

LEASE OF BUILDING SPACE

THIS AGREEMENT, made this _____ day of _____, 20_____,
by and between THE EPISCOPAL CHURCH IN HAWAI`I, a Hawaii
nonprofit corporation, as Lessor, and _____
_____, whose principal
place of business and post office address is _____
_____, as Lessee, and _____
_____, a Hawaii unincorporated
association (hereinafter called "Church").

W I T N E S S E T H:

That Lessor, in consideration of the rent hereinafter
reserved and of the covenants herein contained and on the part of
Lessee to be observed and performed, does hereby demise and lease
unto Lessee, and Lessee does hereby accept and rent those certain
approximately _____ (_____) square feet in the building
located at _____
_____, _Hawai`i, being located on said premises according to
the area outlined in red on the sketch attached hereto as Exhibit
"A" and made a part hereof; subject, however, to all liens and
encumbrances now of record which affect said premises, and
subject also to all easements as hereafter required by Lessor to
serve the premises or the adjacent land and buildings, and

excepting and reserving from this demise all rights-of-way now or hereafter granted or required by Lessor to construct, install, operate, maintain, repair and replace lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, radio and television signal distribution and other services and utilities, over, across and under said easements according to the respective designations thereof, the right to enter for such purposes, and to trim any trees in the way of such lines and the right to grant or lease to any public utility, governmental authority, State of Hawaii, County of _____, or other corporation, such easements, rights and rights-of-way under the usual terms and conditions required by the grantee or lessee for such easement rights.

TO HAVE AND TO HOLD the same for a term beginning on the ___ day of _____, 20____, and ending on the ____ day of _____, 20____; provided, however, that Lessee shall only have the use and occupancy of said premises from _____ o'clock a.m. to _____ o'clock p.m. _____, [fill in days of week], but excluding legal holidays (State and Federal), during the term hereof; Lessee yielding and paying therefor in advance rent in the amount of _____ DOLLARS (\$ _____) plus the applicable State of Hawai'i General

excise tax for the City and County of Honolulu (currently at 4.172%), per month. In addition, Lessee shall pay to Lessor upon the execution hereof a security deposit in the amount of _____ DOLLARS (\$_____); Lessee may not use this security deposit as the last month's rent. This deposit will be returned to Lessee upon termination of this lease, less any deductions for repair or replacements to premises, to pay any rent due, to replace any keys or locks to premises, to clean and repair the premises, and/or for other damages caused by Lessee, including wrongful quitting of the premises.

AND, the Lessor hereby covenants with Lessee that upon payment of the rent as aforesaid and upon observance and performance of the covenants by Lessee hereinafter contained, Lessee shall peaceably hold and enjoy said premises for the term hereby demised without hindrance or interruption by Lessor or any other person or persons lawfully claiming by, through or under them except as herein expressly provided.

AND LESSEE hereby covenants with Lessor as follows:

1. PAYMENT OF RENT. Lessee will pay or cause to be paid said rent in lawful money of the United States of America at the times and in the manner aforesaid, without any deduction and without any notice or demand, at the office of Lessor in

Honolulu.

2. OBSERVANCE OF LAWS. Lessee will at all times during said term keep said premises in a strictly clean and sanitary condition, and will observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority for the time being applicable to the premises or the use thereof, and will defend, indemnify and hold harmless Lessor and Church against all actions, suits, damages and claims by whomsoever brought or made by reason of the nonobservance or nonperformance thereof by Lessee or any person under Lessee.

3. INSPECTION. Lessee will permit Lessor and its agents at all reasonable times during said term to enter said premises and examine the state of repair and condition thereof. Lessee shall reimburse Lessor or Church promptly on demand all expenses incurred by Lessor or Church in repairing or replacing any uninsured loss or damage to the premises or any furniture, furnishings and equipment thereof caused by Lessee or Lessee's business invitees, occupants or any person under Lessee and shall give prompt notice to Lessor and Church of any such loss or damage or other defect in the premises when discovered. Lessor may enter the premises at reasonable times and install or repair pipes, wires and other appliances deemed by Lessor essential to

use and occupation of the premises or other parts of the land and buildings adjacent thereto, and Lessee agrees that Lessee will not obstruct the use of stairways, areaways, passages or other areas provided for the common use of the occupants of the adjacent land and buildings.

