water pipes or with any electric wires or outlets in, upon or about the Premises, Building or

Project any main frame computer, x-ray machine, motor, water heater, stove, furnace or other apparatus or machine requiring amounts of electrical power, gas or water in excess of existing capacities. Landlord shall have the right, in its sole discretion, to withhold its consent under this Section 6.4.

Section 6.5. Non-Liability for Interruption.

Under no circumstances shall Landlord be liable to Tenant, in damages or otherwise, for or as a result of any failure to furnish, or interruption in, any water, electricity, air conditioning, telephone, sewage or waste disposal, or other utilities, services, or similar things unless said interruptions are the direct result of the willful misconduct or gross negligence of Landlord, its agents, representatives or contractors, in which event Monthly Rent shall abate during such period of untenability in proportion to the degree to which Tenant's use of the Premises is so impaired.

ARTICLE 7: ALTERATIONS AND IMPROVEMENTS

Section 7.1. Construction and Installation.

Any alterations, improvements, repairs or additions in, on, under or to the Premises, Building or Project by or on behalf of Tenant, or any attachment of fixtures or equipment therein, thereon or thereunder by or on behalf of Tenant, is hereafter called "Tenant's Work". Prior to commencing any of Tenant's Work, Tenant shall obtain the written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall present to Landlord complete plans and specifications for Tenant's Work at the time approval is sought, and at least thirty (30) days prior to the date on which Tenant expects to commence construction, and all of Tenant's Work shall be in accordance with complete plans and specifications approved in writing by Landlord. Landlord's approval of said plans and specifications shall create no responsibility or liability on Landlord's part for their completeness, design, sufficiency or compliance with all laws, ordinances, codes, orders, rules and regulations of governmental authorities, whether federal, state or local, having jurisdiction thereof. Prior to commencing Tenant's Work, Tenant shall present to Landlord a building permit and all other governmental approvals required for Tenant's Work. Tenant's Work shall comply with all laws, ordinances, codes, orders, rules and regulations, and any portion of Tenant's Work not acceptable to any governmental authorities, whether federal, state or local, having jurisdiction over Tenant's Work shall be promptly replaced, at Tenant's sole expense, notwithstanding any failure by Landlord to object thereto. All fixtures installed by Tenant shall be new or completely reconditioned, and all of Tenant's Work shall be of a first-class quality, design and construction. Except as otherwise consented to in writing by Landlord, all of Tenant's Work must be done by a reputable contractor licensed to do business within the State of Hawaii.

Section 7.2. Bond Against Liens.

Prior to commencing any Tenant's Work costing in excess of \$5,000.00, Tenant shall furnish evidence satisfactory to Landlord that Tenant is financially able to pay its contractor, and shall furnish to Landlord a copy of its construction contract with a reputable contractor licensed to do business within the State of Hawaii, and a certificate or other evidence reasonably satisfactory to Landlord stating that Tenant's contractor has obtained performance and labor and material payment bonds for not less than one hundred percent (100%) of the total cost of Tenant's Work. Such bonds shall be in form and amount and with surety reasonably satisfactory to Landlord naming Landlord, and its direct and indirect parents and subsidiaries, any of their affiliated entities, successors and assigns and any current or future director, officer, employee, partner, member or agent of any of them, and any mortgagee of Landlord's and/or Tenant's interest with respect to the Premises, as obligees, and insuring completion of the proposed work free and clear of liens.

Section 7.3. Completion.

Tenant's Work shall be diligently and continuously pursued from the date of its commencement through its completion. Upon substantial completion of construction, Tenant shall file a "Notice of Completion" in the Office of the Clerk of the Circuit Court of the First Circuit, State of Hawaii, and shall provide Landlord with a certified "filed" stamped copy thereof. Upon substantial completion of construction, Tenant's architect shall deliver to Landlord a complete set of "as-built" drawings and a certificate setting forth the total cost of

such construction and certifying that Tenant's Work has been completed in compliance with the plans and specifications approved by Landlord therefor.

Section 7.4. Protection Against Liens.

Tenant shall promptly pay all contractors and materialmen, and shall keep the Premises, Building and Project free from any liens or encumbrances arising out of any work performed by or for Tenant, materials furnished for Tenant or obligations incurred by Tenant. As a condition precedent to Tenant's payments of sums owed by Tenant to its contractors and materialmen, Tenant shall require such contractors, their subcontractors and materialmen to submit lien releases to Tenant in form and content reasonably satisfactory to Landlord. Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims for mechanic's, materialmen's or other liens in connection with Tenant's Work. If a mechanic's or materialmen's lien or an application for a mechanic's or materialmen's lien shall be filed against the Premises, Building or Project or any part thereof for or purporting to be for labor or material alleged to have been furnished or to be furnished to or for Tenant or anyone claiming by, through or under Tenant, Tenant immediately shall inform Landlord thereof in writing and shall obtain, within five (5) days after the filing of any lien or application for lien, a lien discharge bond for two hundred percent (200%) of the amount of such lien or application for lien, or in such other amount as may be required by law or as otherwise shall effectively discharge said lien or application for lien. If Tenant shall fail to bond against or discharge said lien or application for lien as aforesaid, Landlord may pay the amount of such lien or application for lien or discharge the same by deposit or by bonding against such lien or application for lien. In the event that Landlord shall discharge such lien or application for lien as aforesaid, Landlord may require the lienor to prosecute an appropriate action to enforce such claim, and if said lienor shall prevail in its claim, Landlord may pay the judgment recovered thereon. Any amount paid or expense incurred by Landlord pursuant to this Section 7.4, including, without limitation, reasonable attorneys' fees, shall be paid by Tenant to Landlord upon demand.

Section 7.5. Alterations Required by Law.

If, during the term of this Lease, any change, alteration, addition, correction or maintenance shall be required by any law, code, rule, regulation, ordinance or any governmental authority to be made in, upon, under or to, or adjoining to, or in connection with, or for the use of, the Premises, Building or Project or any portion thereof, including but not limited to, the making, building, maintaining and repairing of fences, sewers, drains, roads, sidewalks and walls, Tenant shall make such change, alteration, addition, correction or maintenance at Tenant's sole expense after first obtaining Landlord's written consent thereto.

Section 7.6. Ownership, Removal and Restoration.

All alterations, additions and improvements made by Tenant to the Premises, Building or Project shall become the property of Landlord and shall remain upon and be surrendered with the Premises, Building and Project upon termination of this Lease; provided, however, that so long as Tenant is not in default upon the termination of this Lease, Tenant may remove its furniture, trade fixtures and other personal property and equipment, and Tenant shall repair any damage to the Premises, Building or Project caused by such removal. In the event that Landlord, upon written notice to Tenant thirty (30) days prior to the termination of this Lease, elects to have Tenant remove any alterations, additions or improvements made by Tenant to the Premises, Building or Project, Tenant, at its sole cost and expense, shall remove any such alterations, additions or improvements so specified by Landlord, and Tenant shall repair any damage to the Premises, Building or Project caused by such removal. If Landlord shall be required to repair any damage to the Premises, Building or Project caused by such removal after the termination of this Lease, Tenant shall pay to Landlord, as additional rent, the cost thereof immediately upon receipt of a bill from Landlord. Any furniture, trade fixtures or other personal property or equipment left in or upon the Premises, Building or Project by Tenant after the termination of this Lease shall be deemed abandoned by Tenant and Landlord may dispose of the same without liability to Tenant, and Tenant shall reimburse Landlord for the costs thereof. Notwithstanding anything to the contrary herein, Landlord and Tenant agree that any gasoline storage tanks and pumps located on, about or under the Premises, Building and/or Project are the property of Tenant, and shall be removed by Tenant, at its sole cost and expense, and Tenant shall repair any damage to the Premises, Building and/or Project caused by such removal and shall comply with all Hazardous Materials Laws and Section 5.1 of the Lease in connection with such removal.

Section 7.7. Review Fees.

In connection with any request for approval as required by the terms of this Article 7, Landlord may charge a reasonable review fee and may retain the services of an architect, consultant or engineer, and the reasonable fees of such architect, consultant and/or engineer shall be reimbursed to Landlord by Tenant immediately upon presentation of a bill therefor.

Section 7.8. Planting Strips.

Tenant shall keep all existing planting strips and other landscaping areas on the Project (hereafter called, collectively, the "Planting Strips"), if any, in a neat and good growing condition, substituting or adding from time to time, if needed, further or additional plantings to maintain the Premises, Building and Project at all times in an attractive condition; provided, however, that Landlord reserves the option or privilege to maintain the Planting Strips itself. If Landlord exercises such option or privilege, then upon completion of any such maintenance, including but not limited to, reasonable labor charges, Tenant shall pay Landlord, as additional rent, the cost thereof immediately upon receipt of a bill from Landlord. Landlord further reserves the right, in order to conform the Planting Strips with any comprehensive landscaping plan that Landlord may adopt in the future for the area, to replace, at its own cost and expense, then existing plantings and/or landscaping with new plantings and/or landscaping. If Landlord exercises such right, then after such replacement by Landlord, this Section 7.8 shall continue to apply to such new plantings and/or landscaping, except that Tenant shall not substitute or add any further or additional plantings within the Planting Strips, unless permitted in writing by Landlord.

ARTICLE 8: REPAIR AND MAINTENANCE OF PREMISES

Section 8.1. Repair and Maintenance by Tenant.

Tenant, at its sole expense, will keep and maintain the Premises, Building and Project (including, without limitation, the roof and structural elements) and Project (including, without limitation, the parking lot and landscaping), and all improvements and equipment in, on, under or about the Premises, Building or Project (including, without limitation, all utility and mechanical systems), in good, clean and safe condition and repair (including, without limitation, making repairs and replacing items), and shall be wholly responsible for, at its own cost, janitorial service for the Premises, Building and Project. Tenant shall do such reasonable periodic painting of the Premises, Building and/or Project as shall be required and approved by Landlord. Tenant hereby waives any right to make repairs at Landlord's expense or to deduct the cost thereof from Monthly Rent or any other sums to be paid hereunder by Tenant to Landlord. Notwithstanding any other provision in this Lease to the contrary, Landlord and Tenant acknowledge that Tenant shall not change any locks or disturb or in any way change the structure or roof of the Building or any plumbing, air conditioning system, wiring or underground lines or pipes without first obtaining the written consent of Landlord. Subject to Tenant obtaining Landlord's consent as may be required elsewhere in this Lease, all damage or injury done to the Premises, Building or Project by Tenant or by any persons who may be in, upon or about the Premises, Building or Project shall be promptly repaired by Tenant in quality and style not less than as originally installed by Landlord or Tenant, at Tenant's sole cost and expense, to the reasonable satisfaction of Landlord. Notwithstanding any provision in this Lease to the contrary, Landlord and Tenant acknowledge that with regard to repairs to or replacement of the structural elements and roof of the Building and any underground lines and pipes, prior to Tenant's commencement of said repairs or replacement, Tenant shall submit complete plans and specifications for said repairs or replacement to Landlord for Landlord's written approval, and said repairs or replacement shall be completed according to the complete plans and specifications approved in writing by Landlord; however, Landlord shall have the option, exercisable at its sole discretion, to undertake said repairs or replacement to the structural elements or roof of the Building or the underground lines or pipes itself, and at Tenant's sole cost and expense, without an abatement of Tenant's Monthly Rent or other amounts due from Tenant under this Lease and without liability to Tenant or Tenant's Affiliates for any loss or damage which may accrue to Tenant's or Tenant's Affiliates' stock or other property or to Tenant's or Tenant's Affiliates' business by reason thereof. Tenant shall allow periodic inspection of the Premises, Building and Project by Tenant's insurance carrier for lines of General Liability, Property and Worker's Compensation insurance. In the event any insurance carrier of Tenant recommends that Tenant repair or renovate the Premises, Building or Project as a result of an inspection of the Premises, Building or Project by said insurance carrier, Tenant shall complete said repairs or renovations and bear

all costs thereof unless otherwise agreed to by Landlord. Except as otherwise provided herein, Landlord shall have no obligation to maintain, repair or replace the Premises, Building or Project or any improvements or equipment in, on, under or about the Premises, Building or Project.

Section 8.2. Failure to Repair and Maintain.

If Tenant fails to repair or maintain the Premises, Building or Project in accordance with this Lease as soon as reasonably possible after written demand to do so, Landlord may, but shall not be obligated to, make such repairs or alterations without an abatement of Tenant's Monthly Rent or other amounts due from Tenant under this Lease and without liability to Tenant or Tenant's Affiliates for any loss or damage which may accrue to Tenant's or Tenant's Affiliates' stock or other property or to Tenant's or Tenant's Affiliates' business by reason thereof. Upon completion of such repairs or maintenance, Tenant shall pay to Landlord, as additional rent, the cost thereof immediately upon receipt of a bill from Landlord.

Section 8.3. Maintenance of Plumbing Facilities.

Without limiting the generality of Section 8.1 above, the plumbing facilities within the Premises, Building and/or Project shall be maintained by Tenant, at its sole expense and cost, and shall not be used for any other purpose than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant.

ARTICLE 9: [INTENTIONALLY OMITTED]

ARTICLE 10: ASSIGNMENT, SUBLETTING AND MORTGAGING

Section 10.1. Restriction on Assignment, Subletting and Mortgaging.

Tenant shall not mortgage or otherwise encumber, assign or offer to assign, or transfer or offer to transfer, this Lease, or any interest therein, and shall not sublet or offer to sublet the Premises or any part thereof, or any right or privilege appurtenant hereto, or suffer any other person to occupy or use the Premises, Building or Project, or any portion thereof, without the prior written consent of Landlord. The term "sublet" shall include, without limitation, any permitted use of the Premises by any party other than Tenant. Any of the foregoing acts without such consent shall be void and constitute a default under this Lease. No mortgage, assignment, sublease or other transfer otherwise permitted hereunder may be made by Tenant if there is any reporting or monetary default by Tenant under the terms of this Lease.

Section 10.2. Consent Not Unreasonably Withheld.

