

OHA MALAMA BUSINESS LOAN AGREEMENT (UNSECURED)

Loan No. _____
 Date of Loan _____

Amount of Loan \$ _____
 Interest Rate _____
 Maturity (Loan Due) _____

Borrower:

Lender: **THE OFFICE OF HAWAIIAN AFFAIRS, a body corporate existing under the Constitution and Laws of the State of Hawaii**
560 N. Nimitz Hwy., Suite 200
Honolulu, Hawaii 96817

PROMISE TO PAY. Borrower promises to pay to Lender, or order, in lawful money of the United States of America, the amount of Loan stated above (this amount is called "principal"), plus interest on the decreasing unpaid principal balance at the Interest Rate stated above by making the payments stated in the Payments section below. The Interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in _____ payments of _____ each payment and an irregular last payment estimated at _____ Borrower's first payment is due _____, and all subsequent payments are due on the _____ day of each month after that. Borrower's final payment will be due on the Maturity date stated above, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; second to principal, third to late charges and then any to other fees not charged to principal. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Lender shall not be required to accept partial payment. Lender may hold any partial payment without applying such payment to amounts due.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in the Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First Hawaiian Bank, as Agent for the Office of Hawaiian Affairs, Mortgage Service Center, P.O. Box 1959, Honolulu, HI 96804.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged **5.000% of the unpaid portion of such payment.**

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, at Lender's election, the Interest rate shall be increased to the lesser of eight percent (8%), or the maximum rate permitted by law, until such time that Borrower's payment is no longer past due. Borrower's periodic payments under this Agreement will increase as a result of such increase in Borrower's interest rate.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

Payment Default. Borrower fails to make any payment when due under this Agreement.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other Agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any guarantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Agreement or perform Borrower's obligation under this Agreement or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf, or made by any guarantor, endorser, surety, or accommodation party, under this Agreement or the related documents in connection with the obtaining of the loan evidenced by this Agreement or any security document directly or indirectly securing repayment of this Agreement is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the Insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of Creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, Self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is good faith dispute by borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Judgment. Unless adequately covered by insurance in the opinion of the Lender, the entry of a final judgment for the payment of money involving more than ten thousand dollars (\$10,000.00) against Borrower and the failure by Borrower to discharge the same, or cause it to be discharged, or bonded off to Lender's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Agreement.

Change in Ownership. Any Change in ownership of twenty-five percent (25%) or more of Borrower's common stock, membership or Partnership interest, as the case may be.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Agreement is impaired.

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(Continued)

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Agreement and all accrued unpaid interest immediately due, and the Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Agreement if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Hawaii without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Hawaii.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is dishonored.

FINANCIAL STATEMENTS. Borrower agrees to provide Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

RECOVERY OF REVERSED PAYMENTS. If any payment previously applied to Borrower's obligation must be returned by the Lender as a voidable preference under the Bankruptcy Code or for any other reason, whether by court order, administrative order, settlement or otherwise, Borrower and any guarantor of this Agreement will remain liable for the full amount returned. Borrower and any such guarantor will remain liable as if such amount had never been received by the Lender, notwithstanding any cancellation of this Agreement or termination of the guaranty or other agreement evidencing the obligation of any guarantor.

SCOPE OF LENDER'S RIGHTS. The Lender may exercise the following rights without giving notice to anyone, getting the consent of anyone or releasing anyone from the obligation to pay the full amount of this Agreement. Those rights are: (a) to delay or change the amount of the payment due under this Agreement; (b) to extend, renew or change any other term of this Agreement; (c) to take or release any security (including a co-guarantor); (d) to grant any releases or compromises; (e) to sue any guarantor directly without first suing Borrower or any other person or selling any security or pursuing any other remedy; or (f) to collect from any guarantor notwithstanding real or personal defenses Borrower may have. The Lender also has all the other rights which the law gives to the Lender. Any person who takes over the Lender's rights under this Agreement will have all of the Lender's rights.

EXERCISE OF MORE THAN ONE RIGHT. Each of the Lender's rights under this Agreement is separate. The Lender may exercise and enforce on or more of those rights, as well as any of the Lender's other rights under the law, one at a time or all at once.

NOTICE. Whenever Lender is required to give Borrower any notice, Borrower agrees that 5 days notice is sufficient, even for any sale of any property securing this Agreement. The Lender will have given Borrower notice if Lender mails the notice to Borrower, postage prepaid, at the address above, or at any other address that Borrower give Lender in writing, or at Borrower's last address known to Lender.

WHOLE AGREEMENT. No oral statements will be binding. All changes must be approved by Lender in writing.

SIGNATURE IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original regardless of the date of its execution and delivery. All of such counterparts together shall constitute one and the same document, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this document, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

SUCCESSOR INTEREST. The terms of this Agreement shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Agreement cannot be enforced, this fact will not affect the rest of the Agreement. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Agreement are joint and several.

PRIOR TO SIGNING THIS LOAN AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS AGREEMENT.

BORROWER:
