

THIS LEASE, made and entered into this 1st day of February, 2005 by and between WENS LIFE, INCORPORATE, a Hawaii corporation, hereinafter called "Landlord", and KANG-FAMILY CORPORATION RAINBOW T-SHIRTS, hereinafter called "Tenant".

ARTICLE 1

SPECIFIC PROVISIONS, EXHIBITS AND SPECIAL CONDITIONS

1.01 Basic Lease Provisions.

(a) Description of Premises. Those certain premises at 808 Sheridan Street, Honolulu, Oahu, Hawaii, shown on the map attached as Exhibit A containing 1680 square feet, more or less.

(b) Term: FIVE (5) year, commencing February 1st, 2005 and terminating on JANUARY 31st, 2010,

(c) Monthly Base Rent:

1. From Feb 1st 2005 to JAN 31st 2010, the sum of \$ 2,527.20 per month.

(d) Security Deposit: \$ 2,340.00

(e) Tenant's Proportionate share of taxes and common expenses: 10%

(f) Use of Premises: WARE HOUSE.

(g) Broker if any: None

1.02 Exhibits. The following drawings and special provisions are attached hereto as Exhibits, and by this reference are made a part of this Lease:

Exhibit A: Site Plan Outlining the Premises.

Exhibit B: Legal Description.

ARTICLE 2

PREMISES

2.01. Demise. Landlord hereby leases to Tenant, and Tenant hereby leases and hires from Landlord, upon the terms and conditions herein set forth, those certain premises described in Subsections 1.01 (a), and (b) herein above, which are identified by cross-hatching on Exhibit A attached hereto (herein called the "Premises"). The Premises are part of a commercial building (the "Building") which will be occupied by other tenants. In addition to the Premises, Tenant shall, as an appurtenance thereto, have full right of access to the Premises over and across such entrances, lobby, halls, corridors and stairways as are available and designated for the common use of other owners and tenants of the Building.

2.02. Encumbrances, Rights Reserved to Landlord. It is understood and acknowledged that this Lease shall be subject to any encumbrance and that, in addition to any other rights reserved herein by Landlord, Landlord is hereby expressly reserving the following rights:

**) ASSIGNMENT & SUBLETTING :

Lessee may not assign the lease or sublet any part of the space without Lessor's prior written consent.

**) SPECIAL AGREEMENT :

Lessor can terminate the lease anytime before the lease expire, if there is any Violation Notice.

(a) The right to grant or relocate all easements 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; and

(b) The right, from time to time, to install, maintain, use, repair and replace utility mains and other facilities serving other premises within the Building when such location is dictated by necessities of engineering design, good practice and/or code requirements. Such mains and other facilities shall be located so as to cause a minimum of interference with the Tenant, and to be unobtrusive in appearance. 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; and

2.03. Acceptance of Premises. By entering into and occupying the Premises, Tenant shall be deemed to have acknowledged that the same are in good order and condition, and Tenant shall further be deemed to have waived any claim or claims against Landlord arising out of any patent or latent defect in said Premises.

2.04. Quiet Enjoyment. Landlord agrees that upon payment of the rent herein provided for, and upon the observance and performance by Tenant of the covenants hereinafter contained and on the part of Tenant to be observed and performed, subject to the provisions of this Lease, and any underlying lease and any mortgage on Landlord's estate, Tenant shall peaceably hold and enjoy the Premises for the Term, as defined in Section 3.01 hereinbelow.

ARTICLE 3

TERM

3.01. Term. The term of this Lease shall be as set forth in Subsection 1.01(c) hereinabove unless extended or sooner terminated as provided in this lease.

3.02. Option To Extend. If Tenant is granted any options to extend under Subsection 1.01(d), Tenant may exercise such option(s), provided that Tenant shall not then be in default hereunder. All terms and conditions of this Lease, save as to the rent and the option(s), shall remain the same during any option period. In order to effectively exercise any option,

Tenant must deliver notice of its exercise thereof in writing to Landlord no later than ninety (90) days prior to the termination of the original term of this Lease or any subsequent renewal term. The rent for the option period shall be at the then fair market value of the Premises as determined by mutual agreement of the parties; provided, that in no event shall the rent for any such period be less than rent paid by Tenant during the last year of the immediately preceding period.

In the event that, at least thirty (30) days prior to the date of the commencement of any period for which the rental is to be determined by mutual agreement, Landlord and Tenant are unable to reach agreement as to the rent, said rent shall be determined by a single appraiser in the event that the parties agree upon the appointment of such an appraiser, otherwise by three impartial appraisers selected as follows: Either party shall select one appraiser and give written notice thereof to the other party, who shall, within ten (10) days after receipt of such notice, likewise appoint an appraiser and so notify the first party. If such other party shall not appoint an appraiser and so notify the first party within said ten (10) day period, the party who has named an appraiser shall have the right to apply to any judge of the Circuit Court of the First Judicial Circuit of the State of Hawaii for the selection and appointment of an appraiser for the party so failing to appoint an appraiser. The two appraisers thus appointed (in either manner) shall select and appoint a third appraiser within fifteen (15) days after the second appraiser shall have been appointed. In the event that said two appraisers fail or neglect to appoint the third of them, either party may, upon the expiration of ten (10) days after the mailing of written notice to the other party, have the third appraiser appointed by any judge of said Court. All of said appraisers shall be recognized real estate appraisers and shall also be members of the American Institute of Real Estate Appraisers, or any successor organization of either, if such board, institute or successor organization shall then exist. The single appraiser or three appraisers shall thereupon proceed to determine said rental, based on the then fair market rental for the Premises (but subject to the minimum rent formula established above) determined on the basis of the then current rent for comparable facilities in comparable locations in Honolulu, exclusive of Tenant's improvement. The decision of said single appraiser or, if there shall be three appraisers the decision of such appraiser or a majority of them, shall be final, conclusive and binding upon the parties. All expenses of said appraisal, including the fees of the third appraiser, shall be divided equally between Landlord and Tenant, except that each party shall pay its own legal and witness fees and the fees of its respectively appointed appraiser. In the event the appraiser or appraiser shall render their decision after the commencement of the year for which rent is being determined, rent shall be

payable at the rate in effect for the previous year until their decision is rendered, but the new rent established by such appraisal shall become effective retroactively to the commencement of said year for which rent is being determined.

3.03. Landlord's Right to Terminate Lease. The provisions of Section 3.02 to the contrary notwithstanding, Landlord, or any successor in interest to the Landlord shall have the right to terminate the Lease during the five (5) year option term (but not during the initial five (5) year term) for the purpose of demolishing the structure of which the premises are a part and constructing a new building. Landlord shall give Tenant at least ninety (90) days prior written notice of any such termination. In the event of any such demolition and reconstruction, Tenant shall have an option and right of first refusal to lease comparable space in any new building for a term of at least five (5) years at the same rental rate provided in this Lease.