4. LESSOR'S COSTS AND EXPENSES. Lessee will pay to Lessor on demand all costs and expenses including reasonable attorney's fees incurred by Lessor in enforcing any of the covenants herein contained, in remedying any breach by Lessee of said covenants, in recovering possession of said premises, or in connection with any litigation commenced by or against Lessee to which Lessor without any fault on its part shall be made a party.

5. CHURCH'S COSTS AND EXPENSES. Lessee will pay to Church on demand all costs and expenses including reasonable attorney's fees incurred by Church in connection with any litigation commenced by or against Lessee to which Church without any fault on its part shall be made a party.

6. INDEMNITY. Lessee will defend, indemnify and hold Lessor and Church harmless against all claims and demands for loss or damage, including property damage, personal injury and wrongful death, arising out of or in connection with the use or occupancy of said premises by Lessee or any person claiming by, through or under Lessee, or any accident or fire in said premises

or any nuisance made or suffered thereon, or any other liability whatsoever on account of said premises and will reimburse Lessor and Church for their costs and expenses including reasonable attorney's fees incurred in connection with the defense of any such claims. Lessee will hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever within said premises at the sole risk of Lessee and hold Lessor and Church harmless for any loss or damage thereto by any cause whatsoever.

7. LIABILITY INSURANCE. Lessee will at its own expense effect and maintain during the whole of said term comprehensive general liability insurance covering the premises and naming Lessor and Church as co-insureds, in an insurance company authorized to do business in Hawaii with minimum limits of not less than \$1,000,000.00 for injury to one or more persons in any one accident or occurrence and \$1,000,000.00 for property damage, and from time to time upon receipt thereof cause to be deposited promptly with Lessor current certificates of such insurance; such policy of insurance shall provide that the same may not be cancelled (whether or not requested by Lessee) except by the insurer giving at least thirty (30) days' prior written notice thereof to Lessor and Church. All public liability, property damage and other casualty policies required hereunder

shall be written as primary policies, not contributing with and not in excess of coverage which Lessor or Church may carry.

8. RIGHT TO MORTGAGE. Lessor may encumber the premises by mortgage or mortgages securing such sum or sums and upon such terms and conditions as Lessor may desire, and any mortgage so given shall be a prior lien on the land and premises superior to the rights of Lessee therein.

9. USE OF PREMISES. Lessee will use and allow the use of said premises only for the purpose of _____

_____,'

and will not at any time during said term use the said premises for any other purpose without the prior written consent of Lessor, nor use or allow the use of said premises as a tenement house, rooming house or apartment house or for or in connection with the carrying on of any other business or trade whatsoever. If the premises cannot be used by Lessee for its said intended use because any improvement, repair or modification of the premises or grounds is required by any applicable law or regulation, either Church or Lessor may immediately thereupon cancel this lease and have no further obligations hereunder, and Lessee shall have no further rights hereunder.

10. CONSTRUCTION OF IMPROVEMENTS. Lessee will not erect or place on said premises any building or structure including fences and walls, nor make any additions or structural alterations to any building thereon, except in accordance with plans and specifications, which shall be prepared by a licensed architect if so required by Lessor, first submitted by Lessee and approved in writing by Lessor.

11. WASTE AND UNLAWFUL USE. Lessee will not make or suffer any strip or waste or any unlawful, improper or offensive use of the premises or any part thereof and will not use and allow the use of said premises for purposes prohibited by zoning ordinances for the time being applicable thereto.