Landlord shall not unreasonably withhold or delay its consent to any proposed mortgage, assignment, sublease or other transfer of any rights hereunder (hereafter called a "Transfer"); provided, however, that it shall be reasonable for Landlord to withhold its consent in the event of: (i) any Transfer which would release the transferor from liability under this Lease or any guarantor from any liability under any guaranty of this Lease after the Transfer; (ii) any Transfer to any proposed transferee unless evidence reasonably satisfactory to Landlord is presented to show that the proposed transferee is of sufficient financial stature and business experience to enable it to pay all sums becoming due under, and otherwise fully perform in accordance with, the terms and conditions of this Lease; (iii) any Transfer to any proposed transferee who proposes to use the Premises, Building or Project or any part thereof for any use which is not within the scope of uses permitted under this Lease; (iv) any Transfer which would increase the possibility of default by Tenant hereunder; (v) any Transfer of Tenant's interest in the Project other than the Premises, except that Landlord may permit an appropriate Transfer of Tenant's interest in such other portions of the Project in connection with a Transfer of all or a portion of Tenant's interest in the Premises; or (vi) any Transfer for which the conditions contained in Section 10.3 in this Lease have not been satisfied.

Section 10.3. Additional Conditions to Transfer.

The following additional conditions must be satisfied for any Transfer: (i) Tenant shall give Landlord at least sixty (60) days prior written notice of its desire to Transfer, accompanied by a description of the terms thereof, an identification of the proposed transferee and proof of the transferee's financial responsibility, together with evidence of the transferee's proposed use and plans for the Premises and such other information as Landlord may require to determine whether

the proposed transferee is acceptable; (ii) Tenant shall pay Landlord all costs and expenses incurred by Landlord in connection with any Transfer, including, but not limited to, review by and consultation with its legal counsel, securing credit reports and administrative costs; (iii) the proposed transferee shall execute an agreement reasonably acceptable to Landlord pursuant to which it shall agree to perform and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease; and (iv) an executed copy of the mortgage, assignment, sublease or other document evidencing any Transfer and the agreement described in subpart (iii) of this Section 10.3 shall be delivered to Landlord prior to the transferee taking possession of the Premises.

Section 10.4. Landlord's Right of Recapture.

If Tenant at any time desires to assign this Lease or to sublet the Premises or any part thereof, it shall first offer Landlord the right to recapture, at the per square foot rental for the space then applicable pursuant to this Lease or the rental which Tenant proposes to obtain, whichever is lower, all (but not part) of the Premises which Tenant desires to assign or sublet. Upon receipt of such notice, Landlord shall have the option, to be exercised within thirty (30) days from the date of the receipt of such notice, to require Tenant to execute an assignment of this Lease or sublease of the Premises or such portion thereof as Tenant desires to assign or sublet, to Landlord in its own name, with the right to assign or sublease to others, or anyone designated by Landlord. If Landlord exercises such option and such assignment or sublease is at the rental specified in this Lease or higher, Tenant shall be released of all further liability hereunder, from and after the effective date of such assignment or sublease, with respect to the Premises included therein. If Landlord should exercise such option and such assignment or sublease is at a rental less than that specified in this Lease, Tenant shall remain liable to Landlord only for the amount by which the rental stated in this Lease exceeds the amount of rental as so determined for the assignment or sublease to Landlord. If Landlord does not exercise such option within the period specified, Tenant may assign Tenant's interest in this Lease or sublet the Premises involved, provided Landlord consents thereto pursuant to the terms of this Lease, but at a rental not less than that proposed to Landlord in said notice and not later than ninety (90) days after delivery of said notice unless Tenant provides a further notice in accordance with the foregoing procedure.

Section 10.5. Mortgage or Other Encumbrance.

Prior to executing any mortgage, pledge or other encumbrance affecting the Premises, Tenant shall submit to Landlord a copy of the proposed mortgage and/or other security instrument(s) and the promissory note to be secured thereby for Landlord's review and written approval; provided, however, that any mortgage, pledge or other encumbrance for which Tenant shall seek the consent of Landlord shall be limited to Tenant's interest in furniture, fixtures, and equipment that are not attached to or built into the Premises, Building or Project and in Tenant's leasehold estate hereunder. Landlord shall not unreasonably withhold its consent to any mortgage, pledge or other encumbrance permitted under this Section 10.5, provided that the proposed mortgagee, pledgee or secured party thereunder is a recognized lending institution and such mortgage, pledge or other encumbrance is for the purpose of making improvements to the Premises or to refinance a loan made for that purpose, and provided that Tenant agrees to pay to Landlord any costs and expenses incurred by Landlord for review by and consultation with Landlord's legal counsel. Upon the recordation of all documents relating to any mortgage, pledge or other encumbrance, Tenant shall deliver to Landlord certified copies of the same as soon as possible thereafter, and shall cause to be recorded a release of said mortgage prior to the expiration or earlier termination of this Lease.

Section 10.6. Apportionment of Proceeds.

In the event of an assignment or sublease (whether of Tenant's interest under this Lease alone or in connection with a sale of Tenant's business) of all or a portion of the Premises or any interest therein, for which Tenant is to be paid a valuable consideration, Tenant shall pay to Landlord, as additional rent, fifty percent (50%) of the "net consideration" (as defined below) to be received by Tenant. As used herein, the term "net consideration" means the total consideration agreed to be paid to Tenant by the assignee or sublessee after deducting: (i) reasonable and customary closing costs paid by Tenant (including a reasonable leasing commission), (ii) as to any portion of the consideration attributable to services rendered by Tenant to the assignee or sublessee, the amount equal to the fair market value of said services, (iii) as to any portion of the consideration attributable to inventory, equipment, trade fixtures or furnishings of Tenant, the amount equal to the fair market value of said inventory, equipment,

trade fixtures or furnishings, and (iv) as to any portion of the consideration attributable to permanent leasehold improvements made to the Premises by or on behalf of Tenant, the amount equal to the actual direct cost to Tenant of said permanent leasehold improvements (exclusive of any amounts paid by Landlord therefor) less the depreciation on said improvements to the date of the proposed assignment or sublease, based upon a straight-line depreciation of said improvements from the date of completion to the end of the term of this Lease. In the event any consideration is to be paid to Tenant in other than cash, Landlord's share of the noncash consideration shall be in a form reasonably satisfactory to Landlord. In connection with the payment of the amount due Landlord under this Section 10.6, Tenant shall furnish a complete statement, certified by an authorized officer of Tenant, detailing the consideration Tenant is to receive from the assignee or sublessee, and the computation of the amount to be paid to Landlord hereunder. At Landlord's request, Tenant shall allow Landlord to review and audit Tenant's books and records for the purpose of verifying Tenant's computation of the amount to be paid to Landlord hereunder.

Section 10.7. Change of Control.

Any change in the present majority ownership or effective voting control of Tenant as of the date of this Lease shall be deemed to be an assignment or transfer of this Lease subject to Article 10 of this Lease. If the majority ownership or effective voting control of Tenant's business shall be changed as a result of any sale of assets, sale of stock, change in partners, merger, consolidation or otherwise, or any combination or aggregation of the same during the term of this Lease, Tenant shall give immediate notice thereof to Landlord and Landlord may terminate this Lease at any time after receipt of such notice or if such notice shall not be given, after discovery by Landlord of such change in ownership or effective control.

Section 10.8. No Release of Tenant.

If this Lease is assigned, Landlord may collect rent from the assignee and apply the net amount collected to the Monthly Rent herein reserved, but no such assignment shall be construed as a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. Notwithstanding any assignment, sublease or other transfer, Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease.

ARTICLE 11: OFFSET STATEMENTS, ATTORNMENT, SUBORDINATION AND NONDISTURBANCE

Section 11.1. Offset Statements.

In the event that Landlord, Landlord's mortgagee, or a prospective purchaser of Landlord's mortgage or of Landlord's interest in this Lease, the Premises, the Building or the Project or any part thereof, shall desire a statement from Tenant as to any claims against Landlord, Tenant agrees to deliver such a statement (in recordable form, if requested) within ten (10) business days of such request to the party requesting the same, certifying (if such be the case) that this Lease is in full force and effect and unmodified (or stating the modifications), that there are no defenses or offsets thereto (or stating those claimed by Tenant), and the dates to which each item of Monthly Rent or additional rent has been paid, the amount of the Security Deposit, if any, and acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, and that there are no events or conditions then in existence that, with the passage of time or notice or both, would constitute a default on the part of Landlord hereunder (or specifying such defaults, events or conditions, if any are claimed). Tenant expressly understands and agrees that any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of Landlord's interest in this Lease, the Premises, the Building or the Project.

Section 11.2. Attornment.

In the event any mortgagee of Landlord shall elect to have this Lease as an encumbrance prior to its mortgage, then and in such event, upon such mortgagee's notifying Tenant in writing to that effect, this Lease shall have priority over the lien of such mortgage to the same extent as if the same had been placed on record prior to such mortgage. In the event any proceedings are brought for the foreclosure of any mortgage of Landlord's interest in this Lease, the Building or the Project, or in the event of exercise of the power of sale under any mortgage of Landlord's interest in this Lease, the Building or the Project, whether or not this Lease is terminated by such

foreclosure or sale, Tenant agrees that it will, upon request by the purchaser, attorn to the purchaser upon any foreclosure or sale and recognize such purchaser as Landlord under this Lease, it being the intent hereof that if this Lease should be terminated by such foreclosure or sale, it shall, upon request by the purchaser, be reinstated as a Lease between the purchaser and Tenant but the purchaser shall not be liable for any act or omission of Landlord hereunder or be subject to any offsets or defenses which Tenant may have against Landlord. In the event that any mortgagee of Landlord's interest hereunder shall take possession of the Premises, Building or Project prior to or pending foreclosure pursuant to the terms of such mortgage, Tenant agrees upon request of such mortgagee to attorn to the mortgagee as provided in the immediately preceding sentence. Tenant, upon request of any party in interest, shall execute such reasonable instrument or instruments as shall be requested to carry out the requirements of this Section 11.2.

Section 11.3. Subordination and Nondisturbance.

This Lease and all of the rights of Tenant hereunder are subordinated to any existing mortgage (i.e., a mortgage already in existence at the time this Lease is signed by Landlord and Tenant) against all or any portion of Landlord's interest in this Lease, the Premises, the Building or the Project as security for any indebtedness of Landlord. Tenant agrees to execute any additional instruments in writing confirming this subordination to any existing mortgage as Landlord may require within ten (10) business days of request. This Lease and all of the rights of Tenant hereunder also shall be subordinated to any new mortgage (i.e., a mortgage not in existence at the time this Lease is signed by Landlord and Tenant) against all or any portion of Landlord's interest in this Lease, the Premises, the Building or the Project as security for any indebtedness of Landlord, and Tenant agrees to execute any instruments in writing confirming this subordination to any new mortgage as Landlord may require within ten (10) business days of request; provided, however, that Tenant shall not be required to effectuate such subordination as to any new mortgage unless the mortgagee or trustee named in such mortgage, deed of trust or other encumbrance shall first agree in writing, for the benefit of Tenant, that so long as Tenant is not in default under any of the provisions, covenants or conditions of this Lease on the part of Tenant to be kept and performed, that neither this Lease nor any of the rights of Tenant hereunder shall be terminated or modified or be subject to termination or modification, nor shall Tenant's possession of the Premises be disturbed or interfered with, by any trustee's sale or by an action or proceeding to foreclose said mortgage, deed of trust or other encumbrance.

ARTICLE 12: INDEMNIFICATION AND LIMITATION OF LIABILITY

Section 12.1. Indemnity.

In order to induce Landlord to enter into this Lease and as a material part of the consideration therefor, Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's agents, employees, licensees, contractors and invitees and all of their respective officers, directors, agents and employees (hereafter called, collectively, "Landlord's Affiliates") from and against any and all claims including, without limitation, those for bodily injury, wrongful death and/or property damage, by any persons (including without limiting the generality of said term, Tenant and Tenant's Affiliates and Landlord's Affiliates) arising out of, caused by, occasioned by or resulting from any accident, fire or nuisance in, upon or about the Premises, Building or Project, or the sidewalks adjacent thereto, or any failure to maintain the Premises, Building or Project in a good, clean and safe condition, except where such injury or death is caused by the willful misconduct or gross neglect of Landlord or Landlord's Affiliates. In addition to and without limitation to the generality of the foregoing, Tenant will indemnify and save harmless Landlord and Landlord's Affiliates against and from any and all claims by or on behalf of any person, firm, corporation, or other entity arising from the conduct or management of any work or thing whatsoever done in, upon or about the Premises, Building or Project, or from transactions in, upon or about the Premises, Building or Project, and will further indemnify and save Landlord and Landlord's Affiliates harmless against and from any and all claims arising from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease, or arising from any act or negligence of Tenant or Tenant's Affiliates, and shall reimburse Landlord and Landlord's Affiliates for all costs, reasonable attorneys' fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding brought thereon. Tenant further agrees that in case of any claim, demand, proceeding, action or cause of action, threatened or actual, against Landlord and/or Landlord's Affiliates, Tenant, upon written request of Landlord or any of Landlord's Affiliates, shall defend Landlord and Landlord's

Affiliates, at Tenant's expense by counsel reasonably satisfactory to Landlord and Landlord's Affiliates. If Landlord or Landlord's Affiliates do not request such defense or Tenant does not provide such defense, then Tenant will reimburse Landlord as aforesaid, and agrees to cooperate with Landlord and Landlord's Affiliates in such defense, including, but not limited to, the providing of affidavits and testimony upon request of Landlord or Landlord's Affiliates. Tenant's obligations under this Section 12.1 shall survive the expiration or earlier termination of this Lease.

Section 12.2. Assumption of Risk by Tenant.

In order to induce Landlord to enter into this Lease and as a material part of the consideration therefor, Tenant does hereby expressly assume all risk of loss or damage to furniture, fixtures, supplies, inventory, equipment and other property, by whomsoever owned, stored or placed in, upon or about the Premises, Building or Project, and does hereby agree that Landlord shall not be responsible for loss or damage to any such property, unless caused by the willful misconduct or gross neglect of Landlord or Landlord's Affiliates, and waives all claims in respect thereof against Landlord and Landlord's Affiliates and acknowledges that this assumption of risk by Tenant has been bargained for in determining Monthly Rent and other obligations of Tenant under this Lease. Tenant hereby agrees to indemnify and save harmless Landlord and Landlord's Affiliates from and against any and all claims for such loss or damage, other than damage caused by the willful misconduct or gross neglect of Landlord. All property of Tenant shall be kept or stored at the risk of Tenant only and Tenant shall indemnify, defend and save harmless Landlord from and against any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers unless such damage shall be caused by the willful misconduct or gross neglect of Landlord. Further, Landlord shall not be liable for any loss or damage sustained by Tenant, its agents, employees, business guests, invitees or subtenants by reason of any act, negligence or malice of any other tenants, subtenants, occupants, invitees or licensees of the Building or Project, or any adjoining or contiguous properties, or of any other persons and Tenant hereby agrees to indemnify and save harmless Landlord from and against any and all claims for such loss or damage.