ARTICLE 4

RENT

4.01. Rent. Tenant shall pay to Landlord monthly in advance throughout the term rent in the amount specified in Subsection 1.01(e) hereinabove, in United States currency, over and above all other charges herein set forth and without any set-off or counterclaim whatsoever; provided, however, that rent shall be subject to adjustment as provided in this Lease. Rent payable for any portion less than all of a calendar month shall be a pro rata share of rent payable for a full calendar month. All payments of rent after the first payment shall be paid without notice on or before the first day of each and every calendar month during the Term or any extension thereof.

4.02. Common Area Charges. Tenant will pay to Landlord as additional rent for each and every calendar year of said Term, as billed from time to time, but not more often than monthly during such year, Tenant's proportionate share, as set forth in Section 1.01(g) above, of all expenses incurred by Landlord for such year in operating and maintaining the common facilities of the Building hereinafter defined, excluding only items of expense commonly known and designated as carrying charges, such as, but not limited to, ground rent, principal and interest on mortgage indebtedness, capital items, and Landlord's executive and administrative salaries, wages or fees; but specifically including, without limitation, gardening and landscaping, the cost of public liability, property damage, and fire insurance, repairs, lighting, sanitation control, rubbish removal, depreciation on machinery and equipment used in such maintenance, and the cost of personnel to implement such services. Such expenses for the first and last calendar years of

said term shall be pro rated as of the commencement date and expiration date respectively. Landlord may estimate the amount of such expenses for the purpose of periodic billing of said charge. The term "common facilities" means all areas provided by Landlord for the common or joint use and benefit of all tenants of the Building, including, without limitation, landscaped areas, courts, stairs, ramps, and sidewalks and comfort stations. Within sixty (60) days after the end of each calendar year of said term, Landlord will deliver to Tenant a written statement showing in reasonable detail all such expenses for such year and the computation of said charge therefor, and any deficiency or excess in the payment of said charge for such year as determined by such statement shall thereupon be adjusted between Landlord and Tenant. Landlord will keep in its principal office, for at least two (2) years after the end of each calendar year of said term, a permanent accurate set of books and records of all such expenses incurred by Landlord for such year, and for at least one (1) year after the end of each calendar year all supporting records of such expenses for such year, including checks, contracts and vouchers. All such books and records shall be open to examination by Tenant and its agents at all reasonable times during ordinary business hours. Tenant's proportionate share of such expenses as hereinbefore provided shall be the ratio that the area of Tenant's Premises bears to the total rentable area in the Building.

4.03. Additional Rent. The Tenant shall pay as additional rent any money or charge required to be paid by Tenant to Landlord under any provision of this Lease; whether or not the same be designated "additional rent". If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectible as additional rent with any installment of rent thereafter falling due hereunder, 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 hereunder, or limit any other remedy of the Landlord.

ARTICLE 5

SECURITY DEPOSIT AND CERTAIN OTHER AMOUNTS PAYABLE BY TENANT

5.01. Real Property Taxes. Tenant will pay or cause to be paid, at least ten (10) days before the same become delinquent, its proportionate share, as set forth in Section 1.01(g) above, of all real property taxes, assessments, impositions, duties and charges of every description to which the Building and the lot whereon said Building is situate, in respect thereof, are now or may during said term be assessed or become liable, whether assessed to or payable by Landlord or Tenant;

provided that such taxes shall be prorated as the date of commencement and expiration respectively of said term; provided, further, that with respect to any assessment made under any betterment or improvement law which may be payable in installments, Tenant shall be required to pay only such installments together with interest as shall become due and payable during said term.

5.02. Reimbursement For Repairs. Tenant shall reimburse Landlord for all expenses incurred by Landlord in repairing any damage to the Building, including without limiting the generality of the foregoing, the Premises, which shall be attributable to the conduct of Tenant and/or Tenant's directors, officers, partners, trustees, employees, agents, licensees, contractors and invitees (herein collectively called "Tenant's Employees"). Landlord shall notify Tenant of the amount of any such repair expenses, and upon demand Tenant shall reimburse Landlord therefor, together with a surcharge of fifteen percent (15%) on said amount to cover Landlord's administrative and other overhead costs incurred in making such repairs.

5.03. Late Payment Charges. Every installment of rent and every other payment due hereunder from Tenant to Landlord which shall not be paid within fifteen (15) days after the same shall have become due and payable, shall bear interest as provided in Article 21 hereinbelow, 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 fees of collection agents or attorneys or other out-of-pocket costs, Tenant will 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 total amount of each such billing or demand, but not to exceed one such billing or demand per month.

5.04. Tax on Rent and Other Payments. In addition to rent, Tenant shall also pay over and reimburse unto Landlord on each rental payment date, during the term or as otherwise provided in this Lease an amount equal to that portion of the State of Hawaii general excise or gross income tax assessed against Landlord and attributable to the rent and any other payments made by or on behalf of Tenant under the terms of this Lease, and Tenant shall also pay any and all increases in said taxes from time to time and any and all other taxes or duties levied or assessed by the State of Hawaii, the City and County of Honolulu, or any other political subdivision of the State of Hawaii now or hereafter having power to levy taxes or duties which are attributable to rent or other payments made by or on behalf of Tenant under the terms of this Lease. It is the intent of this Section 5.04 and of the other provisions of this Lease to

insure that the rent and other sums to be paid to Landlord by Tenant will be received by 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.

5.05. Conveyance Tax. Any conveyance tax imposed by law on account of this Lease shall be paid by Tenant. Landlord shall inform Tenant of the amount of such tax, if any, and it shall be due and payable by Tenant upon execution of this Lease. At the request of Landlord, Tenant shall promptly execute such affidavits and other documents as may be necessary or proper in connection with such tax.

5.06. Taxes on Tenant's Business and Personal Property. Tenant shall be responsible for and shall pay before delinquency all City and County of Honolulu and State of Hawaii taxes assessed during the Term against Tenant by reason of the conduct of its business in the Premises or with respect to personal property of any kind owned by or placed in, upon or about the Premises by or at the expense of Tenant.

5.07 Security Deposit.

(a) Deposit. Concurrently with the execution of this Lease, Tenant shall deposit with Landlord a sum equal to the amount which is set forth in Subsection 1.01(f) hereinabove, if any, as security for the performance by Tenant of every covenant and condition of this Lease (herein called the "Security Deposit"). The Security Deposit may be commingled by Landlord with other funds of Landlord and shall bear no interest.