12. LIENS. Lessee will not commit or suffer any act or neglect whereby said premises or any improvement thereon or the estate of the Lessee therein shall at any time during said term become subject to any attachment, judgment, lien, charge or encumbrance whatsoever and will defend, indemnify and hold harmless Lessor and Church from all loss, cost and expenses with respect thereto. Prior to the delivery of material and the commencement of any construction approved by Lessor pursuant to paragraph 10 hereof, Lessee will, if so required by Lessor, deposit with Lessor (a) a certificate or other satisfactory evidence that the contractor therefor has secured a bond naming

Lessor as co-obligee therein in form and amount (which shall not be less than one hundred percent (100%) of the estimated cost of construction) and with a surety or sureties satisfactory to Lessor, for full and faithful performance of such construction, including payment of all subcontractors, labor and materialmen, and (b) evidence reasonably satisfactory to Lessor that Lessee has sufficient funds available to it to pay the said one hundred percent (100%) of the estimated cost of construction, including payment of the contractor, all sub-contractors, labor and materialmen.

13. LESSEE'S WAIVER OF WARRANTY. Lessee agrees and declares that as part of the consideration for granting this lease, Lessee has and does hereby waive any and all claims Lessee might otherwise have against Lessor and Church, including but not limited to, those on account of faulty or improper construction of improvements, latent defects, and code violations in building construction. Lessee agrees that it has examined said premises and knows the condition thereof and that Lessee accepts said premises in their present condition, and Lessee releases Lessor from all obligations to repair.

14. SURRENDER. At the end of said term or other sooner determination of this lease, Lessee will peaceably deliver up to Lessor possession of said premises, together with all

improvements upon or belonging to the same by whomsoever made, in good repair, order and condition except for reasonable wear and tear and as otherwise expressly provided herein. The Lessee will leave the premises in a neat and orderly condition.

15. ASSIGNMENT AND SUBLETTING. Lessee will not, without the prior written consent of Lessor, which consent may be withheld unreasonably and arbitrarily, assign or mortgage this lease nor sublet or part with possession of the whole or any part of the demised premises, and any such attempted assignment, mortgage or sublease shall be null and void and without effect.

AND IT IS HEREBY MUTUALLY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

A. CONDEMNATION. In case at any time or times during said term said premises or any part thereof shall be required, taken or condemned by any authority having the power of eminent domain, then and in every such case the estate and interest of Lessee in all land and improvements so required, taken or condemned shall at once cease and determine, and Lessee shall not by reason thereof be entitled to any claim against Lessor or others for compensation or indemnity for leasehold interest, and all compensation and damages for or on account of the same shall be payable to and be the sole property of the Lessor, and in the event of such taking or condemnation either Lessor or Lessee

shall have the option of cancelling or surrendering this lease within sixty (60) days thereafter, and being relieved of further performance hereunder.

B. FIRE, ELEMENTS. In case of damage by fire or the action of the elements to the demised premises which renders the same untenable, or in the event the premises are rendered untenable for any other reason whatsoever, either Lessor or Lessee shall have the option of cancelling or surrendering this lease within sixty (60) days thereafter, and being relieved of further performance hereunder. In no event shall Lessor or Church be obligated to make any repairs or replacements to furniture, fixtures, appliances or any part of the premises, regardless of the cause of the need for such repairs or replacement, if such replacement or repairs will not be completely covered by and paid for with insurance proceeds.

C. DEFEASANCE. This demise is made upon the express condition that if Lessee shall fail to pay said rent, or any other payments due hereunder, or any part thereof within fifteen (15) days after the same becomes due, whether the same shall or shall not have been legally demanded, or shall fail to observe and perform faithfully any of the other covenants or agreements herein contained and on the part of Lessee to be observed and performed and such default shall continue for fifteen (15) days

after written notice thereof given to Lessee or mailed to its last known address, or if Lessee shall become bankrupt or fail to perform any of the covenants of Lessee hereunder or shall abandon said premises, or if this lease or any estate or interest of Lessee hereunder shall be sold under any attachment or execution, then and in any such case Lessor may at once re-enter said premises or any part thereof in the name of the whole and, upon or without such entry, at its option terminate this lease without service of notice or legal process and without prejudice to any other remedy or right of action for arrears of rent or for any preceding or other breach of contract, and in case of such termination Lessee's interest in said premises shall become and remain the property of Lessor.

