Date Signed:
May 20, 2026

SO ORDERED.

Robert J. Faris
United States Bankruptcy Judge

RJF The court does not approve any agreement, recital, or other provision purporting to address the amount of any claim or the validity, extent, priority, or perfection of any lien or security interest.

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF HAWAII

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In re

Hawaii Brewery Development Co., Inc.

Debtor and Debtor-in-Possession

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Bk. No. 26-00311
(Chapter 11 - Subchapter V)

Stipulated Order Authorizing Interim Use of Cash Collateral and Scheduling Final Hearing

This Stipulated Order is entered into by and between Hawaii Brewery Development Co., Inc. debtor and debtor-in-possession ("Debtor"), Bank of Hawaii ("BOH") and the U.S. Small Business Administration ("SBA"), effective as of May 1, 2026, and shall expire on July 31, 2026.

WHEREAS:

A. On May 12, 2026 the Debtor filed its Amended Motion for an Interim Order

Authorizing Debtor to Use Cash Collateral and Scheduling a Final Hearing under Bankruptcy Rule 4001(b) (the "Motion").

B. BOH extended a loan (the "BOH Loan") to Debtor in February 2025 in the original principal amount of $798,324.47. The BOH Loan is secured by a duly filed first mortgage on the Water Rights Property (as defined in the Motion), and a duly perfected second (to the SBA) security interest in HBDC's rights to receive payments in the KAL A/S (as defined in the Motion).

C. The SBA extended an "EIDL" Loan No. 9634867803 in 2020, in the original principal amount of $94,000 to Debtor which is secured by a first priority security interest in the KAL A/S.

D. The loans of BOH and the SBA (together, "Secured Creditors") are secured by an interest in the Debtor's "Cash Collateral" as that term is defined in the Bankruptcy Code.

E. On April 16, 2026, the Debtor filed a voluntary petition for relief under subchapter V of Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Hawaii (the "Court") and is continuing to manage its affairs as the debtor-in-possession, pursuant to Sections 1107 and 1008 of the Bankruptcy Code.

F. At an emergency hearing held on May 18, 2026, the Court granted the Motion on an interim basis, and approved the Debtor's proposed Budget, pending a final hearing on the Motion, scheduled for July 27, 2026.

G. The Debtor and Secured Creditors have agreed on the terms of the Debtor's continued use of cash collateral for the period from May 1, 2026 to and including July 31, 2026 (the "Interim Period").

NOW, THEREFORE, based on the foregoing recitals, the Debtor and Secured Creditors hereby agree and stipulate as follows:

1. Pending a final hearing on the Motion, the Debtor is authorized to use Cash Collateral as that term is defined in the Motion. This authorization entitles the Debtor to: (i) use pre-petition cash collateral of the Secured Creditors in the ordinary course of the Debtor's operations to pay what the Debtor determines to be reasonable and ordinary expenses of operating and maintaining the Debtor, in accordance with the Budget attached as Exhibit "A" hereto; and (ii) exceed the budget by twenty percent (20%) each period (on an aggregate and cumulative basis).

2. The Debtor shall continue to make monthly payments to BOH at a rate of $11,855 per month, and to the SBA at a rate of $459 per month, until a further hearing on the Motion, which will be held on July 27, 2026 at 10:30 a.m.

3. The authorization to use Cash Collateral on an interim basis conferred by this Order is without prejudice to (i) any party's position regarding the validity, perfection, priority, enforceability, and/or extent of the security interests and other rights of the Secured Creditors, (ii) Secured Creditors' right to seek an order terminating the use of cash collateral or to establish the validity and perfection of its security interest or to otherwise seek relief from this Court; (iii) the Secured Creditors' right to request higher adequate protection payments; or (iv) the Debtor's right to contend that no adequate protection payments are necessary.

4. The Secured Creditors are each hereby granted replacement liens (the "Replacement Liens") in the estate's post-petition assets, and the proceeds thereof (the "Replacement Collateral") in all of the Debtor's post-petition cash on hand, receivables and other personal property, together with any other newly acquired assets of the Debtor, except claims which the Debtor has to avoid transfers and recover property by means of "avoidance" and other

“strong arm” powers under the Bankruptcy Code, with the same priority and extent as their existing security interests in the Cash Collateral. The amount secured by each Secured Creditor’s Replacement Lien shall be equal to any actual net diminution of the Secured Creditors’ interest, existing as of the Petition Date, in the Debtor’s assets (the “Prepetition Collateral”), due to the Debtor’s actual use thereof, to the same extent and priority as any lien held by a Secured Creditor in the Pre-Petition Collateral as of the Petition Date, limited to the amount of Pre-Petition Collateral as of the Petition Date.

5. The Replacement Liens shall be subordinate and subject to the following (collectively, the “Carve Out”): (i) the payment of allowed professional fees and disbursements incurred by the Subchapter V Trustee, (ii) any recoveries in favor of the estate pursuant to Chapter 5 of the Bankruptcy Code; and (iii) any Court approved trustee’s fees and expenses in the event this case is converted to a proceeding under Chapter 7 of the Bankruptcy Code; provided, however, the terms “fees” and “expenses” do not include the fees and expenses of professionals employed by a Chapter 7 trustee.

6. The Replacement Liens shall be perfected by operation of law upon the filing of this Order. The Secured Creditors shall not be required to file or record any financing statements, mortgages or other documents in any jurisdiction to give notices to or receive acknowledgments or consents from any Person, or to take any other action to validate or perfect the liens and security interests granted hereunder. This Order shall be deemed sufficient and conclusive evidence of the validity and perfection of the liens and security interests granted hereunder.

7. To the extent that any or all of the provisions of this Order are hereafter modified, vacated, reversed, terminated, amended or stayed by subsequent order of this Court or any other court, that occurrence shall not affect the validity or enforceability of any lien or priority

authorized hereby, including the Replacement Liens, with respect to any such debt to any Secured Creditor. Notwithstanding any such modification, vacation, termination, reversal, amendment or stay, any lien or priority authorized hereby, including the Replacement Liens, arising prior thereto shall be governed in all respects by the original provisions of this Order and such Secured Creditor shall be entitled to all of the rights, privileges and benefits granted hereby with respect thereto.

8. The Debtor may supplement the Motion, including a supplemental Budget, on or before July 17, 2026, and any responses to the Motion shall be filed on or before July 22, 2026

9. A further hearing on the Motion shall be held on July 27, 2026 at 10:30 a.m.

END OF ORDER

APPROVED AS TO FORM:
Ashford & Wriston
/s/ Cuyler Shaw
Attorneys for Bank of Hawaii

KENNETH M. SORENSON
United States Attorney
District of Hawaii
By /s/ Edric M. Ching
Assistant U.S. Attorney
Attorney for U.S. Small Business Administration

Submitted by:
/s/ Lewis W. Siegel
/s/ Lars Peterson
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