(b) Use. If Tenant shall default with respect to any covenant or condition of this Lease, Landlord may, 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 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.

(c) Application in Event of Bankruptcy. 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.

(d) Refund. Should Tenant comply with all of the covenants and conditions of this Lease, the Security Deposit or any balance thereof shall be returned to Tenant at the expiration of the term after Tenant has vacated the Premises.

(e) Assignment. Landlord may assign and deliver the Security Deposit to any purchaser of Landlord's interest in this Lease or the Premises, 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 or the termination of this Lease as provided in Subsection 5.07(d) hereinabove. Landlord's duty to return the Security Deposit pursuant to this Section 5.07 shall run to the Tenant's valid assignee only.

ARTICLE 6

USE OF PREMISES

6.01. Permitted Use of Premises. The Premises may be used and occupied only for the purpose(s) set forth in Subsection 1.01(h) hereinabove and for no other purpose(s), except as consented to in writing by Landlord. Tenant will comply, at its own expense, with all laws and ordinances, and governmental rules and regulations applicable to the Premises. Tenant acknowledges that neither Landlord nor any agent or employee of Landlord has made any representation or warranty with respect to the Premises or with respect to the suitability of the Premises for Tenant's intended use unless such are expressly set forth in this Lease. Tenant further acknowledges that no representations or warranties as to the state of construction or repair of the Premises, nor promises to alter, remodel, improve, repair, decorate or paint the Premises, have been made by the Landlord, unless such are expressly set forth in this Lease. It shall be the sole responsibility of Tenant to secure all licenses and permits required in connection with its intended use of the Premises.

6.02. Prohibited Use of Premises. No use shall be made of the Premises, nor act done in or about the Premises, which is illegal, unlawful, or which will increase the existing

rate of insurance upon the Building, nor shall any use be made of the Premises which would cause Landlord to be in default under any underlying lease on the Premises. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance or other act or thing which disturbs the quiet enjoyment of any other tenant in the Building, nor shall Tenant use any apparatus, machinery or device in or about the Premises which shall cause any substantial noise or vibration, nor shall Tenant overload the floor of the Premises.

6.03. Advertising.

(a) Signs. Tenant shall not, without Landlord's prior written consent (which shall not be unreasonably withheld), inscribe, 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 or the Building at places visible (either directly or indirectly as an outline or shadow on a glass pane) from anywhere outside the Premises.

(b) Limitation on Distribution of Advertising. Tenant shall not distribute to any of the other Tenants in the Building or to their employees, customers, clients or invitees, affix to vehicles parked in the parking area of the Building or place or cause to be placed in any other area of the Building, any notices, advertisements or written solicitations, or solicit or originate, or attempt to originate, any business whatsoever by distributing handbills or literature except within the Premises.

6.04. Security. Tenant shall be solely responsible, at its own expense, for providing security for the Premises and Landlord shall have no responsibility therefor. Should Tenant desire the installation of a burglar alarm system in the Premises, Tenant shall install the same at its own expense. Any burglar alarm system so installed shall first be approved in writing by Landlord, in Landlord's sole judgement.

6.05. Parking. Lessees will use any assigned parking stalls for parking only and not for storage or other purposes. Landlord expressly reserves the right to change Tenant's assigned stalls from time to time.

ARTICLE 7

SERVICES PROVIDED BY LANDLORD

7.01. Utilities and other Services. All utilities and other property related services, without limitation, electricity, gas, telephones, janitorial services, and refuse disposal shall be payable by Tenant. Water and any other utility service which is not separately metered shall be billed to Tenant from time to

time in Tenant's proportionate share, as set forth in Section 1.01(g) above, of such usage.

7.02. Discontinuance of Service. Landlord reserves the right, on ten (10) days' prior written notice to Tenant, to cut-off and discontinue utility, and any or all other services, without liability to Tenant, whenever and during any period in which bills for the same remain unpaid by Tenant. Any such action by Landlord pursuant to the immediately preceding sentence shall not be construed by Tenant or any other party interpreting this Lease as an eviction or disturbance of possession of Tenant or an election by Landlord to terminate this Lease on account of such nonpayment.

7.03. Energy Shortage. Should it become necessary or desirable because of recommendations or directives of public authorities to reduce energy consumption within the Building, Tenant will reduce its energy consumption in accordance with reasonable, uniform and non-discriminatory standards established by Landlord.

7.04. Charge for Providing Extraordinary Services If any property or services other than those required to be provided by Landlord to Tenant under this Lease shall be provided by Landlord to Tenant at the request of Tenant or for the benefit of Tenant, Tenant shall pay Landlord for such extraordinary property or services. Landlord shall notify Tenant of the amount of any such payment due from time to time, and Tenant shall make such payment to Landlord at Landlord's office, on or before the first day of the calendar month immediately following the calendar month in which any such notice is given. Such extraordinary property and services shall include, without limitation, gas, maintenance of vacuum and air compressors, and janitorial services. If Tenant shall install in the Premises any electrical equipment requiring power or (with Landlord's prior written consent) air-conditioning, the excess electricity consumed by such device shall be regarded as extraordinary services for which Landlord shall be entitled to make an extraordinary charge pursuant to this Section 7.04. Landlord may cause an electric current meter to be installed in, and a separate electric line or lines to be installed and used for, the Premises, in order to measure the electricity consumed in the Premises, and the cost of such meter and line(s) and of installing and repairing such meter and line(s) shall be regarded as extraordinary property and services for which Landlord shall be entitled to make an extraordinary charge pursuant to this Section 7.04. Tenant agrees to pay Landlord promptly upon demand (but not more frequently than monthly), for all electricity consumed as shown by said meter, at the rates charged for such services by the local public utility or governmental or quasi-governmental department furnishing the same, plus any additional expense

incurred by Landlord in keeping accounts of the utility services so consumed.

7.05. 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 outlet in or about the Premises any photocopying equipment, computer, X-ray machine, motor, water heater, stove, furnace or other apparatus or machine requiring comparable amounts of electrical power, gas or water.

7.06. Limitation on Liability. Landlord shall not be liable for any damages caused by the services described under Sections 7.01 hereinabove, or for interruption, malfunction or curtailment of any of said services caused by maintenance, labor disturbances or labor disputes (whether caused by Landlord or otherwise), accidents, repairs, wars, riots and other causes beyond the reasonable control of Landlord, nor shall Landlord be liable, for loss of or injury to persons or property, however occurring, through or in connection with or incidental to the furnishing of any of the foregoing. No such interruption, malfunction or curtailment shall relieve Tenant from any of its obligations under this Lease or constitute or be construed as a constructive or other eviction of Tenant or disturbance of Tenant's use and possession of the Premises or breach by Landlord of any of its obligations hereunder.

ARTICLE 8

IMPROVEMENTS, ALTERATIONS AND RENOVATIONS

8.01. Tenant's Construction Obligations. Tenant will construct and install all improvements, additions and fixtures as may be necessary to prepare the Premises for the use and occupancy of Tenant, including without limitation, all interior partitions, floor coverings and bases, suspended ceilings, convenience outlets and lighting fixtures, air handling systems and air conditioning ductwork, supply and exhaust grills, plumbing fixtures and exterior fencing.

8.02. Subsequent Alterations. Tenant will not construct any additions to or make any alteration in the Premises or attach any fixtures or equipment, without first receiving the written consent of the Landlord, which consent will not be unreasonably withheld. When applying for such consent, the Tenant, unless the cost shall be less than One Thousand Dollars (\$1,000), shall furnish complete plans and specifications, prepared by a licensed architect or engineer, covering the desired additions or alterations. All construction, additions

and alterations by the Tenant shall conform to the existing Premises in quality and materials.

8.03. Protection Against Liens. Tenant shall promptly pay all contractors and materialmen, and shall keep the Premises and the Building 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 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 any work by Tenant. If a mechanic's or materialman's lien shall be filed against the Premises or the Building for or purporting to be for labor or material alleged to have been furnished or to be furnished to or for Tenant, Tenant shall bond against or discharge said lien within five (5) days after the filing of same. If Tenant shall fail to bond against or discharge said lien as aforesaid, Landlord may pay the amount of such lien, and in the event that Landlord shall discharge such 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 8.03 shall be paid by Tenant to Landlord upon demand, together with interest thereon from the date of payment by Landlord at the rate provided in Article 21 hereinbelow.

8.04. Disclaimer. Notwithstanding anything in this Lease contained to the contrary, neither Landlord's approval nor the approval of any architect or engineer engaged by Landlord, or any plans or specifications submitted to Landlord or such architect or engineer pursuant to the provisions of this Lease, shall be deemed a warranty or other representation on Landlord's part to any person that such plans or specifications or the improvements therein described are legal or structurally safe or sound.

8.05. Alterations Belong to Landlord. All alterations, additions, or improvements to the Premises, whether temporary or permanent, made either by Landlord or Tenant shall be for the benefit of Landlord, shall not be removed unless otherwise provided in Section 17.02 hereinbelow or consented to in writing by Landlord, and shall be presumed to become an integral part of the Premises.

8.06. Alterations Required by Law. If, during the term, any change, alteration, addition or correction shall be

required by law, rule or regulation or any governmental authority to be made in or to the Premises or any portion thereof, Landlord shall first give its written consent thereto and such change, alteration, addition or correction shall then be made by Tenant at its sole expense.

ARTICLE 9

REPAIRS BY TENANT

9.01. Repairs by Tenant. Tenant will keep and maintain the Premises, including all improvements therein, and the fenced exterior area in good, clean condition and repair. Tenant hereby waives any right to make repairs at Landlord's expense or to deduct the cost thereof from rent or any other sums to be paid hereunder by Tenant to Landlord. Tenant shall not make changes to locks on doors or add, disturb or in any way change any plumbing, or wiring without first obtaining the written consent of Landlord. All damage or injury done to the Premises by Tenant or by any persons who may be in or upon the Premises 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 satisfaction of Landlord. All repairs to the structure of the Building shall be done by or under the direction of Landlord as provided in Section 10.02 hereinbelow. Except as otherwise provided herein, Landlord shall have no obligation to repair the interior of the Premises (including window glass) or any improvement therein.

9.02. Inspection. Tenant will permit Landlord, the Ground Lessors and their agents, at all reasonable times during the Term of this Lease, to enter the Premises and examine the state of repair and condition thereof. 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.

9.03. Right to Cure Tenant's Default. If Tenant refuses or neglects to make proper repairs or alterations in accordance with this Lease and to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand to do so, Landlord may make such repairs or alterations without liability to Tenant for any loss or damage which may accrue to Tenant's inventory or other property or to Tenant's business by reason thereof. Upon completion of such repairs or alterations, Tenant shall reimburse Landlord for the expenses incurred by Landlord in making such repairs and alterations. Landlord shall notify Tenant of the cost of any such repair or alteration expenses, and Tenant shall pay the same with the next installment of rent.

ARTICLE 10

IMPROVEMENTS AND REPAIRS BY LANDLORD

10.01. Alterations, Additions or Capital Improvements by Landlord. Landlord may make any alterations, additions or capital improvements required by law or which Landlord may deem necessary for the preservation, safety or improvement of the Premises.

10.02. Repair of Structural Elements. Landlord shall repair or shall cause to be repaired the roof, exterior walls and structural elements of the Premises as the same may exist from time to time. Landlord shall have no obligation to make repairs under this Section 10.02 until a reasonable time after receipt of written notice of the need for such repairs. If such repairs are necessitated by the act or omission of Tenant or Tenant's Employees, the cost of such repair shall be borne by Tenant as provided in Section 5.02 hereinabove. In no event shall rent be abated, nor shall Landlord have any liability for interruption of or interference in Tenant's business, on account of Landlord's failure to make repairs pursuant to this Section 10.02.

10.03. Right of Entry. Landlord, its agents and employees shall have the right to enter the Premises at all reasonable times for the purposes set forth in this Article 10 as Landlord may deem necessary or desirable without liability except for the failure of Landlord to exercise due care with respect to Tenant's property.

ARTICLE 11

ASSIGNMENT, SUBLETTING AND MORTGAGING BY TENANT

11.01 Consent Required. Except as hereinafter provided, Tenant and any person or corporation acquiring this Lease will not, without the prior written consent of Landlord, sell, assign, transfer this Lease or sublet or part with the possession of the whole or any part of the premises or any interest therein; and any such sale, assignment, transfer, mortgage, sublease or parting with possession in violation of the foregoing shall, at Landlord's option, be null and void. This Lease shall not, nor shall any interest therein, be assignable as to the interest of the Tenant by operation of law without the written consent of the Lessor. If the Tenant is a corporation or partnership, then any transfer of this Lease by merger, consolidation or liquidation, or any change in the ownership or power to vote the majority of Tenant's outstanding voting stock on the majority of Tenant's partnership interests, as the case might be, shall constitute an assignment for the purposes of this paragraph.

Landlord agrees that its consent to an assignment, sale or subletting shall not be unreasonably withheld, provided that any such transfer meets the following conditions and such other conditions as Landlord might reasonably impose:

(a) Tenant is not then in default under any of the terms, covenants, conditions, provisions or agreement of this Lease;

(b) The transfer is to a person or entity who is comparable in experience, business reputation and financial strength to Tenant.

(c) The assignee, in the case of an assignment assumes all of the obligations of this Lease;

(d) The assignor under said assignment and any guarantor of assignor's obligations under this Lease remains fully liable for all obligations under this Lease; and

(e) The instrument of transfer is in form satisfactory to Landlord and Tenant pays Landlord's reasonable attorneys' fees in reviewing such instrument and preparing Landlord's consent.

11.02. Sublease.

(a) With respect to any proposed sublease of the Premises, Tenant shall submit to Landlord for Landlord's review, the agreement under which Tenant proposes to enter into such sublease, executed by both Tenant and its proposed sublessee, together with current financial statements of the proposed sublessee.

Any sublease of the Premises shall be subject to the following conditions:

(i) Such sublease shall be on the same terms as those set forth in the aforesaid agreement to sublease given to Landlord;

(ii) No sublease shall be valid and no sublessee shall take possession of the Premises subleased until an executed counterpart of such sublease, together with a current certificate of insurance attached thereto as evidence that a comprehensive general liability insurance policy is in effect, naming Landlord, Tenant, sublessee and such other parties as Landlord may specify as insureds, have been delivered to Landlord for review and written consent. Such certificate of insurance shall conform to the provisions of Section 14.01 hereinbelow;

(iii) No sublessee shall have a right to sublet further or to assign its interest without Landlord's prior written consent, which consent may be granted or withheld by Landlord in its sole discretion; and

(iv) Any such sublease and all rights of the sublessee thereunder shall be subject to this Lease.

(d) Upon the occurrence of a default under this Lease (as described in Section 16.01 hereinbelow), if the Premises or any part thereof are then sublet, Landlord, in addition to any other remedies provided in this Lease or provided by law, may at its option collect directly from such sublessee all rents becoming due to Tenant under such sublease and apply such rent against any sums due to Landlord from Tenant under this Lease, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant's obligations under this Lease.

11.03. Continuing Liability. No assignment or sublease of Tenant's interest in the Premises shall in any way release Tenant from any liability or responsibility assumed by Tenant under this Lease.

ARTICLE 12

SUBORDINATION, ATTORNMEN AND MORTGAGEE REQUIREMENTS

12.01. Subordination and Attornment. This Lease shall be subject to and subordinate at all times to any underlying lease on all or any part of the Property and to such liens and encumbrances as are now on or as Landlord may hereafter impose on the Property or the Premises, and on Landlord's interest or estate herein without the necessity of any further instrument or act on the part of Tenant to effectuate such subordination. In confirmation of such subordination, Tenant agrees to promptly execute and deliver any instrument that the holder of any such underlying lease or lien holder may require to evidence such subordination, and Tenant hereby irrevocably appoints Landlord its attorney-in-fact to execute and deliver such instruments on behalf of Tenant should Tenant refuse or fail to do so within ten (10) days after request is made. Said appointment of Landlord as Tenant's attorney-in-fact is coupled with an interest and shall be irrevocable. If any Landlord under such underlying lease or such holder of a lien or purchaser on foreclosure of such lien shall require, Tenant shall attorn to it and this Lease shall then continue in effect in the event of termination of such underlying lease or acquisition of the interest of Landlord by such lien holder or purchaser on foreclosure of such lien.

12.02. Requirements of Landlord's Mortgagee. In the event any mortgagee of Landlord shall elect to have this Lease as a lien 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, or in the event of exercise of the power of sale under any mortgage of the Property, 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, and agrees to execute on request a nondisturbance and attornment agreement with any such mortgagee, 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. In the event that any mortgagee of Landlord's interest hereunder shall take possession of the Premises 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 instrument or instruments as shall be requested to carry out the requirements of this Section 12.02.

12.03. Estoppel Certificates. Tenant shall, at any time and from time to time, upon not less than five (5) days' prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect), the dates to which the rental and other charges, if any, are paid in advance and the amount of Tenant's 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 which, with the passage of time or notice or both, would constitute a default on the part of Landlord hereunder, or specifying such default, events or conditions, if any are claimed. It is expressly understood and agreed that any such statement may be relied upon by any prospective purchaser or encumbrance of all or any portion of the Building or Property. Tenant's failure to deliver such statement within such time shall, at the option of Landlord, constitute a default under this Lease and, in any event, shall be conclusive upon Tenant that this Lease is in full force and effect without modification except as may be represented by Landlord in any such certificate prepared by Landlord and delivered to Tenant for execution.

ARTICLE 13

INDEMNITY AND RISK OF INJURY, LOSS AND DAMAGE

13.01. Indemnity. Tenant, as a material part of the consideration to Landlord for this Lease, will and does hereby assume all risk of bodily injury, wrongful death and/or property damage occasioned by any accident, fire or nuisance made or suffered in the Premises or resulting from any failure on the part of Tenant to maintain the Premises in a safe condition, and Tenant hereby waives all claims in respect thereto against Landlord, and Landlord's officers, directors, partners, trustees, employees, licensees, contractors and invitees (herein collectively called "Landlord's Employees"), and acknowledges that this assumption of risk by Tenant has been bargained for in determining rent and other obligations of Tenant under this Lease. Tenant hereby agrees to indemnify and save harmless Landlord, and Landlord's Employees from and against any and all claims for bodily injury, wrongful death and/or property damage by any persons (including without limiting the generality of said term, Tenant's Employees and Landlord's Employees) arising out of, caused by, occasioned by or resulting from any such accident, fire, nuisance in the Premises, or failure to maintain the Premises, except where such injury or death is caused by the willful act or gross neglect of Landlord, Landlord's Employees, or the failure of Landlord, after reasonable written notice, to repair any structural defect. Without limitation, Tenant will indemnify and save harmless Landlord and Landlord's Employees against and from any and all claims by or on behalf of any person or persons, firm or firms, corporation or corporations, arising from the conduct or management of any work or thing whatsoever done by Tenant or Tenant's Employees in or about the Building, or from transactions of Tenant concerning the Premises, and will further indemnify and save Landlord, Landlord's Employees and the Ground Lessor 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 Employees, and shall reimburse Landlord and the Ground Lessor the costs, attorney's 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, Tenant, upon Landlord's written request, shall defend Landlord at Tenant's expense by counsel satisfactory to Landlord. If Landlord does not request such defense or Tenant does not provide such defense, then Tenant will reimburse Landlord as aforesaid, and agrees to cooperate with Landlord in such defense, including, but not limited to, the providing of affidavits and testimony upon request of Landlord.