D. MISCELLANEOUS. Acceptance of rent by Lessor or its agents shall not be deemed to be a waiver by it of any breach by Lessee of any covenants herein contained or of Lessor's right to re-enter for breach of condition. Waiver by Lessor of any breach by Lessee shall not operate to extinguish the term, covenant or condition the breach whereof has been waived nor be deemed a waiver of Lessor's right to declare a forfeiture for any other breach thereof. The term "Lessor" herein or any pronoun used in place thereof shall mean and include Lessor and its successors and assigns. The term "Lessee" herein, or any pronoun used in

place thereof, shall mean and include the Lessee and its successors and permitted assigns, according to the context hereof. Paragraph headings herein are inserted only for reference and shall in no way limit or expand the scope, substance or detail of the contents hereof.

E. PAYMENT OF GROSS INCOME TAX. In addition to the rent and all other charges of every description payable hereunder, the Lessee shall pay to the Lessor, at the same time Lessee pays said rent, an amount equal to the amount, if any, payable by Lessor pursuant to the Hawaii General Excise Tax Law or any successor or substitute law assessed or based on gross income actually or constructively received by the Lessor under or in connection with this lease (currently computed under present tax rates by dividing such gross income so taxable by .955(neighbor islands-use.96), which yields the total amount due, i.e., the gross income so taxable plus the tax thereon), including without limiting the generality of the foregoing, the rentals payable hereunder, payment of any amount constructively received (to the extent so taxed) by reason of payment by the Lessee to others of property taxes, insurance premiums or any other charges or costs required to be paid by Lessee hereunder.

F. BUILDING RULES AND REGULATIONS. Lessee shall, and Lessee shall cause Lessee's servants, employees, agents,

subtenants, guests, invitees and licensees to, observe faithfully and comply strictly with such reasonable rules and regulations as Lessor and/or Church may from time to time adopt for the safety, care and cleanliness of the premises and/or the adjacent land and buildings and for the preservation of good order thereof; PROVIDED, HOWEVER, that any such rules and regulations shall not be binding upon Lessee unless and until ten (10) days' written notice thereof has been given to Lessee. By Lessee's signature below, Lessee agrees to abide by all such rules and regulations. Notwithstanding anything in this paragraph to the contrary, Lessor shall have the right to suspend any or all of such rules and regulations at any time.

G. INTEREST ON LATE PAYMENTS. In the event at any time during the term hereof, any payment due hereunder shall not be received by the Lessor within fifteen (15) days after the same shall become due, then in addition to the rent and all other charges of every description payable hereunder, the Lessee shall pay to the Lessor interest on the amount of such late payment at the rate of one percent (1%) per month until full payment is made. The provisions of this paragraph shall not be construed so as to limit the rights of the Lessor to declare a default hereunder and to pursue its remedies under the provisions of paragraph C hereof in the event of any such late payment.

H. CHURCH'S CONSENT TO LEASE. Church, the present occupant of said premises, hereby consents to the foregoing lease, and agrees that any interests it may have in the premises are and shall be subject to said lease.

IN WITNESS WHEREOF, the parties hereto and Church have
executed these presents the day and year first above written.

THE EPISCOPAL CHURCH IN HAWAI`I

By _____
Its

By _____
Its

By _____
Its

"Lessor"

By _____
Its

By _____
Its

"Church"

By _____
Its

By _____
Its

"Lessee"

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

On _____, 2010, before me personally appeared _____, to me personally known and who, being by me duly sworn or affirmed, did say that the person is the _____ of _____ and that the instrument was signed on behalf of the Corporation by authority of its Board of Directors, acknowledged the instrument to be the free act and deed of the Corporation.

Print Name: _____
Notary Public, State of Hawaii

My Commission Expires: _____

Document Identification or Description: _____

Document Date: _____ No. of Pages: _____

Name: _____ Circuit _____

Notary Signature _____ Date

NOTARY CERTIFICATE (Hawaii Administrative Rules §5-11-8)

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

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Name: _____ Circuit _____

Notary Signature _____ Date

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) SS.
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Notary Public, State of Hawaii

My Commission Expires: _____

Document Identification or Description: _____

Document Date: _____ No. of Pages: _____

Name: _____ Circuit _____

Notary Signature _____ Date

NOTARY CERTIFICATE (Hawaii Administrative Rules §5-11-8)

ATTACH EXHIBIT "A" HERE