ARTICLE 13: INSURANCE

Section 13.1. Liability Insurance.

Tenant shall procure, and during the entire term hereof, keep in full force and effect a policy of Commercial General Liability insurance with respect to the Premises, Building and Project, including but not limited to, the exterior of the Premises, Building and Project and all roadways and sidewalks on the Premises, Building and Project, and the business operated by Tenant and/or any subtenants, concessionaires, licensees or other persons in or on the Premises, Building or Project (including, where applicable, losses resulting from risks insurable by so-called dram shop liability insurance coverage), with limits not less than the following for the specified categories:

Bodily Injury and Property Damage Combined Single Limit –

\$2,000,000 per occurrence

\$3,000,000 general aggregate per policy year

\$3,000,000 Products and Completed Operations aggregate per policy year

Personal and Advertising Injury -- \$1,000,000 Each Offense

Fire Legal Liability -- \$100,000 per fire; however, in the event Tenant is permitted to use the Premises, Building or Project for restaurant or cooking purposes, Tenant shall increase its coverage to \$300,000 per fire

Liquor Liability -- in the event Tenant is permitted to manufacture, distribute, sell, serve or furnish alcoholic beverages in, on or from the Premises, Building or Project:

\$1,000,000 Each Common Cause

\$1,000,000 Aggregate

Workers' Compensation and Employers' Liability shall be carried as required by Hawaii law with statutory limits for Workers' Compensation coverage, and the following limits for Employer's Liability coverage:

Bodily Injury by Accident - \$1,000,000 Each Accident
Bodily Injury by Disease - \$1,000,000 Each Employee
Bodily Injury by Disease - \$1,000,000 Policy Limit

Auto Liability for all Owned, Nonowned & Hired Autos -- \$1,000,000 Each Accident

All such policies shall provide for a deductible of not more than \$5,000.00 per occurrence and shall name Landlord, and its direct and indirect parents and subsidiaries, any of their affiliated entities, successors and assigns and any current or future director, officer, employee, partner, member or agent of any of them, Landlord's mortgagee, if any, and any other persons or firms designated by Landlord, as additional insureds.

Tenant shall provide Landlord with copies of all inspection/recommendation reports produced by Tenant's insurance carrier for General Liability, Property and Workers' Compensation inspections, which inspections shall occur not less than once a year each for General Liability, Property and Workers' Compensation lines of insurance.

The limits of the insurance set forth above shall not limit the liability of Tenant under Article 12.

Section 13.2. Property Insurance.

Tenant shall procure and, during the entire term of this Lease, keep in full force and effect special form property insurance insuring against all risk of loss not otherwise excluded for the Premises, Building or Project (with all such exclusions being approved by Landlord in writing), and for all improvements, trade fixtures, inventory, equipment and personal property from time to time in, on or upon the Premises, Building and/or Project, in an amount not less than the full replacement cost thereof without deduction for depreciation, together with insurance against sprinkler damage, vandalism and malicious mischief, including demolition and debris removal and extended coverage, hurricane/wind coverage, and with inflation guard endorsement, if available, in any insurance company qualified to do business in the State of Hawaii, and will from time to time deposit promptly with Landlord the policy and premium receipts therefor or a current certificate that such insurance is in full force and effect and will not be cancelled without written notice to Landlord sixty (60) days prior to the effective date of such cancellation. All such policies shall be made payable to Landlord and Tenant as their interests may appear, and shall provide for a deductible of not more than \$5,000.00. All policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate in accordance with the provisions of this Lease.

Section 13.3. Business Income Insurance.

Tenant shall procure at its own expense and will keep in force during the term of this Lease, business income insurance which will enable Tenant to pay Monthly Rent and all other amounts due under this Lease during any interruption of Tenant's business by reason of fire or other casualty. Tenant acknowledges that it assumes all risks of loss due to interruption of Tenant's business by said cause.

Section 13.4. Boiler Insurance.

In the event Tenant has any boiler in or on the Premises, Building or Project, Tenant shall maintain boiler insurance in the face amount of at least \$1,000,000.

Section 13.5. Policy Form.

All policies of insurance provided for herein shall be issued by insurance companies with a Best's insurance report's rating of A- or better, financial category class of VII or higher and qualified to do business in the State of Hawaii, and shall name Tenant as the named insured and Landlord, and its direct and indirect parents and subsidiaries, any of their affiliated entities, successors and assigns and any current or future director, officer, employee, partner, member or agent of any of them,, and any mortgagee of Landlord's and/or Tenant's interest with respect to the Premises, Building or Project, and any such other persons or firms as Landlord specifies from time to time, as additional insureds. Such policies shall be for the mutual and joint benefit and protection of Landlord, Tenant and such other persons hereinabove mentioned or otherwise

specified by Landlord having an insurable interest, but without any cost to Landlord, and evidence of insurance (ACORD-28 or equivalent) shall be delivered to Landlord prior to, or concurrently with, the delivery of possession of the Premises to Tenant, and thereafter within thirty (30) days prior to the expiration of the term of each such policy or any material changes to each such policy, or immediately upon obtaining a new policy. All Commercial General Liability policies shall contain a provision that Landlord, and its direct and indirect parents and subsidiaries, any of their affiliated entities, successors and assigns and any current or future director, officer, employee, partner, member or agent of any of them,, although named as additional insureds, shall nevertheless be entitled to recovery under said policies for any loss occasioned to them, their servants, agents and employees by reason of the negligence of Tenant. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent. All evidence of insurance delivered to Landlord must contain a provision that the company writing said policy will give to Landlord sixty (60) days' prior written notice of any cancellation or lapse or of the effective date of any reduction in the amounts or change in coverage of such insurance. All public liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Landlord may carry, and all Tenant's Commercial General Liability and property policies required hereunder shall be made payable to Landlord and Tenant as their interests may appear. Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a blanket policy of insurance carried and maintained by Tenant; provided, however, that the coverage afforded Landlord will not be reduced or diminished by reason of the use of said blanket policy, and provided further that the requirements set forth herein are otherwise satisfied. Tenant agrees to permit Landlord at all reasonable times to inspect the policies of insurance of Tenant covering risks upon the Premises, Building or Project for which policies or copies thereof are not required to be delivered to Landlord.

Section 13.6. Waiver of Subrogation.

Tenant hereby waives, on Tenant's behalf and on behalf of any insurance carrier of Tenant, any claim which Tenant might otherwise have against Landlord or Landlord's Affiliates, arising out of loss or damage, including consequential loss or damage, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage, or from any loss or damage required to be insured against by Tenant under this Lease.

Section 13.7. Insurance Coverage Increases.

Not more frequently than once every year, if, in the reasonable opinion of Landlord or Landlord's mortgagees, the amount and/or scope of Commercial General Liability or property insurance coverage is not adequate, Tenant shall increase the amount and/or scope of insurance coverage as required by either Landlord or Landlord's mortgagees up to the limits maintained for other similar commercial property in the State of Hawaii.

Section 13.8. Special Events.

Tenant shall not participate in any events, activities or promotions which are beyond the normal operation of Tenant's business under this Lease without Landlord's prior written consent, which consent may be conditioned on Landlord's receipt of a certificate of insurance from Tenant which complies with the requirements set forth in Sections 13.1 through 13.7 above at least one (1) week prior to the commencement of the event, activity or promotion.

Section 13.9. Optional Coverage by Landlord.

Landlord shall have the option, but not the obligation, to provide coverage for any portion of the insurance required to be carried by Tenant in this Article 13 above (such portion hereafter is called the "Covered Insurance"), and Tenant shall reimburse Landlord for the costs of the Covered Insurance immediately upon receipt of each billing therefor, provided that Landlord shall give Tenant written notice of Landlord's exercise of such option to provide the Covered Insurance at least thirty (30) days prior to the date that Landlord may commence to charge Tenant for the Covered Insurance. Such notice shall also indicate the date upon which Landlord will commence to provide the Covered Insurance for Tenant (hereafter called the "Covered Insurance Commencement Date"). Upon the Covered Insurance Commencement Date, Tenant will not be obligated under this Lease to provide separate insurance coverage for the Covered Insurance, unless Landlord shall provide Tenant with further written notice that Landlord will no longer provide the Covered Insurance as of a certain date (such date hereafter is called the "Covered Insurance Ending Date"), which notice shall be provided to Tenant no less than

sixty (60) days prior to the Covered Insurance Ending Date, in which case, Tenant shall be obligated to provide the Covered Insurance commencing on the Covered Insurance Ending Date.

Should Landlord elect to provide the Covered Insurance, Landlord shall have the option, which Landlord may choose to exercise in its sole discretion, to self-insure, insure with or without deductibles, and/or obtain insurance coverage where the premiums fluctuate proportionately with losses incurred. Landlord further shall have the right and option, which Landlord may choose to exercise in its sole discretion, to obtain "blanket" insurance policies which insure other properties as well as the Building and Project and allocate the insurance costs in a reasonable manner. Landlord also has the right to determine, from time to time, the amount, exact scope and other details of the Covered Insurance. The insurance costs charged to Tenant may include, without limitation, insurance premiums, reasonable deductibles and/or reserves for self-insurance.

Notwithstanding the fact that Landlord provides, or has the right to provide, certain insurance required to be carried by Tenant under this Lease, for any provisions of this Lease including the phrase "insurance required to be carried by Tenant under this Lease" or similar, such phrase shall be deemed to include all insurance required to be carried by Tenant under this Lease, even such insurance actually provided by Landlord, or for which Landlord has the right to provide under this Lease.

Landlord shall also have the option, which Landlord may choose to exercise in its sole discretion, in addition to the insurance required to be carried by Tenant in this Article 13 above, to obtain additional insurance which it feels necessary in its reasonable business judgment to protect the interests of Landlord, Landlord's Affiliates, Tenant and/or Tenant's Affiliates in connection with the Premises, Building or Project or any surrounding areas or Tenant's use of the same, and Tenant agrees to reimburse Landlord for all costs related to such additional insurance immediately upon receipt of each billing therefor. Should any of the costs of such additional insurance be allocated to multiple tenants, including Tenant, then Landlord shall allocate the costs in a reasonable manner.

As to any of the insurance costs chargeable to Tenant under this Section 13.9, Tenant acknowledges that Landlord, without further notice to Tenant, may initially charge Tenant for such costs on an estimated basis, subject to later reconciliation. Landlord may, from time to time, change the estimated amounts charged to Tenant, and change the frequency of payments by Tenant. If any insurance costs are initially charged on an estimated basis and the actual costs of such insurance differ from the estimated costs initially charged to Tenant, then, within one hundred twenty (120) days after the end of each calendar year or of such other periods of time as may be designated by Landlord, or as soon after such 120-day period as practicable, Landlord will deliver to Tenant a statement of amounts payable for such insurance costs for such calendar year or other period; provided, however, that Tenant's liability for any deficiency, and Landlord's obligation to provide Tenant a credit for any excess, shall not be affected by the issuance of such statement after such 120-day or other periods. Such statement shall be final and binding upon Landlord and Tenant unless Tenant delivers to Landlord in writing a notice specifying Tenant's objections thereto within thirty (30) days after Tenant receives such statement. If such statement shows an amount owing by Tenant that is less than the estimated payments previously made by Tenant for such calendar year or other period, the excess shall be held by Landlord and credited against future payments of Monthly Rent or additional rent; provided, however, that if this Lease has terminated and Tenant is not in default at the time of termination, Landlord will refund the excess to Tenant. If such statement shows an amount owing by Tenant that is more than the estimated payments previously made by Tenant for such calendar year or other period, Tenant will pay the deficiency to Landlord within thirty (30) days after the delivery of such statement.

The options provided to Landlord under this Section 13.9 shall be continuing options. For example, should Landlord elect to initially provide coverage for only one (1) type of insurance, Landlord may elect to provide another type of insurance at a later time, and/or should Landlord elect to initially obtain outside insurance, Landlord may elect to self-insure at a later time.

ARTICLE 14: DAMAGE AND RESTORATION

Section 14.1. Damage Repair; Termination.

Except as set forth below, in the event that, at any time during the term of this Lease, any permanent improvements in or on the Project shall be damaged or destroyed (partially or totally) by fire or any other casualty required to be insured against by Tenant hereunder or actually insured against by Tenant, Tenant shall, at its expense, promptly and with due diligence, but subject to any delay or inability from causes beyond its control, repair, rebuild and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction and in accordance with then existing legal requirements.

If any permanent improvements in or on the Project shall be damaged or destroyed by any casualty not required to be insured against by Tenant hereunder and not actually insured against by Tenant, and the estimated repair cost of the damaged or destroyed portions of such improvements exceeds twenty-five percent (25%) of the replacement cost of the Building (such a situation where all such conditions exist hereafter is referred to as a "Casualty Permitting Termination"), Tenant either may terminate this Lease or elect to repair, rebuild or restore the damaged or destroyed improvements in or on the Project. Tenant shall inform Landlord in writing within sixty (60) days after the casualty whether Tenant intends to repair, rebuild or restore the improvements in question or terminate the Lease. If Tenant elects to terminate this Lease, this Lease shall terminate without further notice, and all further obligations of each party hereto to the other shall cease, except for those obligations which have already accrued but remain unsatisfied, effective as of the date on which Tenant ceases doing business on the Project and surrenders the Premises, Building and Project to Landlord in accordance with this Lease. If this Lease is terminated, any available insurance proceeds (including proceeds from insurance carried by Tenant) shall be paid to Landlord. Tenant's failure to inform Landlord in writing of its election to terminate this Lease within said 60-day period shall be deemed an election by Tenant to repair, rebuild or restore the damaged or destroyed improvements and a waiver of Tenant's right to terminate this Lease. If Tenant does not elect to terminate this Lease in accordance with this paragraph or there is no Casualty Permitting Termination, this Lease shall remain in full force and effect, and Tenant shall promptly and diligently, but subject to any delay or inability from causes beyond its control, repair, rebuild or restore the damaged or destroyed improvements in or on the Project as nearly as practicable to the condition existing just prior to such damage or destruction and in accordance with then existing legal requirements. Notwithstanding anything to the contrary in the foregoing, if Tenant elects to terminate this Lease, then Landlord shall have the option, exercisable by Landlord in its sole discretion by providing notice to Tenant within thirty (30) days after Landlord's receipt of Tenant's election to terminate this Lease, to repair, rebuild or restore the damaged or destroyed improvements in question as nearly as practicable to the condition existing just prior to such damage or destruction and in accordance with then existing legal requirements, and Tenant agrees to reimburse Landlord for all costs therefor immediately upon receipt of a bill from Landlord, provided that said amount reimbursable to Landlord (excluding insurance costs payable by Tenant to Landlord under this Lease) shall not exceed an amount equal to twenty-five percent (25%) of the replacement cost of the Building.