13.02. Non-liability of Landlord. Tenant, as a material part of the consideration to Landlord for this Lease, will and hereby does assume all risk of loss or damage to furniture, fixtures, supplies, merchandise, and other property, by whomsoever owned, stored or placed in, upon or about the Premises, and does hereby agree that neither Landlord nor the Ground Lessor, respectively, will be responsible for loss or damage to any such property, unless caused by the willful act or gross neglect of Landlord or the Ground Lessor, respectively, and waives all claims in respect thereof and acknowledges that this assumption of risk by Tenant has been bargained for in determining rent and other obligations of Tenant under this Lease. Tenant hereby agrees to indemnify and save harmless Landlord and the Ground Lessor from and against any and all claims for such loss or damage, other than damage caused by the willful act or gross neglect of Landlord or the Ground Lessor, or, as to Landlord only, arising out of a defect which Landlord is required hereunder to repair and has failed to remedy within a reasonable time after having been given notice in writing thereof. Without prejudice to the generality of the foregoing, Landlord and the Ground Lessors shall not be liable for any damage to any property entrusted to Landlord or Landlord's Employees, nor for damage to any property at any time stored or kept in the Premises or any other part of the Building, either from rain or from any other water which may leak, issue or flow from any part of the Building, or from the pipes or plumbing of the same or from any other place or quarter, nor for any damage to property in the Building caused by theft or accident involving elevators, or for damage of any character arising out of defects of construction of the Building, the Premises or any machinery, equipment, electrical wiring or facility therein or failure or breakdown thereof or from lack of repair or proper operation of the same or from any other cause unless, as to Landlord only, the cause be a defect which Landlord is required hereunder to repair and Landlord shall have failed to remedy such defect within a reasonable time after written notice thereof.

ARTICLE 14

INSURANCE

14.01. Public Liability and Property Damage. Tenant shall procure at Tenant's expense and keep in force during the Term and any extension thereof, comprehensive general liability insurance covering Landlord, Tenant, the Ground Lessor, any mortgagee of Landlord's and/or Tenant's interest hereunder and such other parties as Landlord may specify, insuring against any liability arising out of the use, occupancy or maintenance of the Premises and all areas appurtenant thereto by Tenant and Tenant's Employees. Such insurance shall be written by a company acceptable to Landlord and have reasonable minimum limits set by

Landlord from time to time, but not less frequently than every two (2) years during the Term, based on acceptable minimum limits used for similar properties at the time of such setting. Initially, such limits shall not be less than One Million Dollars (\$1,000,000.00) for property damage, and One Million Dollars (\$1,000,000.00) for injuries and deaths in any one occurrence. Such insurance shall be primary and shall insure performance by Tenant of the provisions of Section 13.01 hereinabove; provided, however, that the limits of such insurance shall not limit the liability of Tenant under said Section 13.01.

14.02. Notice to Landlord. Said liability insurance policy shall provide that it cannot be cancelled without not less than sixty (60) days prior written notice to Landlord and any such mortgagee(s) and, if obtainable, shall provide for notice to Landlord and any such mortgagee(s) if not renewed at the expiration thereof. A current certificate that such policy is in effect, and, if required by Landlord, a true copy of such policy shall be deposited with Landlord and any such mortgagee(s) by Tenant at the commencement of the Term and renewed from time to time thereafter so as to be kept current at all times.

14.03. 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 and Landlord's Employees, arising out of loss or damage, including consequential loss or damage, to any property of Tenant within the Building from any risk required to be insured against by Tenant.

ARTICLE 15

CASUALTY AND CONDEMNATION

15.01. Termination of Lease as to Portion Taken. Unless otherwise terminated hereunder, if the Premises or any part thereof or interest therein is taken by condemnation (other than a temporary taking, which is provided for hereinbelow), 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.

15.02 Landlord's Option to Terminate. If (i) the Premises or any part thereof or interest therein is taken by condemnation, or (ii) a substantial portion of the Building is taken by condemnation and Landlord shall decide to discontinue the use or operation of the Building, or to demolish, alter or rebuild the same, as a result of such taking, then in any such event stated in (i) or (ii), 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.

15.03. Continuation of Business. If the Landlord elects to reconstruct or repair the Premises and/or the Building in the event of any casualty or condemnation, Tenant shall continue the operation of Tenant's business in the Premises during any period of reconstruction or repair to the extent reasonably practicable from the standpoint of good business practice.

15.04. Repairs by Tenant. In the event of any condemnation, damage or destruction affecting the Premises, Tenant shall, unless the Landlord elects not to reconstruct or reinstate the Building, forthwith replace or fully repair all improvements, exterior signs, trade fixtures, equipment, display cases and other property originally installed by Tenant in the Premises. Except as otherwise provided in this Lease, Landlord shall have no interest in the proceeds of any insurance carried by Tenant with respect to Tenant's interest in the Premises or this Lease, and Tenant shall have no interest in the proceeds of any insurance carried by Landlord.

15.05. Abatement of Rent. During any period in which, by reason of any damage or destruction not resulting from the negligence of Tenant or Tenant's Employees, or reconstruction as a result of condemnation there is substantial interference with the operation of Tenant's business in the Premises, Rent shall be appropriately abated by such amount as shall be determined by Landlord in an equitable manner having regard to the extent to which Tenant may be required to discontinue Tenant's business in the Premises. Such abatement shall continue for the period commencing with such destruction or damage and ending with the completion of such repair and/or rebuilding work.

15.06. Right to Compensation. In the event of any taking by eminent domain, 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 for any reason shall not affect the respective rights of Landlord and Tenant to compensation and damages.

15.07. Taking for a Limited Period. If the Premises 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 the rent provided for herein, 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, Tenant shall be entitled to the entire amount paid by governmental authority with respect to governmental occupancy of the Premises during the Term (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 governmental 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 assign the same to Landlord to be held without interest as security for the payment of 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 improvements therein as near as may be reasonably possible to the condition that the same were in prior to such taking.

ARTICLE 16

DEFAULT BY TENANT

16.01. Definition of Default. In addition to other instances of default specifically set forth in this Lease, Tenant is in default under this Lease:

(a) if Tenant shall fail to pay rent 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

(b) if Tenant shall fail to pay any other charge, assessment or amount it is obligated to pay hereunder within the time period specified, or if no time period is specified, within fifteen (15) days after the same becomes due, or

(c) if 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 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) if Tenant then owning this Lease 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 and such proceeding shall not be dismissed or discharged within thirty (30) days from the date of the filing thereof, 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) if Tenant shall vacate or abandon the Premises, or

(f) if Tenant shall cease to occupy the Premises or shall remove substantially all of Tenant's personal property therefrom, or

(g) if 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

16.02. Landlord's Remedies. In the event of any such default:

(a) Right of Re-entry. Landlord may at once re-enter the Premises 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 Tenant and any persons claiming 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 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.

(b) 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 rents in such action or may institute a separate action for the recovery of rent.

(c) Removal of Persons and Property. In the event of such resumption of possession under this Lease, 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, 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 loss, destruction, and/or damages or injury which may be occasioned in the exercise of any of the aforesaid acts.

(d) 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 the expense of recovering possession.

(e) Election to Terminate Lease. No re-entry or taking of possession of the Premises 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 or 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 set forth or provided in the notice or order aforementioned, as the case may be.

(f) Reletting of Premises. Landlord may from time to time, without terminating this Lease, relet for the account of Tenant the Premises or any part thereof, for all or any portion of the remainder of the Term of a Tenant or Tenants satisfactory to Landlord, and at such rental or rentals as may, in the exercise of reasonable efforts, be obtained, with the right to Landlord to put the Premises in good order and condition and to make reasonable alterations and repairs to facilitate such reletting at Tenant's expense, and Landlord shall receive such rentals and apply them, first to the payment of the expenses of recovering possession of the Premises and the re-renting thereof, including without limitation, all attorneys' fees and brokers' commissions, together with such expenses as Landlord may have incurred in putting the Premises in good order and condition or in making such alterations and repairs, and then to the payment of 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. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

(g) Liquidated 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 hereinabove set forth, Landlord, at Landlord's option, shall thereupon be entitled to recover from Tenant liquidated damages in an amount equal to the excess, if any, of the then cash value of rent payable by Tenant for the balance of the Term, 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 rent, as herein set forth to the extent reasonably applicable. The cause of action for such damage shall accrue upon such termination.

(h) Broker's Fee. On any termination of this Lease under the provisions of this Article 16 Tenant shall, without limitation as to any other liability to Landlord hereunder, become liable to Landlord for the then unamortized portion of any broker's or real estate agent's commission paid by Landlord for or in connection with the execution of this Lease (amortization to be computed on a straight-line basis over the full Term).

16.03. Remedies are Cumulative. Each and all of the remedies given to Landlord hereunder are cumulative and the exercise of one right or remedy by Landlord shall not impair Landlord's right to any other remedy.

ARTICLE 17

TERMINATION

17.01. 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 two (2) times the rent for the last month of the Term, prorated on a daily basis for each day that Tenant remains in possession, and Tenant shall also be liable to Landlord for any damages resulting from failure to surrender possession. If Tenant remains in possession with Landlord's written consent, such tenancy shall be from month-to-month, terminable by either party by not less than twenty five (25) days' prior written notice.

Landlord shall so require, notice thereof to be given not less than sixty (60) days prior to the end of the Term, Tenant shall remove prior to the termination of this Lease, all signs and trade fixtures erected or placed upon the Premises, and on such notice only shall also remove any improvements made or placed in the Premises, to the extent specified in such notice by Landlord, and Tenant shall repair all damage to the Premises caused by or

resulting from such removal and leave the Premises in a clean and orderly condition. In the event Tenant shall fail to perform such removal and/or restoration in accordance with the requirements of this Section 17.02, Landlord may do so and Tenant, upon demand, will pay to Landlord the cost thereof, plus interest as provided in Article 21 hereinbelow. This obligation shall survive the termination of this Lease. Any property left upon the Premises by Tenant at the termination of this Lease may, at the option of Landlord (i) be removed and stored by Landlord, at the cost of and for the account of Tenant, or (ii) be deemed and declared by Landlord to have been abandoned by Tenant, in which case Landlord may appropriate, destroy or dispose of the same without liability or accountability to Tenant.

ARTICLE 18

LANDLORD'S PREROGATIVES

18.01. Landlord's Consent. In every case where Landlord's approval or consent is required in this Lease, unless otherwise specifically provided to the contrary herein, such consent or approval shall not be unreasonably withheld or delayed.

18.02. 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 rent required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for fifteen (15) days after written notice thereof to Tenant, in addition to all other remedies of Landlord, Landlord may, but shall not be obligated so to do, without waiving or releasing Tenant from any obligations of Tenant, 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 Article 21 hereinbelow, shall be payable by Tenant upon demand, and Tenant hereby covenants to pay any and all such sums.

18.03. Inspection of Premises. Landlord and Landlord's employees, agents, brokers, janitors, workmen and engineers may retain and use a passkey to the Premises described herein to enable them to, and they may, inspect and examine the Premises from time to time with reference to any emergency or to the general maintenance of the Premises, or, during the last six (6) months of the Term, for the purpose of exhibiting the same.

18.04. Waiver. Landlord's failure to take advantage of any default or breach of covenant on the part of Tenant shall not be construed as a waiver thereof, 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 to insist upon the performance by Tenant of any term, covenant or condition hereof, or to waive or lessen the right of Landlord to exercise any rights given Landlord on account of any such default. A waiver by Landlord of a particular breach or default shall not be deemed to be a waiver of the same or any other subsequent breach or default. The acceptance of rent or any other sum due hereunder shall not be, or be construed to be, a waiver of any breach of any term, covenant or condition of this Lease, whether or not Landlord has knowledge of such breach at the time of such acceptance.

ARTICLE 19

LANDLORD'S LIABILITY

19.01. 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 cancelling this Lease.

19.02. Notice to Landlord's Mortgagees. Tenant agrees to give all mortgagees under mortgages of any interest of Landlord in the Property, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified, in writing, of the addresses of such mortgagees. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then before Tenant pursues its other remedies, such mortgagees shall have an additional thirty (30) days, within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary, provided that if within such thirty (30) days, such mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure).

19.03. Sale or Assignment by Landlord. The term "Landlord" as used in this Lease shall be limited to mean and include only the owner or owners at the time in question of the Premises provided, however, that the term "Landlord" shall not be construed to mean nor shall it include the Ground Lessor. 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 Premises, 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.

19.04. Waiver of Jury Trial and Counterclaims. The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on 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, and/or any claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of rent or other charges payable by Tenant hereunder, Tenant will not interpose any counterclaim of whatever nature or description in any such proceedings. This shall not, however, be construed as a waiver of the Tenant's right to assert such claims in any separate action or actions brought by the Tenant.