Section 14.2. [INTENTIONALLY OMITTED].

Section 14.3. Insurance Provided by Landlord.

If any of the permanent improvements in or on the Project was damaged or destroyed (partially or totally) by fire or any other casualty required to be insured against by Tenant hereunder, and at the time of such damage or destruction, Landlord obtained such insurance for such permanent improvement in lieu of Tenant obtaining such insurance pursuant to Section 13.9 above, and Tenant reimbursed Landlord for all costs of such insurance pursuant to Section 13.9, then (i) Landlord shall pay all available proceeds from such insurance to Tenant as necessary for Tenant to repair, rebuild or restore such permanent improvement pursuant to Section 14.1 above, or (ii) Landlord may elect, in its sole discretion, to use the available proceeds to repair, rebuild or restore said permanent improvement in accordance with Section 14.1, on behalf of Tenant. Any deficiency between the total cost to repair, rebuild and restore said permanent improvement in accordance with Section 14.1 above and the available insurance proceeds for said permanent improvement shall be paid for by Tenant. However, should any of said insurance proceeds be required by any mortgagee of Landlord to be applied to reduce any debt secured by a mortgage rather than applied to repairing, rebuilding or restoring said improvement, then Landlord may

elect to terminate this Lease by providing Tenant with written notice thereof, rather than pay any available insurance proceeds to Tenant or use any available proceeds to repair, rebuild or restore said permanent improvement as stated in this Section.

Section 14.4. Continuation of Business.

During any period of repair, rebuilding and/or restoring of any portion of the Premises, Building or Project, Tenant shall continue to operate Tenant's business in the Premises to the extent reasonably practicable from the standpoint of prudent business practice, and Tenant shall not be entitled to any damages by reason of any inconvenience or loss sustained by Tenant as a result thereof.

Section 14.5. Repairs by Tenant.

Unless this Lease shall be terminated as provided in Section 14.1 or Section 14.3, Tenant, in the event of any damage or destruction affecting any portion of the Premises, Building or Project, shall replace or fully repair all improvements, trade fixtures, inventory, equipment and personal property in, upon or serving the Premises, Building or Project.

ARTICLE 15: CONDEMNATION

Section 15.1. Termination of Lease as to Portion Taken.

Unless otherwise terminated hereunder, if the Premises or Project or any part thereof is taken by condemnation (other than a temporary taking, which is provided for in Section 15.6), this Lease shall terminate as to the part so taken as of the time possession thereof shall vest in the condemnor or title thereof shall vest in the condemnor, whichever shall first occur.

Section 15.2. Landlord's Option to Terminate.

If any part of the Premises, Building or Project is taken by condemnation, then Landlord shall have the right to terminate this Lease by giving Tenant written notice of termination within sixty (60) days after such taking. Any such termination shall be effective as of the last day of the calendar month next following the month in which such notice is given.

Section 15.3. Tenant's Option to Terminate.

If more than twenty-five percent (25%) of the Premises is taken by condemnation and if the remaining part is thereby rendered unfit for Tenant's use, Tenant shall have the right to terminate this Lease by giving Landlord written notice of termination within fifteen (15) days after possession is lost or title passes, whichever shall first occur. Any such termination shall be effective as of the day possession is lost or title passes, whichever shall first occur.

Section 15.4. Reduction of Monthly Rent.

If part of the Premises is taken by condemnation (other than a temporary taking which is provided for in Section 15.6) and neither Landlord nor Tenant shall terminate this Lease as provided herein, then this Lease shall continue in full force and effect as to the part of the Premises not taken as of the date of such taking, and Monthly Rent shall be reduced by such amount as Landlord may determine in an equitable manner having regard to the extent to which Tenant may be required to discontinue its business in the Premises. Tenant's Taxes also shall be reduced in an equitable manner to reflect such condemnation. Upon any such termination, Monthly Rent and other charges, if any, payable hereunder shall be prorated as of the date of such termination, provided that Monthly Rent shall be payable by Tenant to Landlord for any holdover tenancy according to the provisions of Section 18.2 in this Lease.

Section 15.5. Right to Compensation.

In the event of any taking specified in Sections 15.1, 15.2 or 15.3, all compensation and damages payable or to be paid for or by reason of such taking shall be payable to and be the sole property of Landlord without any apportionment to Tenant, and Tenant hereby assigns to Landlord any right to compensation or damages for its leasehold interest in the Premises condemned; provided, however, that Tenant shall not be prevented hereby from filing any claim against the condemning authority for the taking of any fixtures owned by Tenant and for moving expenses. Termination of this Lease by Landlord pursuant to Section 15.2 or by Tenant pursuant to Section 15.3 shall not affect the respective rights of Landlord and Tenant to compensation and damages.

Section 15.6. Taking for a Limited Period.

If the Premises or Project or any part thereof shall be taken by condemnation for a limited period, this Lease shall not terminate and Tenant shall continue to pay in full Monthly Rent, in the manner and at the times herein specified and, except only to the extent that Tenant is prevented from so doing by reason of any order of the condemning authority, Tenant shall continue to perform and observe all of the other covenants, agreements, terms and provisions of this Lease as though such taking had not occurred. In the event of any such taking of the Premises, provided that Tenant is not then in default under this Lease, Tenant shall be entitled to the entire amount paid by the condemning authority with respect to governmental occupancy of the Premises during the term of this Lease (whether paid by the authority as damages, rent or otherwise), and in the event any such governmental occupancy extends beyond the date of termination of this Lease, all such amounts paid by the condemning authority shall be prorated as of the date of termination of this Lease; provided, however, that Landlord shall have a lien on all amounts payable to Tenant and may require Tenant to irrevocably assign the same to Landlord to be held without interest as security for the payment of Monthly Rent and other sums that shall be payable by Tenant during such period. Tenant covenants that at the termination of any such limited or specified period prior to the expiration or earlier termination of this Lease, Tenant will, at its sole cost and expense, restore the Premises and Project and improvements therein or thereon as near as may be reasonably possible to the condition that the same were in prior to such taking. Notwithstanding any other provision of this Section 15.6, if the condemning authority condemns a substantial portion of the Premises for a period of more than ninety (90) days, either party can terminate this Lease by giving the other party thirty (30) days prior written notice of its election to do so.

ARTICLE 16: BANKRUPTCY AND INSOLVENCY**Section 16.1. Landlord's Option to Terminate.**

Notwithstanding any provision in this Lease to the contrary, if the estate of Tenant created by this Lease shall be taken in execution or by other process of law, or if Tenant or any guarantor of Tenant's obligations hereunder (hereafter called the "guarantor") or any general partner of Tenant if Tenant is a partnership (hereafter called the "general partner") shall be adjudicated insolvent pursuant to the provisions of any present or future insolvency statute under state law, or if any cases or proceedings are filed by or against Tenant, the guarantor or the general partner under the Federal Bankruptcy Code, or any similar provisions of any future federal bankruptcy law, or if a receiver or trustee of the property of Tenant, the guarantor or the general partner shall be appointed under state law by reason of Tenant's, the guarantor's or the general partner's insolvency or inability to pay its debts as they become due or otherwise, or if any assignment shall be made of Tenant's, the guarantor's or the general partner's property for the benefit of creditors under state law, then in such event Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of the election to so terminate.

Section 16.2. Tenant's Election to Assume.

If Tenant becomes a debtor in a bankruptcy case (hereafter called the "bankruptcy case") under any Chapter of the Federal Bankruptcy Code, Tenant agrees to perform all obligations of Tenant under this Lease in a timely manner. If in the bankruptcy case the trustee (hereafter called the "Trustee") or Tenant, as debtor-in-possession (hereafter called the "Debtor-in-Possession"), elects to assume this Lease for the purpose of assigning it or otherwise, such election and any assignment may be made only if the terms and conditions of Sections 16.3 and 16.4 are satisfied. If the Trustee or Debtor-in-Possession fails to assume this Lease within one hundred twenty (120) days after the date of the order for relief in the bankruptcy case, or within such additional time as the court in the bankruptcy case fixes, for cause, within such 120-day period, this Lease shall be deemed to have been rejected and terminated. Tenant immediately thereupon shall vacate the Premises and Project and deliver possession thereof to Landlord who shall be entitled to possession of the Premises and Project without further obligation to Tenant or the Trustee.

Section 16.3. Requirements for Assumption.

No election by the Trustee or the Debtor-in-Possession to assume this Lease, under any Chapter of the Federal Bankruptcy Code, shall be effective unless each of the conditions of this Section 16.3 has been satisfied and Landlord has acknowledged such satisfaction in writing.

Landlord and Tenant acknowledge each of the following conditions to be necessary and commercially reasonable in the context of a bankruptcy proceeding of Tenant:

Subsection 16.3.1 The Trustee or the Debtor-in-Possession has fully performed and observed all post-petition obligations under this Lease and either has cured or has provided Landlord “adequate assurance” (as such term is defined in this Section 16.3) that it will cure all pre-petition monetary defaults under this Lease within ten (10) days and all pre-petition non-monetary defaults under this Lease within thirty (30) days, from the date of such assumption.

Subsection 16.3.2 The Trustee or the Debtor-in-Possession has compensated, or has provided to Landlord adequate assurance that within ten (10) days from the date of assumption Landlord will be compensated for any pecuniary loss incurred by Landlord arising from the bankruptcy proceeding or from any default of Tenant, Trustee, or Debtor-in-Possession, as recited in Landlord’s written statement of pecuniary loss sent to the Trustee or Debtor-in-Possession, including without limitation, attorneys’ fees incurred by Landlord with respect to any default or in connection with appearing, filing claims or otherwise protecting Landlord’s interests in the bankruptcy proceeding.

Subsection 16.3.3 The Trustee or Debtor-in-Possession has provided Landlord with adequate assurance of the future performance of each of Tenant’s, Trustee’s or Debtor-in-Possession’s obligations under this Lease; provided, however, that the Trustee or Debtor-in-Possession shall also deposit with Landlord, as security for the timely payment of Monthly Rent, an amount equal to three (3) months Monthly Rent plus three (3) months additional rent, and that the obligations imposed upon the Trustee or Debtor-in-Possession shall continue with respect to Tenant or any assignee of this Lease after the completion of bankruptcy proceedings.

Subsection 16.3.4 The assumption of this Lease will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound relating to the Building or Project or any part thereof; nor shall the assumption, in Landlord’s reasonable judgment, be inconsistent with or a detriment to the image, reputation, and profitability of the Project.

Subsection 16.3.5 For purposes of Section 16.3, Landlord and Tenant acknowledge that, in the context of the bankruptcy proceeding of Tenant, the term “adequate assurance” at a minimum shall require that (i) the Trustee or Debtor-in-Possession has and will continue to have sufficient unencumbered assets and funds after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Debtor-in-Possession will be able to fulfill the obligations of Tenant under this Lease; and (ii) the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord, and/or the Trustee or the Debtor-in-Possession shall have granted a valid and perfected first lien and security interest and/or mortgage in property of Tenant or the Trustee or the Debtor-in-Possession, acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Debtor-in-Possession to cure the monetary and non-monetary defaults under this Lease within the time periods set forth above.

Section 16.4. Assumption and Assignment.

If the Trustee or Debtor-in-Possession has assumed the Lease pursuant to the terms and provisions of Sections 16.2 and 16.3, for the purpose of assigning (or election to assign) Tenant’s interest under this Lease or the estate created thereby, to any other person, such interest or estate may be so assigned only if Landlord has acknowledged in writing that the intended assignee has provided the following adequate assurance of future performance of all of the terms, covenants and conditions of this Lease to be performed by Tenant:

Subsection 16.4.1 The assignee has submitted a current financial statement audited by a certified public accountant which shows a net worth and working capital in amounts determined by Landlord to be sufficient to assure performance by such assignee of Tenant’s obligations under this Lease.

Subsection 16.4.2 The assignee, if requested by Landlord, shall have obtained guarantees in form and substance satisfactory to Landlord from one or more persons who satisfy Landlord’s standards of creditworthiness.

Subsection 16.4.3 Landlord has obtained all consents or waivers from any third party required under any lease, mortgage, financing arrangement or other agreement by which Landlord is bound to permit Landlord to consent to such assignment.

Subsection 16.4.4 The assignee's use of the Premises will, in Landlord's reasonable judgment, be consistent with and will enhance the image, reputation, and profitability of the Project.

Section 16.5. Termination After Assumption.

If this Lease is assumed by the Trustee or Debtor-in-Possession and thereafter Tenant is liquidated, files a subsequent Petition for reorganization or adjustment of debts under any Chapter of the Federal Bankruptcy Code, or otherwise defaults under this Lease, then, and in any of such events and in addition to all other remedies afforded Landlord under this Lease, Landlord may, at its option, terminate this Lease and all rights of Tenant hereunder, by giving Tenant written notice of its election to so terminate.

Section 16.6. Minimum Reasonable Charges.

When, pursuant to the Federal Bankruptcy Code, the Trustee or Debtor-in-Possession shall be obligated to pay reasonable use and occupancy charges for the use of the Premises or any portion thereof, such charges shall not be less than Monthly Rent and additional rent otherwise due under this Lease.

Section 16.7. Landlord's Consent Required.

Notwithstanding any provision in this Lease to the contrary, neither Tenant's interest in this Lease, nor any lesser interest of Tenant herein, nor any estate of Tenant hereby created, shall transfer to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, by operation of law or otherwise under the laws of any state having jurisdiction of the person or property of Tenant unless Landlord shall consent to such transfer in writing. No acceptance by Landlord of Monthly Rent or any other payments from any such trustee, receiver, assignee, person or other entity shall be deemed to have waived, nor shall it waive either the need to obtain Landlord's consent or Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent.

ARTICLE 17: DEFAULT

Section 17.1. Default by Tenant.

Tenant shall be in default under this Lease whenever Tenant fails to fully observe or perform any term or condition of this Lease to be observed or performed by Tenant. Without limiting the generality of the foregoing, Tenant shall be in default under this Lease, among other circumstances, if:

(a) Tenant shall fail to pay Monthly Rent or additional rent or any other charge, assessment or amount Tenant is obligated to pay hereunder, within five (5) days after the same becomes due, whether or not the same shall have been legally demanded, or

(b) Tenant shall fail to pay to Landlord, within fifteen (15) days after receipt of notice from Landlord, the sum required to replenish the security deposit in accordance with Section 3.8 of this Lease, or

(c) Tenant shall fail to observe or perform any of the other covenants herein contained and on Tenant's part to be observed and performed, and such default shall continue for fifteen (15) days after written notice thereof is given to Tenant, or if such default in observance or performance of such other covenants cannot reasonably be cured within said fifteen (15) day period, then such longer time as may be required, provided that Tenant shall within said period commence such cure and thereafter diligently prosecute the same to completion, or

(d) Tenant shall become bankrupt, or file any debtor proceedings, or any case or proceeding, voluntary or involuntary, be filed by or against Tenant as debtor under any provision of the Federal Bankruptcy Code, or if any case or proceeding be filed by or against Tenant under any state statute governing any debtor-creditor rights, seeking to have an order or

decree rendered against Tenant directing any readjustment, arrangement, composition or reduction of Tenant's debts, liabilities or obligations, or making any assignment for the benefit of creditors, or

(e) Tenant shall vacate, abandon or cease to occupy the Premises for a period of ten (10) days, or shall remove substantially all of Tenant's personal property therefrom, or

(f) This Lease or any estate or interest of Tenant hereunder shall become subject to any attachment or judgment, or to any lien, charge or encumbrance not consented to by Landlord pursuant to the provisions of this Lease, or

(g) Any guarantor of this Lease shall default under any guaranty of this Lease, or shall repudiate or revoke any such guaranty of any obligation under such guaranty, or any event described in clause (d) of this Section 17.1 shall occur respecting any guarantor of this Lease (as if said clause (d) referred to such guarantor in place of Tenant), or

(h) Tenant shall fail to observe and comply with any of the rules and regulations promulgated by Landlord pursuant to Section 19.4 of this Lease and such failure continues for more than fifteen (15) days after notice from Landlord to Tenant, or

(i) Tenant shall breach the use provision in Article 4 and such breach shall continue after forty-eight (48) hours notice by Landlord to Tenant of the same.

Section 17.2. Landlord's Remedies.

In the event of any such default:

Subsection 17.2.1 Right of Re-entry. Landlord may at once, without demand or notice, reenter the Premises, Building and/or Project and/or any part thereof in the name of the whole and, upon or without such entry, at its option, terminate this Lease and may expel and remove from the Premises, Building and/or Project and/or any part thereof, Tenant and any persons claiming through or under Tenant and its and their effects without being deemed guilty of any trespass or becoming liable for any loss or damage occasioned thereby, without prejudice to any other right or remedy of action, including summary possession, which Landlord may have for Monthly Rent or any other indebtedness owing by Tenant hereunder, whether theretofore or thereafter accruing or to accrue, or damages for any preceding or other breach of contract.

Subsection 17.2.2 Summary Possession. Whether or not Landlord shall have taken any action above permitted, Landlord may bring an action for summary possession in case of such default, and in any such action, service of prior notice or demand is hereby expressly waived. Landlord, at its option, may assert its claim for unpaid Monthly Rent or additional rent in such action or may institute a separate action for the recovery of the same.

Subsection 17.2.3 Removal of Persons and Property. In the event Landlord regains possession of the Premises, Building and/or Project and/or any part thereof, whether by summary proceedings or by any other means, Landlord, or any receiver appointed by a court having jurisdiction, may dispossess and remove all persons and property from the Premises, Building and/or Project and/or any part thereof, and any property so removed may be stored in any public warehouse or elsewhere at the cost of and for the account of Tenant, and Landlord shall not be responsible for the care or safekeeping thereof, and Tenant hereby waives any and all claims, demands and causes of action with respect to any and all loss, destruction, and/or damages or injury which may be occasioned in the exercise of any of the aforesaid acts. After sixty (60) calendar days, all such property so stored shall be considered abandoned.

Subsection 17.2.4 Damages, Attorneys' Fees and Costs. Landlord may recover from Tenant all damages, attorneys' fees and costs which may have been incurred by Landlord as a result of any default of Tenant hereunder including, without limitation, the expense of recovering possession, the expense of storing any property of Tenant, and any and all brokerage commissions, and alteration, remodeling and repair costs.

Subsection 17.2.5 Election to Terminate Lease. No re-entry or taking of possession of the Premises, Building and/or Project and/or any part thereof by Landlord shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice that

this Lease is terminated is given by Landlord to Tenant, or an order is secured stating that this Lease is terminated. The effective date of termination of this Lease shall be as of the date of such notice or any later date specified therein, or the date set forth or provided in the order aforementioned, as the case may be, and Tenant's right to possession of the Premises, Building and Project shall cease upon such date.

Subsection 17.2.6 Reletting of Premises. Landlord may, without terminating this Lease, relet, in Landlord's or Tenant's name but for the account of Tenant, the Premises or any part thereof, either alone or in conjunction with other portions of the Project, for all or any portion of the remainder of the term of this Lease, to a tenant or tenants satisfactory to Landlord, and upon such terms and conditions (which may include concessions concerning rent and the alteration and/or repair of the Premises, Building and/or Project) as Landlord in its reasonable discretion may determine. In connection therewith, Landlord shall have the right to put the Premises, Building and Project in good order and condition and to make reasonable alterations and repairs, at Tenant's expense, to facilitate such reletting, and Landlord shall receive such rentals and apply them, first to the payment of the expenses of recovering possession of the Premises, Building and/or Project and/or any part thereof and the reletting of the Premises, including without limitation, all attorneys' fees and brokers' commissions, together with such expenses as Landlord may have incurred in maintaining and/or putting the Premises, Building and/or Project in good order and condition or in making such alterations and repairs, and then to the payment of Monthly Rent and additional rent and to the fulfillment of the covenants of Tenant, the balance, if any, to be paid over to Tenant, provided that Tenant shall remain liable for any deficiency, which deficiency Tenant agrees to pay monthly as the same may accrue; provided, further, that Landlord shall not be responsible or liable for any failure or inability to collect any rent due upon such reletting. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. If, in connection with any such reletting, the term of the new lease extends beyond the term of this Lease or the premises demised by the new lease includes areas not demised by this Lease, then the rent received from such reletting shall be apportioned accordingly in determining the rent received by Landlord from such reletting. If, for any period during the term of this Lease, despite Landlord's reasonable efforts to relet the Premises, Landlord is not able to relet the Premises to a tenant or tenants satisfactory to Landlord and upon such terms and conditions as Landlord in its reasonable discretion may determine, then, in addition to any costs incurred for putting the Premises, Building and/or Project in good order and condition and making reasonable alterations and repairs and any other costs incurred in recovering possession of the Premises, Building and/or Project and/or any part thereof and in facilitating Landlord's efforts to relet the Premises (including, without limitation, attorneys' fees and brokers' commissions), Landlord may collect from Tenant the full amount of Monthly Rent, additional rent and any other amounts payable by Tenant in fulfilling its covenants and obligations under this Lease for the Premises, Building and Project or any portion(s) of the Premises, Building and/or Project which has not been relet or leased to another party.

Subsection 17.2.7 Damages. In the event this Lease is terminated by Landlord by reason of any breach of the Lease by Tenant or because of any other event entitling Landlord to so terminate as set forth in this Lease, Landlord, at Landlord's option, shall thereupon be entitled to recover from Tenant, in addition to all other damages to which Landlord is entitled, damages in an amount equal to the excess, if any, of the then cash value of Monthly Rent payable by Tenant for the balance of the term of this Lease, over the then reasonable rental value of the Premises at the time of such termination for the same period and on the same terms, except as to Monthly Rent, as herein set forth to the extent reasonably applicable. The cause of action for such damage shall accrue upon such termination.

Subsection 17.2.8 Fines. In addition to any other remedy to which Landlord shall be entitled under this Lease or otherwise available to Landlord at law or in equity for such violation, Landlord shall have the right to assess a fine against Tenant for each non-monetary violation by Tenant of its obligations under this Lease. The amount of such fines may differ per type and frequency of violation, and may be altered from time to time, all to be determined in the sole discretion of Landlord. Tenant shall be subject to more than one fine in the same day if it has more than one non-monetary violation in the same day (e.g., Tenant shall be subject to two separate fines if Tenant fails to obtain the property insurance required under this Lease, constituting one violation, and then places a non-permitted sign on the Premises on the same day, constituting another violation), and shall be subject to a separate fine for each day that a

non-monetary violation continues (e.g., if Tenant fails to obtain the property insurance required under this Lease, then Tenant will be assessed a separate fine for that day and for each day thereafter that Tenant fails to obtain the property insurance required under this Lease). Any such fine(s) assessed against Tenant shall be payable immediately upon Tenant's receipt of notice of such assessment(s) from Landlord.

Section 17.3. Notice to Landlord's Mortgagee.

In the event of any default by Landlord that would give Tenant the right to terminate this Lease or to claim a partial or total eviction, Tenant shall not exercise any such right (i) unless and until Tenant shall have given written notice of default, by registered or certified mail, to the holder of any mortgage whose name and address have been furnished to Tenant in writing, at the last address so furnished, and (ii) unless and until a reasonable period of time for remedying such act or omission shall have elapsed following the giving of such notice, and, following the giving of such notice, Landlord or said holder shall not have undertaken, with reasonable diligence, to remedy such act or omission or to cause same to be remedied.

Section 17.4. Non-Waiver.

The waiver by Landlord or Tenant of any breach by the other party of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained, nor shall any custom or practice which may grow up between Landlord and Tenant in the course of administering this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by the other of any term, covenant or condition hereof, or to waive or lessen the right of Landlord or Tenant to exercise any rights given Landlord or Tenant on account of any such default. The subsequent acceptance of Monthly Rent or additional rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rental, nor shall any payment by Tenant or receipt by Landlord of an amount less than the amount of Monthly Rent or additional rent owed be deemed to be other than on account of the earliest stipulated Monthly Rent or additional rent, and no endorsement or statement on any check or any letter accompanying any check or payment as Monthly Rent or additional rent shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rental or to pursue any other remedy provided in this Lease or otherwise permitted by law. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord or by Tenant, unless such waiver by Landlord is in writing signed by Landlord or such waiver by Tenant is in writing signed by Tenant.

Section 17.5. Cumulative Remedies.

Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or which now or hereafter exists at law or in equity, whether by statute or otherwise, and the exercise by Landlord or Tenant of any one or more of the rights or remedies provided for in this Lease or which now or hereafter exist at law or in equity, whether by statute or otherwise, shall not preclude the simultaneous or later exercise of any or all other rights or remedies provided for in this Lease or which now or hereafter exist at law or in equity, whether by statute or otherwise.

Section 17.6. Landlord's Lien.

Subsection 17.6.1 In order to secure the payment of all rent and other sums due under this Lease, as may be extended or otherwise amended from time to time, and the performance and observance of all other covenants and agreements to be observed and performed by Tenant under this Lease, as may be extended or otherwise amended from time to time, Tenant hereby grants to Landlord a first priority lien and security interest (subject to any purchase money security interest on the same collateral described below, including, a purchase money security interest arising from inventory financing) (hereafter called "Landlord's Lien") under the Hawaii Uniform Commercial Code in any and all property owned by Tenant (including, without limitation, all furniture, fixtures and equipment) now or hereafter placed in, upon or around the Premises, Building and/or Project, as the Premises, Building and/or Project may be expanded or otherwise modified from time to time, and also in the Security Deposit, if

any, and any and all proceeds of any insurance which may accrue to Tenant by reason of any damage or destruction to any such property (hereafter called, collectively, the "Collateral").

Subsection 17.6.2 Landlord's Lien shall be self-operative with respect to the Collateral; however, Tenant agrees to execute and deliver to Landlord upon request such security agreements and other instruments as Landlord may reasonably request, and/or hereby authorizes Landlord to prepare, execute and/or file such documents required, in order to impose the Landlord's Lien more specifically upon any of such Collateral and to evidence, perfect and continue such security interest.

Subsection 17.6.3 Tenant shall not remove any of the Collateral from the Premises, Building or Project (except in the ordinary course of business) without the prior written consent of Landlord.

Subsection 17.6.4 Tenant hereby authorizes Landlord to prepare and/or file in such place(s) reasonably determined by Landlord UCC-1 Financing Statement(s) in form and substance sufficient to perfect (upon proper recordation) the security interest granted herein, and UCC continuation or other statements in form and substance sufficient to reflect any amendment of, modification to, or extension of the security interest granted herein or of the UCC-1 Financing Statement(s) perfecting such security interest.

Subsection 17.6.5 In the event of any default under Section 17.1 of the Lease:

(i) Landlord shall have all the rights, remedies and privileges with respect to repossession, retention and sale of the Collateral and disposition of the proceeds as are accorded to a secured party by the applicable section of Article 9 of the Hawaii Uniform Commercial Code, as may be amended from time to time (herein called the "Hawaii Uniform Commercial Code");

(ii) Landlord's reasonable attorneys' fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising, and selling the Collateral shall be chargeable to Tenant and secured hereby;

(iii) Tenant shall remain liable for any deficiency resulting from a sale of the Collateral and shall pay any such deficiency to Landlord forthwith upon demand;

(iv) Landlord may at its discretion, and in addition to its other remedies hereunder, (1) enter upon the Premises, Building and/or Project peaceably by Landlord's own means or with legal process and take possession of the Collateral, or render it unusable, or dispose of the Collateral, and Tenant agrees not to resist or interfere therewith, and (2) require Tenant to assemble the Collateral and make it available to Landlord at a place to be designated by Landlord, reasonably convenient to both parties; and

(v) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Landlord will give Tenant reasonable notice of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice will be met if such notice is sent by registered mail, postage prepaid, to the address of Tenant shown in this Lease, at least fifteen (15) days before the time of sale or disposition.

Subsection 17.6.6 No remedy reserved herein to Landlord is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. The terms of this Section 17.6 and the security interest created herein shall be deemed commercially reasonable within the meaning of the Hawaii Uniform Commercial Code.

Section 17.7. Cross-Default.

If Tenant or any business, enterprise or undertaking beneficially owned in whole or in part, directly or indirectly, by Tenant or Tenant's shareholders, officers or directors, shall be a lessee, tenant or licensee of any other premises owned or operated by Landlord or Landlord's Related Entities (as that term is defined below), or any business, enterprise or undertaking beneficially owned in whole or in part, directly or indirectly, by Landlord or Landlord's Related

Entities, under any lease, license, concession, or any other agreement or arrangement, or shall in any fashion or in any of such other premises stand in a landlord/tenant or similar relation with Landlord or Landlord's Related Entities, or any business, enterprise or undertaking beneficially owned in whole or in part, directly or indirectly, by Landlord or Landlord's Related Entities, then any default by Tenant or any business, enterprise or undertaking beneficially owned in whole or in part, directly or indirectly, by Tenant, with respect to any such other tenancy, agreement or arrangement shall be deemed to be a default by Tenant under this Lease, and shall give to Landlord all rights and remedies provided herein with respect to a default under this Lease; and any default by Tenant with respect to this Lease shall be deemed to be a default by Tenant or any business, enterprise or undertaking beneficially owned in whole or in part, directly or indirectly, by Tenant, under any and all such other tenancies, agreements or arrangements and shall give to Landlord, Landlord's Related Entities, and any businesses, enterprises or undertakings beneficially owned in whole or in part, directly or indirectly, by Landlord or Landlord's Related Entities, as the case may be, all rights and remedies for default as provided under such other tenancies, agreements or arrangements. As used herein, the term "Landlord's Related Entities" shall mean and include Landlord's direct and indirect parents and subsidiaries, any of their affiliated entities, successors and assigns and any current or future director, officer, employee, partner, member or agent of any of them.

ARTICLE 18: TERMINATION

Section 18.1. Surrender of Premises.

At the expiration or sooner termination of the tenancy hereby created, Tenant shall surrender the Premises, Building and Project in good condition and repair, ordinary use and wear excepted, and shall surrender all keys for the Premises, Building and Project, including, but not limited to, all security access cards, mail box keys and keys to interior doors and improvements, if any, and shall inform Landlord of all combinations on locks, safes and vaults, if any, in or upon the Premises, Building or Project. On or before the last day of the term of this Lease or the earlier termination thereof, Tenant, if not then in default, shall remove from the Premises, Building and Project all of Tenant's trade fixtures, operating equipment, furniture and other personal property, and shall repair any damage occasioned by any such removal. Property not so removed shall be deemed abandoned by Tenant. Additionally, Tenant shall remove any alterations, decorations, additions or improvements as required by Landlord pursuant to Section 7.6 in this Lease before surrendering the Premises, Building and Project as aforesaid. If the Premises, Building and Project are not surrendered at the time and in the manner required in this Lease, Tenant shall indemnify Landlord against loss or liability resulting therefrom including, without limitation, any claims made by any succeeding tenant. Tenant's obligation to observe or perform this covenant shall survive the expiration of the term, or other termination, of this Lease.

Section 18.2. Holding Over.

If Tenant shall remain in possession after the expiration or sooner termination of this Lease, all the terms, covenants and agreements hereof shall continue to apply and bind Tenant so long as Tenant shall remain in possession, insofar as the same are applicable, except that if Tenant remains in possession without Landlord's written consent, the rent shall be at the rate then prevailing for similar space on comparable commercial property or two (2) times the Monthly Rent for the last month of the term of this Lease, whichever is greater, prorated on a daily basis for each day that Tenant remains in possession, and Tenant shall also be liable to Landlord for any and all consequential damages resulting from failure to surrender possession. If Tenant remains in possession with Landlord's written consent, the rent shall be at the rate of 125% of the Monthly Rent for the last month of the term of this Lease, and such tenancy shall be from month-to-month, terminable by either party by not less than twenty-five (25) days prior written notice. Landlord's consent in this context shall refer specifically to this Section 18.2; mere acceptance of Monthly Rent by Landlord shall not be deemed to be consent by Landlord.

Section 18.3. Showing Premises.

During the last six (6) months of the term of this Lease, Landlord may show the Premises, Building and Project to prospective tenants during Tenant's business hours. Showing the Premises, Building and Project as aforesaid shall be carried out in such a manner so as to minimize interference with Tenant's business operations.

Section 18.4. Landlord's Special Termination Rights.

As a material inducement to Landlord's willingness to enter into this Lease, Tenant agrees that Landlord, its successors, assigns or designees shall have the absolute right, exercisable at any time, to terminate this Lease for purposes of redeveloping, remodeling or renovating the Building or the Project or any part of either; provided, however, that Landlord, its successors, assigns or designees shall provide Tenant with no less than six (6) months' prior written notice of said termination of this Lease.

Section 18.5. Landlord's and Tenant's Early Termination Rights.

Landlord, its successors, assigns or designees, and Tenant each shall have the absolute right to terminate this Lease prior to its expiration date by delivering written notice of such termination to the other at any time from and after June 1, 2011; provided, however, that the effective date of such termination shall not be less than one hundred eighty (180) days after delivery of such written notice of termination.

ARTICLE 19: PROJECT MANAGEMENT

Section 19.1. Reservation of Rights.

Notwithstanding any provision in this Lease to the contrary, Tenant understands and acknowledges that this Lease shall be subject to any lien or encumbrance of record existing on the date hereof and that, in addition to any other rights reserved herein by Landlord, Landlord is hereby expressly reserving the following rights:

Subsection 19.1.1 Easements. The right to grant or relocate all easements and access rights now or hereafter required by Landlord 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.

Subsection 19.1.2 Facilities Installation. The right to the use of the roof, exterior walls, structural elements of the Building, and land beneath the Building and Project, together with the right (but not the obligation), within, on or about the Premises, Building or Project, to install, maintain, use, repair and replace utility mains and other facilities when such location is dictated by necessities of engineering design, good practice and/or code requirements. These facilities shall include but are not necessarily limited to drains, water supply, sewage lines, sewage vents, steam and condensate pipes, condenser cooling water pipes, electric power circuits, telephone circuits, pump stations, electric panelboards, sanitary vents, fresh air supply ducts and exhaust ducts.

Subsection 19.1.3 Alterations. The right at any time to make alterations or additions to and build additional stories on the Building, and to construct other buildings and improvements on the Project and/or the lands adjacent to the Building, and to add adjacent lands and buildings to the Project, and to exclusively lease to others, or permit others to use, any of said additional areas, buildings, improvements or lands, and to provide others with access over or through portions of the existing Building and/or Project to reach such additional areas, buildings, improvements or lands, and Tenant agrees, upon Landlord's request, to amend this Lease to reflect the same.

Subsection 19.1.4 Air Conditioning and Sprinkler Systems. Notwithstanding any other provision to the contrary in this Lease, Landlord shall have the right (but not the obligation) to enter the Premises, Building and/or Project at all reasonable times to install, repair, replace, maintain, modify or remove, at Landlord's sole discretion, any air conditioning or sprinkler systems, and all types of pipes, ducts, conduits and other facilities relating thereto which may now or hereafter pass through, above, on, under or about the Premises, Building and/or Project. Landlord may enter the Premises, Building and/or Project on not less than three (3) days prior notice to Tenant and shall make reasonable efforts to conduct any such work so as to minimize interference with Tenant's business operations. Notwithstanding any provision contained in this Lease to the contrary, Tenant agrees that Landlord may dispense with said prior notice requirement in the event of an emergency.

Section 19.2. Performance of Lease Covenants.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense. If Tenant shall fail to pay any sum of money other than Monthly Rent required to be paid by Tenant hereunder, or shall fail to perform any other act on its part to be performed hereunder within the time period specified for such performance, or if no such time period is specified, then within fifteen (15) days after written notice thereof to Tenant, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligations of Tenant, and in addition to all other remedies provided herein, make any such payment and perform any other act on Tenant's part to be made or performed as provided in this Lease. All sums so paid by Landlord and all costs incidental thereto (including reasonable attorneys' fees), together with interest thereon at the rate provided in Section 23.2 in this Lease, shall be payable by Tenant upon demand, and Tenant hereby covenants to pay any and all such sums.

Section 19.3. Inspection of Premises.

Tenant will permit Landlord and its agents, at all reasonable times during the term of this Lease, to enter the Premises, Building and/or Project and examine the state of repair and condition thereof and to exercise all other rights of Landlord and perform all obligations of Landlord under this Lease as Landlord may deem necessary or desirable, without liability, except for any willful act or gross neglect of Landlord or Landlord's Affiliates with respect to Tenant's property. Unless sooner specified by the terms of this Lease, within thirty (30) days after notice from Landlord or its agents to do so, Tenant shall repair and make good all defects which this Lease requires Tenant to repair and make good. Landlord and Landlord's employees, agents, brokers, mortgagees, potential buyers, janitors, workmen and engineers may retain and use a passkey to the Premises, Building and/or Project described herein to enable them to inspect and examine the Premises, Building and/or Project with reference to any emergency or to the general maintenance of the Premises, Building and/or Project. Landlord shall not be liable for the consequences of admitting or refusing to admit to the Premises, Building and/or Project by passkey Tenant or any of Tenant's Affiliates or other persons claiming the right of admittance. In the event Tenant changes locks without consent or fails to supply Landlord with a key, Landlord shall have the right to use any means to gain access in an emergency, and any entry made by Landlord under any circumstances shall not be construed or deemed to be an unlawful entry, nor shall Landlord be liable to Tenant for any damage whatsoever resulting from the use of force in effecting entry.

Section 19.4. Rules and Regulations.

Landlord, for the proper maintenance, safety, order and cleanliness of the Building and Project, may, on notice to Tenant, make, amend and enforce rules and regulations appropriate for such purposes. The rules and regulations currently in force are those set forth in Exhibit E attached hereto and made a part hereof. Tenant shall observe and comply with all such rules and regulations, including those set forth in Exhibit E, and all amendments thereto and all additional rules and regulations which may be promulgated by Landlord at any time during the term of this Lease of which Tenant receives notice which are not inconsistent with the terms of this Lease. Any failure to so observe and comply shall constitute a default under this Lease.

Section 19.5. Exclusion of Trespassers.

[INTENTIONALLY OMITTED].

Section 19.6. Use of Common Areas.

[INTENTIONALLY OMITTED].

Section 19.7. Substitution of Leased Premises.

[INTENTIONALLY OMITTED].

Section 19.8. Change of Project Name, Building Name or Designation of Tenant's Premises.

Landlord may, in its sole judgment and without liability of any kind to Tenant, change the name or address of the Project or the Building or the designation of the Premises, at any time and in any manner Landlord desires, provided, however, Landlord shall give Tenant sixty (60) days prior written notice of any such change.

Section 19.9. Security

Security in, upon and about the Premises, Building and Project shall be wholly the responsibility and at the cost of Tenant, and Tenant shall be solely responsible in dealing with any security issues or complaints by the public or neighbors which may arise from the use of the property by Tenant and Tenant's Affiliates. Landlord shall have no liability whatsoever for the security of the Premises, Building and Project or any part thereof or for any loss, injury, damage or destruction through altercations, theft, vandalism or other crime-related activities relating to or incurred by Tenant, Tenant's Affiliates, the Premises, the Building, the Project or any other persons or property in, on or about the Premises, Building or Project.

ARTICLE 20: LANDLORD'S LIABILITY

Section 20.1. Landlord's Failure to Perform.

Landlord shall not be deemed to be in default in the performance of any obligation required by it under this Lease unless and until it has failed to perform such obligation within thirty (30) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, Landlord shall not be in default if Landlord commences to cure the default within such thirty (30) day period and thereafter diligently prosecutes the same to completion. No such failure by Landlord shall constitute grounds for canceling this Lease.

Section 20.2. Sale or Assignment by Landlord.

The term "Landlord" as used in this Lease shall mean and include only the owner or owners at the time in question of the Building or Project or land of which the Premises is a part, and their successors or assigns. Each Landlord shall be automatically freed and relieved from all liability respecting the performance of any covenants or obligations on the part of Landlord contained in this Lease upon a sale, conveyance or assignment of its interest in the Building or Project or land, except as to obligations already accrued. Upon any such sale, conveyance or assignment, the buyer, grantee or assignee shall become responsible for all of the covenants and conditions herein contained and on the part of Landlord to be observed or performed after the time of such sale or conveyance.

Section 20.3. Limitation of Landlord's Liability.

In order to induce Landlord to enter into this Lease and as a material part of the consideration therefor, Tenant hereby covenants and agrees that, in the event of any actual or alleged failure, breach, or default by Landlord arising out of this Lease, or in the event of any claims for personal injury or damages for which Landlord may be liable, Tenant's sole and exclusive remedy shall be against those assets comprising and included within the books of record and account maintained for the Building and Project, and Tenant will not execute on any assets of Landlord other than Landlord's interest in the Building or Project. Tenant shall have no right to proceed against or recover any deficiency from any trustee or partner of Landlord, individually or collectively, or Landlord's Affiliates.

ARTICLE 21: WAIVER OF JURY TRIAL AND COUNTERCLAIMS

Section 21.1. Waiver of Jury Trial and Counterclaims.

The parties hereto waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, Building or Project and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of Monthly Rent or additional rent, Tenant will not interpose any counterclaim of whatever nature or description (except compulsory counterclaims) in any such proceedings; provided, however, that Tenant's agreement not to interpose any such counterclaim shall not be construed as a waiver of Tenant's right to assert such claims in any separate action or actions brought by Tenant.

ARTICLE 22: COSTS AND ATTORNEYS' FEES

Section 22.1. Tenant's Liability.

If (i) Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant arising out of Tenant's use or occupancy of the Premises, Building or Project or any act of Tenant concerning the Premises, Building or Project or this Lease, or (ii) suit shall be brought for recovery of possession of the Premises, Building and/or Project and/or any part thereof, for the recovery of Monthly Rent or any other amount due under this Lease, or because of Tenant's breach of any other covenant herein and a breach shall be established, or (iii) Landlord incurs expenses in enforcing without litigation any of the covenants, conditions or agreements contained in this Lease including, without limitation, expenses incurred to protect Landlord's interests in the event that Tenant becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or files any debtor proceedings or initiates (or has initiated against it) any proceedings under the United States Bankruptcy Code, then Tenant shall pay to Landlord, all reasonable expenses incurred by Landlord in connection therewith, including reasonable attorneys' fees.

Section 22.2. Landlord's Liability.

If suit shall be brought by Tenant against Landlord for breach of any of Landlord's covenants herein and a breach shall be established, Landlord shall pay to Tenant, subject to the limitations on Landlord's liability contained in Section 20.3, all reasonable expenses incurred by Tenant in connection therewith, including reasonable attorneys' fees.

ARTICLE 23: MISCELLANEOUS

Section 23.1. Force Majeure.

Unless otherwise specifically provided in this Lease, in the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, 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 work or doing 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. It is understood, however, that the provisions of this Section 23.1 shall not operate to excuse Tenant from the prompt payment of Monthly Rent, or any other payments required by the terms of this Lease. It is also understood that a party's financial inability to perform shall not be deemed to excuse nonperformance or delayed performance.

Section 23.2. Interest.

Tenant shall be responsible for and shall pay Landlord, as additional rent, interest on all Monthly Rent, additional rent and other sums past due from Tenant to Landlord, other than late charges, at the rate of eighteen percent (18%) per year. Tenant's obligation to pay interest on amounts due Landlord in accordance with the terms of this Lease shall continue subsequent to its termination and shall cease only upon payment in full of all said amounts and accrued interest. Payment of late charges or interest shall not relieve Tenant of liability for payment of the principal sums due nor delay Landlord's right to pursue any remedies for failure to make timely payment of the principal sums.

Section 23.3. Time is of the Essence.

Except as otherwise provided in Section 23.1, time is of the essence under this Lease.

Section 23.4. Brokerage Commissions.

Each of the parties represents and warrants to the other that it has done nothing to give rise to a claim against the other for brokerage commissions or finder's fees in connection with this Lease, and each of the parties agrees to indemnify, defend and save the other harmless from and against any and all suits, claims, liabilities and expenses arising out of any such claims based upon its acts or the acts of its affiliates (Landlord's Affiliates or Tenant's Affiliates, as the case may be) (including, without limitation, any attorneys' fees incurred in connection therewith).

Section 23.5. Execution by Landlord.

Landlord's submission of this Lease to Tenant for examination does not constitute a reservation of or option to lease the Premises, Building or Project and this Lease shall become effective as a Lease only upon approval by Landlord's Board of Directors and the subsequent delivery to Landlord and Tenant of fully executed originals of this Lease.

Section 23.6. Tenant's Agent for Service of Process.

[INTENTIONALLY OMITTED].

Section 23.7. Notice.

Any notice or demand to be given to or served upon the parties to this Lease shall be in writing and shall be deemed to have been sufficiently given or served for all purposes (i) when hand-delivered to the address specified below, (ii) when sent by facsimile transmission during normal business hours to the facsimile transmission number set forth below (with a backup copy sent the same day by a guaranteed overnight delivery service), or (iii) three (3) calendar days after being sent by United States registered or certified mail, postage prepaid, addressed as follows:

To Tenant: Interior Showplace, Ltd.
956 Queen Street
Honolulu, Hawaii 96814
Attn: Linda Kano
Facsimile Transmission
Number: (808) 591-8324

To Landlord: Victoria Ward, Limited
1240 Ala Moana Boulevard, Suite 601
Honolulu, Hawaii 96814
Attn: General Manager
Facsimile Transmission
Number: (808) 596-4919

Such addresses and facsimile transmission numbers may be changed by giving written notice of such change in the manner provided above for giving notices.

Section 23.8. Reimbursement of Landlord's Processing Costs.

Except as is otherwise provided herein, Tenant shall reimburse Landlord, as additional rent, for all costs and expenses (including attorneys', architect's and other professional fees) reasonably incurred by Landlord in processing all consents and approvals requested of Landlord including, but not limited to, the preparation and review of all documents, plans or specifications in connection therewith. The amounts of such costs and expenses shall be payable to Landlord on demand and, if not paid, shall carry interest as above provided in this Lease. Failure to pay such amounts shall also constitute a default under this Lease entitling Landlord to exercise its rights upon default by Tenant.

Section 23.9. Severability.

If for any reason whatsoever any provision or term of this Lease, or any application thereof, shall be invalid, unenforceable or ineffective, the remainder of this Lease and any other application of such provision or term shall not be invalid, unenforceable or ineffective but shall remain in full force and effect.

Section 23.10. Entire Agreement.

This Lease and the exhibits attached hereto and forming a part hereof set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises, Building and Project, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as otherwise specifically provided in this Lease, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each of them.

Section 23.11. Permitted Successors and Assigns.

Except as otherwise provided in Section 20.2 in this Lease, all of the covenants, agreements, terms and conditions contained in this Lease shall apply to, accrue to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, permitted successors and permitted assigns.

Section 23.12. Joint and Several Obligations.

In any case where this Lease is signed by, on behalf of, or for the benefit of, more than one person, the obligations hereunder shall be joint and several.

Section 23.13. Governing Law.

This Lease shall be governed by and construed in accordance with the laws of the State of Hawaii. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant's eviction or dispossession for any cause, or in the event of Landlord's obtaining possession of the Premises, Building and/or Project and/or any part thereof by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise. As applicable, Tenant and the parties executing this Lease on behalf of Tenant hereby covenant and warrant that Tenant is, and will continue to be during the term of this Lease, duly qualified as the entity described above, registered to do business in the State of Hawaii, and in good standing in the place where Tenant was formed and in the State of Hawaii, and that all legally necessary steps have been taken to authorize this Lease and the persons signing this Lease on behalf of Tenant prior to the date of this Lease, and that all future forms, reports, fees, and other documents necessary to comply with applicable laws will be filed or paid when due.

Section 23.14. Captions and Section Numbers.

The captions, section numbers, article numbers and table of contents appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

Section 23.15. Memorandum of Lease.

This Lease shall not be recorded by either Landlord or Tenant; provided, however, that upon request by either party, the other party will execute and deliver to the party requesting the same a recordable memorandum of this Lease, sufficient to give constructive notice of the tenancy hereby created, and setting forth a description of the Premises, the term of this Lease, including options to extend, and any other provisions agreed to by the parties hereto. Landlord will prepare said memorandum, and Tenant will pay to Landlord a reasonable fee for the preparation thereof including, without limitation, reasonable attorneys' fees. If Tenant requests the recordation of said memorandum, Tenant shall deposit with Landlord an additional security deposit of \$1,000.00 which shall be retained by Landlord until such time as the encumbrance of Tenant's Lease is removed from Landlord's record title to the real property on which the Premises is located. If Tenant does not cause the encumbrance to be removed within fifteen (15) days after the termination of this Lease, then Landlord may cause the same to be removed and may apply said security deposit against the costs incurred by Landlord in connection with such removal. In the event that the cost of such removal exceeds \$1,000.00, Tenant shall be liable for such excess.

Section 23.16. Consent of Parties.

Except as otherwise expressly provided in this Lease, any consent or approval required of either party hereunder shall not be unreasonably withheld or delayed.

Section 23.17. Cancellation Not Merger.

No cancellation, surrender, or termination of this Lease, whether voluntary, involuntary, by operation of law, or otherwise, shall work a merger but shall, at Landlord's option, either terminate all existing subleases or subtenancies hereunder or operate as an assignment of the same.

Section 23.18. Grammatical Changes.

The grammatical changes necessary to make the provisions of this Lease apply in the plural sense where there is more than one Tenant or Landlord and to corporations, associations,

partnerships, limited liability companies, entities or individuals (whether male or female) shall be assumed in all instances as though fully expressed in each case herein.

Section 23.19. Relationship Between Parties.

It is expressly understood between Landlord and Tenant that in entering into this Lease, Landlord does not in any way or for any purpose become a partner of Tenant in the conduct of Tenant's business or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

Section 23.20. Service Contracts.

Any services which Landlord is required to furnish pursuant to the provisions of this Lease, if any, may, at Landlord's option, be furnished from time to time in whole or in part by employees of Landlord or by the managing agent of the Project or by one or more third persons.

Section 23.21. Renewal.

Landlord shall have no obligation to extend or renew this Lease, or to enter into another Lease of the Premises with Tenant upon expiration of this Lease. Upon expiration of this Lease, Landlord may lease the Premises, Building and/or Project and/or any part thereof to whomever it chooses for the operation therein of a business that is the same as or different from that operated by Tenant.

Section 23.22. Counterparts.

This Lease may be executed in counterparts, each of which shall be deemed an original, and said counterparts together shall constitute one and the same instrument binding the parties hereto notwithstanding that all of the parties hereto are not signatory to the original or the same counterparts.

Section 23.23. Facsimile Signature.

The parties hereto agree that this Lease may be executed and the signature page transmitted by facsimile. The delivery of such facsimile copy of the executed signature page to this Lease, shall constitute effective execution and delivery hereof. If so executed and delivered by one or both of the parties hereto, said party or parties agree to deliver to the other party promptly upon request by the other party therefor, an original, manually signed copy of this Lease, provided that the effectiveness of this Lease shall not be affected by the non-delivery of any manually signed signature page.

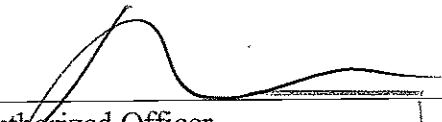
Section 23.24. Confidentiality.


This Lease and all terms and conditions hereof shall be deemed to be confidential and Tenant shall not disclose to any third party (except as may be required pursuant to court order or by lenders of Landlord or Tenant, and except for any information which has become part of the public record as a result of any bankruptcy or other proceedings) the terms and conditions of this Lease without the prior written consent of Landlord.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease as of the day and year first above written.

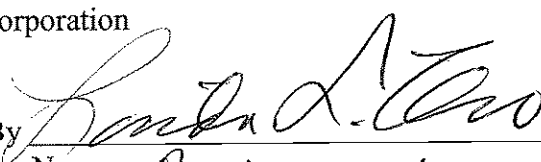
VICTORIA WARD, LIMITED, a Delaware corporation, and a debtor in possession

By  _____
Its Authorized Officer

 Landlord

APPROVED

INTERIOR SHOWPLACE, LTD., a Hawaii corporation

By  _____
Name:
Title: *President*

By _____
Name:
Title:

Tenant

IN WITNESS WHEREOF, Landlord and Tenant have signed this Lease as of the day and year first above written.

Approved as to Form
SCHLACK ITO LOCKWOOD
PIPER & ELKIND, LLLC
By *[Signature]*

VICTORIA WARD, LIMITED, a Delaware corporation, and a debtor in possession

By _____
Its Authorized Officer

Landlord

INTERIOR SHOWPLACE, LTD., a Hawaii corporation

By *[Signature]*
Name: _____
Title: *President*

By _____
Name: _____
Title: _____

Tenant

EXHIBIT A

SITE PLAN

EXHIBIT A

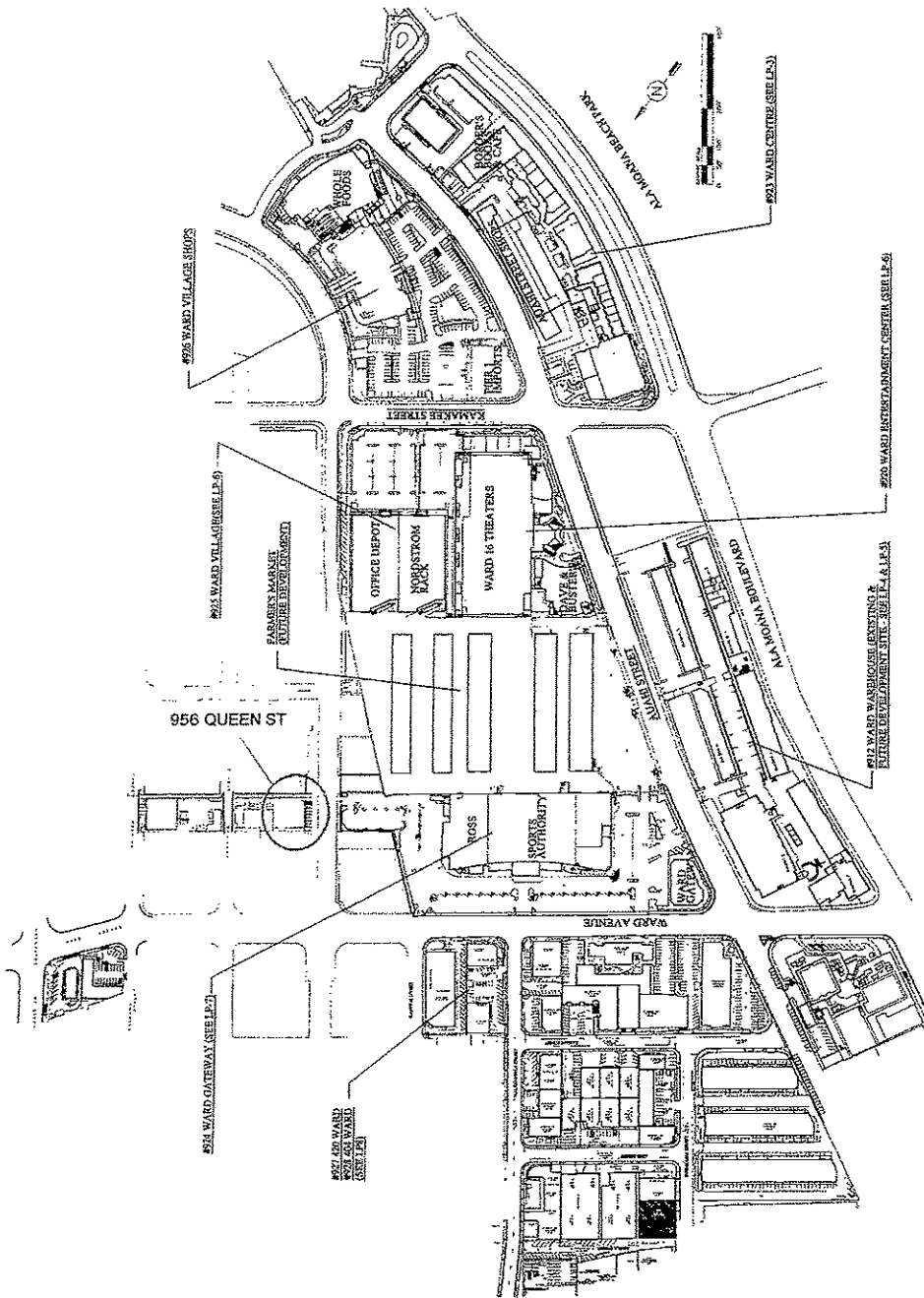


EXHIBIT B

[INTENTIONALLY OMITTED]

EXHIBIT C

LANDLORD-TENANT FITTING-UP RESPONSIBILITIES

This Exhibit C confirms in writing the construction responsibilities of both the Landlord and Tenant as follows for the Premises, Building and Project.

LANDLORD'S FITTING-UP OBLIGATIONS:

Landlord will do the following work (previously referred to as "Landlord's Work"): **NONE**. Tenant agrees that except for Landlord's obligations stated in this "Landlord's Fitting-Up Obligations" Section, Landlord shall have no obligation to pay for or perform any work for the Premises, Building and/or Project.

TENANT'S FITTING-UP OBLIGATIONS:

Tenant will, at its sole expense, be responsible for any and all work for the Premises, Building and Project not indicated hereinabove as Landlord's responsibility. All of Tenant's work shall be in accordance with plans and specifications prepared by or on behalf of Tenant and approved in writing by Landlord and its architect, and all work contemplated thereunder shall be performed and accomplished in accordance with any standards of construction which Landlord may provide to Tenant, the provisions of Article 7 of this Lease and this Exhibit C, and all applicable governmental codes and regulations.

Conditions to Initiation of Work. No work required of Tenant under this Lease, if Tenant elects to accomplish the same itself or upon contract with any person other than Landlord, shall commence until (a) all plans and specifications therefor shall have been approved in writing by Landlord and its architect, and all building and other permits, licenses, and approvals therefor have been obtained from proper governmental authorities, (b) a copy of any executed construction contract with a reputable contractor licensed to do business within the State of Hawaii showing a schedule of all progress payments shall have been furnished to Landlord, such contractor shall have obtained a 100 percent performance and payment bond executed by a corporate surety authorized to do business in the State of Hawaii naming Landlord, Landlord's Affiliates and other persons or entities as specified by Landlord as additional assureds conditioned upon the completion of all work free and clear of mechanics' and materialmen's liens, (c) Tenant has obtained insurance covering such risks and in such amounts as may reasonably be required by Landlord, (d) Tenant shall present evidence satisfactory to Landlord that Tenant has sufficient funds to pay for such work and to meet when due all progress payments under said construction contract, and (e) Landlord shall be given proof of the deposit of said funds by Tenant with a suitable escrow company or bank upon instructions that no withdrawals shall be made therefrom except in accordance with the approved construction contract and upon presentation of lien waivers and the certification of a licensed architect that all work has been satisfactorily performed and the contractor therefor is entitled to payment. Said instructions shall also contain an acknowledgment by the escrow company or bank that no modifications or amendments thereto or rescission thereof may be made by and between Tenant and the escrowee or bank without the prior approval of Landlord which approval may be withheld without necessity of citation of a reason therefor. The cost of such escrow shall be paid for by Tenant. Landlord may, in its sole discretion, however, waive any of the foregoing requirements or accept reasonable substitutions therefor, but no waiver or substitution shall be valid unless in writing and signed by both Landlord and Tenant. Entry in or upon the Premises, Building and/or Project for the accomplishment of the work aforesaid shall be solely at Tenant's risk and Landlord shall not be liable for any personal injuries to Tenant, its contractors, agents and employees or for loss or damage to Tenant's property while stored in or upon the Premises, Building and/or Project or for personal injury or damage occasioned to the persons and property of others through negligence on the part of Tenant, its contractors, agents or employees, or by others in the performance of all work required under this Lease, save and except injury or damage occasioned by the willful act or gross negligence of Landlord and its agents and employees. All work to be accomplished by Tenant shall be of good workmanlike quality and strictly in accordance with plans and specifications previously approved by Landlord. No change orders shall be permitted without Landlord's approval in writing.

EXHIBIT D

956 QUEEN STREET BUILDING

CONFIRMATION OF COMMENCEMENT DATE CERTIFICATE

[INTENTIONALLY OMITTED]

EXHIBIT E

VICTORIA WARD, LIMITED

RULES AND REGULATIONS

For the Management and Operation of

956 QUEEN STREET BUILDING PROJECT

These rules and regulations apply to the use and occupancy of the 956 Queen Street Building Project.

These rules and regulations are not intended as a substitute for the Lease, but merely to clarify certain provisions specified therein. Furthermore, as provided for in the Lease, Landlord may also set forth additional reasonable rules and regulations with respect to the 956 Queen Street Building Project, which shall be binding upon Tenant, the same as if incorporated in the Lease.

ACCIDENTS

Tenant shall immediately report to Landlord any information obtained by Tenant concerning any accident occurring in, on or about the Premises, Building or Project involving damage to property or personal injuries.

BURGLAR ALARMS

Audio alarm systems should not be used due to the disturbance caused in the event of false alarms, etc. It is mandatory that only silent alarm systems be installed; the Landlord must be notified of such installation and of the name of the alarm company employed.

EMERGENCY AFTER-HOURS NUMBERS

Landlord maintains a current list with a minimum of two names of people per tenant who should be contacted in the case of after-hours emergencies (this information will be kept confidential). It is Tenant's sole responsibility immediately to submit in writing to Landlord's office any changes in the names and/or numbers of people to notify, so that Landlord will, at all times, have a minimum of two people for Tenant whose information is always current.

FINES

Unless otherwise specifically provided for in the Lease, Tenant shall be subject to a fine of \$75.00 for each non-monetary violation of any of its obligations under the Lease. Tenant shall be subject to more than one fine in the same day if it has more than one non-monetary violation in the same day, and shall be subject to a fine for each day that a certain violation continues. Any such fine(s) assessed against Tenant shall be payable immediately upon Tenant's receipt of notice of such assessment(s) from Landlord.

PROHIBITED ACTIVITIES

NO consumption of alcoholic beverages outside of the Premises;

NO serving of food and/or beverages in or upon the Premises, Building or Project without prior written consent of Landlord;

NO residential use of the Premises;

NO pets permitted;

NO outside storage of goods, merchandise, or other property, including rubbish and waste materials and containers therefor, without prior written consent of Landlord;

NO sale and/or display of pornographic material;

NO offensive conduct or use of the Premises, Building or Project for business involving preparation of food or any business normally associated with excessive odors, noise, smoke or waste materials, without prior written consent of Landlord;

NO storage of inflammable fluids and no activity occasioning an increase in fire or liability insurance coverage;

NO attachment to the Building or Project of awnings, window shades, drapes, screens, signs, etc., without prior written consent of Landlord;

NO bicycles, mopeds, skateboards, etc., permitted in the Building; and

NO washing of cars or automotive maintenance or repair work is permitted within or on the Project.

REPAIRS

Landlord will not be responsible for any repairs. Tenant is responsible for all repairs to the Premises, Building and Project, as set forth in the Lease. Landlord to have the right of inspection at all times.

REFUSE

Tenant is responsible for providing its own refuse container(s) and contracting for refuse pick-up. Tenant shall have all refuse removed from the Project on a regular basis, and shall not store any refuse upon the Project.

REMODELING

Any remodeling requires the prior written approval of Landlord. For reasons of fire and building safety codes, etc., only licensed, Landlord-approved contractors are to do any such work -- not Tenant itself. Please contact Landlord if you have questions.

SECURITY

The Honolulu Police Department should be contacted for any type of emergency situation in, on or about the Project.

Tenant shall be solely responsible for providing security for the Premises, Building and Project. In no case shall Landlord be responsible for any altercations, thefts, vandalism or crime-related or other problems occurring in, on, about or to the Premises, Building or Project.

**THE AFORESAID RULES AND REGULATIONS
ARE SUBJECT TO PERIODIC REVISION BY LANDLORD.**

EXHIBIT F

GUARANTY OF LEASE

In order to induce **VICTORIA WARD, LIMITED**, a Delaware corporation, as Landlord, whose business and mailing address is 1240 Ala Moana Boulevard, Suite 601, Honolulu, Hawaii 96814, to enter into that certain 956 Queen Street Building Space Lease dated _____, 2009 (hereafter called the "Lease"), with **INTERIOR SHOWPLACE, LTD.**, a Hawaii corporation, as Tenant, whose business and mailing address is 956 Queen Street, Honolulu, Hawaii 96814, and as a material element of the consideration therefor, the undersigned (hereafter called the "Guarantor") hereby covenants and agrees as follows:

1. Guarantor does hereby guarantee the full, faithful and timely payment and performance by Tenant of all the payments, covenants and other obligations of Tenant under or pursuant to the Lease. If Tenant shall default at any time in the payment of any rent or any other sums, costs or charges whatsoever, or in the performance of any of the other covenants and obligations of Tenant, under or pursuant to the Lease, then Guarantor, at its expense, shall on demand of Landlord fully and promptly, and well and truly, pay all rent, sums, costs and charges to be paid by Tenant, and perform all the other covenants and obligations to be performed by Tenant under or pursuant to the Lease, and in addition shall on Landlord's demand pay to Landlord any and all sums due to Landlord, including (without limitation) all interest on past due obligations of Tenant, costs advanced by Landlord, and damages and all expenses (including attorneys' fees and costs), that may arise in consequence of Tenant's default. Guarantor hereby waives all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or nonperformance by Tenant.

2. The obligations of Guarantor are independent of, and may exceed, the obligations of Tenant. A separate action or actions may, at Landlord's option, be brought and prosecuted against Guarantor, whether or not any action is first or subsequently brought against Tenant, or whether or not Tenant is joined in any such action, and Guarantor may be joined in any action or proceeding commenced by Landlord against Tenant arising out of, in connection with or based upon the Lease. Guarantor waives any right to require Landlord to proceed against Tenant or pursue any other remedy in Landlord's power whatsoever, any right to complain of delay in the enforcement of Landlord's rights under the Lease, and any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Tenant, or otherwise. If more than one guarantor executes this Guaranty, their obligations under this Guaranty shall be joint and several, and the release of one of such guarantors shall not release any other of such guarantors.

3. This Guaranty shall remain and continue in full force and effect and shall not be discharged in whole or in part notwithstanding (whether prior or subsequent to the execution hereof) any alteration, renewal, extension, holdover, modification, amendment or assignment of, or subletting, concession, franchising, licensing or permitting under, the Lease. Guarantor hereby waives notices of any of the foregoing, and agrees that the liability of Guarantor shall be based upon the obligations of Tenant set forth in the Lease as the same may be altered, renewed, extended, modified, amended or assigned. For the purpose of this Guaranty and the obligations and liabilities of Guarantor, "Tenant" shall be deemed to include any and all concessionaires, licensees, franchisees, department operators, assignees, subtenants, permittees or others directly or indirectly operating or conducting a business in, on or from the Premises or Project (as such terms are defined in the Lease), as fully as if any of the same were the named Tenant under the Lease.

4. Guarantor's obligations hereunder shall remain fully binding although Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral at any time given as security for Tenant's obligations (including other guaranties) and/or released Tenant from the performance of its obligations under the Lease.

5. The liability of Guarantor hereunder shall in no way be affected by (a) the release or discharge of Tenant in any creditors', receivership, bankruptcy or other proceedings, (b) the impairment, limitation or modification of the liability of Tenant or the estate of Tenant in

bankruptcy, or any remedy for the enforcement of Tenant's said liability under the Lease, resulting from the operation of any present or future provision of the Bankruptcy Code or other statutes or from the decisions in any court, (c) the rejection or disaffirmance of the Lease in any such proceedings, (d) the assignment or transfer of the Lease by Tenant, (e) any disability or other defense of Tenant, or (f) the cessation from any cause whatsoever of the liability of Tenant.

6. Until all of the covenants and conditions of the Lease on Tenant's part to be kept, performed, observed, or discharged are fully performed, observed or discharged, Guarantor (a) shall have no right of subrogation against Tenant by reason of any payments or acts or performance by Guarantor, in compliance with the obligations of Guarantor hereunder, (b) waives any right to enforce any remedy which Guarantor now or hereafter shall have against Tenant by reason of any one or more payments or acts of performance in compliance with the obligations of Guarantor hereunder, and (c) subordinates any liability or indebtedness of Tenant now or hereafter held by Guarantor to the obligations of Tenant to Landlord under the Lease.

7. Any notice or demand to be given to or served under this Guaranty shall be in writing and shall be deemed to have been sufficiently given or served for all purposes (a) when hand-delivered to the address specified below, (b) when sent by facsimile transmission during normal business hours to the facsimile transmission number set forth below (with a backup copy sent the same day by a guaranteed overnight delivery service), or (c) three (3) calendar days after being sent by United States registered or certified mail, postage prepaid, addressed as follows:

To Guarantor: _____

Attn: _____
Facsimile Transmission
Number: _____

8. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord.

9. This Guaranty shall be applicable to and binding upon the heirs, executors, administrators, representatives, successors and assigns of Landlord, Tenant and Guarantor. Landlord may, without notice, assign this Guaranty in whole or in part.

10. In the event that Landlord should institute any suit against Guarantor for violation of or to enforce any of the covenants or conditions of this Guaranty or to enforce any right of Landlord hereunder, or should Guarantor institute any suit against Landlord arising out of or in connection with this Guaranty, or should either party intervene in any suit in which the other is a party, to enforce or protect its interest or rights hereunder, the prevailing party in any such suit shall be entitled to the fees of its attorney(s) in the reasonable amount thereof, to be determined by the court and taxed as a part of the costs therein.

11. The unenforceability or invalidity of any provision herein contained as to any person or circumstances shall not render that provision unenforceable or invalid as to any other person or circumstances and all provisions of this Guaranty in all other respects shall remain valid and enforceable.

12. The execution of this Guaranty prior to execution of the Lease shall not invalidate this Guaranty or lessen the obligations of Guarantor hereunder.

13. This Guaranty shall be subject to the laws of the State of Hawaii.

14. If more than one guarantor executes this Guaranty, this Guaranty may be executed in counterparts and each counterpart and all counterparts executed by a Guarantor shall be binding upon the person who shall have executed the same, notwithstanding that the other Guarantor is not signatory to the original or to the same counterpart and notwithstanding that any other Guarantor may not have executed any counterpart.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty this ____ day
of _____, 20__.

Name:
Social Security Number: _____

“Guarantor”

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this _____ day of _____, 20____, before me personally appeared _____, to me known, who, being by me duly sworn or affirmed, did say that such person executed this ____-page Guaranty of Lease dated _____, 20____, 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.

Print Name: _____
Notary Public, State of Hawaii
First Judicial Circuit

My Commission expires _____



May 16, 2023

Hi Lindsey,

I am requesting to amend our existing lease term. Currently, our lease is to terminate on December 31, 2023 per our 5th Amendment. I am requesting to extend our term until May 31, 2024, which would coincide with the full year term of the original lease. The reason for this request is we have not yet received our permit at our new location, therefore, we aren't yet able to move due to pending needed renovations.

I appreciate the ability to terminate earlier per your prior message, as long as a 3-month termination notice is given to you.

Please let me know if we can have this approved, and any questions that you may have.

Sincerely,

Kim Quezada
President, Interior Showplace