ARTICLE 20

FORCE MAJEURE

Unless otherwise specifically provided herein, if either Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor disputes or disturbances, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or any other reason of a like nature not the fault of the party delayed in performing work or doing acts required by this Lease, then performance of such act shall be excused for the period of the delay, and the period for the performance of such act shall be extended for a period equivalent to the period of such delay; provided, however, that this Article 20 shall not operate to excuse Tenant from the prompt payment of rent or any other amounts required by this Lease.

ARTICLE 21

INTEREST

Interest shall be charged to Tenant on late payments of rent and other sums due hereunder from the date such payment becomes due until it is received by Landlord, (a) at the specified maximum rate, if any, then allowed by applicable law, or (b) if there is no such specified maximum rate, at a floating rate equal to three (3) percentage points over the large business prime rate then being charged by the Bank of Hawaii.

ARTICLE 22

COSTS AND ATTORNEYS' FEES

In the event of any action or proceeding brought by either party hereto against the other based upon or arising out of any breach of the terms and conditions hereof, the prevailing party shall be entitled to recover all costs, including reasonable attorneys' fees, from the other. Tenant also agrees to pay all costs and reasonable attorneys' fees which may be incurred or paid by Landlord in enforcing without litigation any of the covenants, conditions or agreements contained in this Lease, and all such amounts shall be deemed additional rent payable upon demand. If Landlord becomes involved in any action, threatened or actual, by or against anyone not a party to this Lease, but arising by reason of or related to any act or omission of Tenant or Tenant's Employees, Tenant agrees to pay Landlord's reasonable attorneys' fees and other costs incurred in connection with such action and in preparation thereof.

ARTICLE 23

DEFINITIONS AND MISCELLANEOUS

23.01. Definition of Premises and Improvements.

(a) Premises. The term "Premises", wherever it appears herein, includes and shall be deemed to include (except where such meaning would be clearly repugnant to the context) the space demised hereunder and all improvements therein. The space demised hereunder shall consist of the area indicated by the cross-hatched portion of Exhibit A and, except for exterior areas, is bounded by the unfinished interior surfaces of the perimeter walls and windows, the unfinished surfaces of interior load-bearing walls, the unfinished top of the floor slab and the unfinished bottom of the floor slab of the floor above, excluding, however, any stairs and other items within said boundaries which are not included in rentable area, but shall specifically exclude any interest in the land upon which the

Building is located or any interest in the air space above the Building or Premises.

(b) Improvements. Unless specifically provided to the contrary herein, when used in this Lease, the term "improvements" shall include all improvements existing at the commencement of the Term or at any time thereafter built by anyone in the Premises, including, without limitation, all walls and partitions which are not load-bearing; the interior decorated or finished surfaces of all perimeter and load-bearing walls and floor slabs, all ceilings and ceiling light fixtures (including those furnished by Landlord); all interior windows, all entrance doors, all mechanical and electrical conduits, wiring fixtures and equipment; all floor tile, carpeting and wall covering and all other fixtures of all kinds, including, without limiting the generality of the foregoing, all ceiling sprinkler systems, air-conditioning equipment and ducts, water, electric, telephone and other utility lines, ducts, conduits and facilities serving other portions of the Building which may pass through the Premises.

23.02. No Light and Air Easement. Any diminution or shutting off of light or air by any structure which may be erected on lands adjacent to or in the vicinity of the Building shall in no way affect this Lease, abate rent or otherwise impose any liability on Landlord.

23.03. Time of Essence. Time is of the essence of this Lease.

23.04. Brokerage Commissions. Tenant represents that Tenant has dealt directly with (and only with) the broker(s), if any, identified in Subsection 1.01(i) hereinabove in connection with this Lease, and that no other broker negotiated this Lease or is entitled to any commission in connection herewith. Tenant agrees to indemnify Landlord against, and hold Landlord harmless from, all liabilities arising from the claims of any other broker based upon acts of Tenant (including, without limitation, attorneys' fees incurred by Landlord in connection therewith).

23.05. Execution by Landlord. The submission of this Lease for examination does not constitute a reservation of or option to lease the Premises, and this Lease shall become effective as a Lease only upon execution and delivery thereof by Tenant and Landlord.

23.06. Reimbursement of Landlord's Processing Costs. Tenant shall reimburse Landlord for all costs and expenses (including attorneys' and other professional fees) incurred by Landlord in processing all consents and approvals required 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 the Landlord to exercise its rights upon default by Tenant.

23.07. Renewal. Except as provided herein, Landlord shall have no obligation to extend or renew this Lease upon termination or to enter into another Lease of the Premises with Tenant upon termination of this Lease. Upon termination of this Lease, Landlord may lease the Premises to whomever it chooses for the operation therein of a business that is the same as or different from that operated by Tenant in the premises.

23.08. Notice. All notice hereunder shall be given in writing and may be given or served for all purposes by being (i) sent as registered or certified mail, postage prepaid addressed to Tenant at its post office address hereinabove set forth or at such other post office address as Tenant may from time to time designate in writing by notice to Landlord, or to Landlord at its office hereinabove set forth or at such other post office address as Landlord may from time to time designate to Tenant, or (ii) delivered personally to Tenant (if Tenant is an individual), to a partner of Tenant (if Tenant is a partnership), or to an officer of Tenant (if Tenant is a corporation). Any such notice shall be deemed conclusively to have been given or served, three (3) days after the date of such mailing, or upon the date of such personal delivery. If there is more than one Tenant, mailing or personal service to any one thereof shall be construed as notice to all Tenants.

23.09. Severability. If for any reason whatever any of the provisions hereof shall be unenforceable or ineffective, all of the other provisions shall be and remain in full force and effect.

23.10. Entire Agreement. The provisions of this Lease constitute, and are intended to constitute, the entire agreement of Landlord and Tenant. No terms, conditions, warranties, promises or undertakings of any nature whatever, express or implied, exist between Landlord and Tenant except as herein expressly set forth.

23.11. Successors. Except as otherwise provided in Section 19.03 hereinabove, 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, successors and assigns.

23.12. Joint and Several Obligations. In any case where this Lease is signed by more than one person, the obligations hereunder shall be joint and several.

23.13. Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of Hawaii.

23.14. Article and Section Headings. The article and section headings herein are for convenience of reference, and shall in no way define, limit or describe the scope or intent of any provisions of this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed these presents as of the day and year first above written.

WENS LIFE, INC.,

By: *[Signature]*
Its VP.

By: _____
Its

Landlord

KANA FAMILY CORP (ARMED)

By: *WON S KANG*
Its Pres.

By: _____
Its

Tenant