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Attorney for Debtor
and Debtor-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

In re

POMARE, LTD.
dba Hilo Hattie,

Debtor and
Debtor-in-Possession.

61027

CASE NO. 08-01448
(Chapter 11)

DATE: November 13, 2008

TIME: 2:00 p.m.

JUDGE: Hon. Robert J. Faris

**FINAL ORDER AUTHORIZING DEBTOR TO
OBTAIN POST-PETITION FINANCING ON A
SECURED AND SUPERPRIORITY BASIS;
EXHIBIT "A"**

The Motion for Order Authorizing Debtor to Obtain Post-Petition
Financing on a Secured and Superpriority Basis and Scheduling Final Hearing on
Motion; Exhibit "A" (the "Motion") filed by Pomare, Ltd., debtor and debtor in
possession (the "Debtor") duly came on for final hearing on November 13, 2008 at

2:00 p.m. before the Honorable Robert J. Faris. Appearances were made as noted in the record of the final hearing on the Motion.

Having reviewed and considered the Motion and all papers filed in support and in opposition thereof, including the statement filed by the Official Committee of Unsecured Creditors (“Committee”), the proposed Debtor-in-Possession Credit Agreement (the “DIP Credit Agreement”) attached hereto as Exhibit “A” between the Debtor and North Tustin Partners, Inc. as lender (the “Lender”), and the representations and comments of counsel at both the hearing on interim approval held before this Court on October 2, 2008 and October 23, 2008 (the “Preliminary Hearings”) and at the final hearing held before this Court on November 13, 2008 (the “Final Hearing”), having completed the Final Hearing in accordance with Bankruptcy Code § 364 and Rule 4001 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rule 4001”) after notice that was adequate and proper under the circumstances, based upon the foregoing and other good cause appearing therefor,

THE COURT HEREBY FINDS AND CONCLUDES AS

FOLLOWS:

A. On October 2, 2008 (the “Petition Date”), the Debtor commenced this case by filing a voluntary petition for reorganization under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) with

the United States Bankruptcy Court for the District of Hawaii (the “Bankruptcy Court”).

B. The Debtor continues to operate its business and manage its properties as debtor and debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

C. Consideration of the Motion by this Court constitutes a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Accordingly, this Court has jurisdiction over these proceedings and the parties and property affected here pursuant to 28 U.S.C. §§ 157(b)(1) and 1334.

D. Pursuant to Bankruptcy Code §§ 102(1) and 364(c) and (d), and Bankruptcy Rule 4001(b), (c) and (d), the Debtor has provided such notice as was practicable and appropriate under the circumstances of the time, place, and nature of both the Preliminary Hearing and the Final Hearing and opportunity to object to the entry of this order on a final basis to (1) all creditors of the Debtor included on the Lists of 20 Largest Creditors filed pursuant to Bankruptcy Rule 1007(d), (2) all known secured creditors of the Debtor, (3) the Office of the United States Trustee, (4) all parties requesting special notice in this case, and (5) the creditors’ committee (the “Committee”). The foregoing notice is adequate and sufficient, and it satisfies the requirements of due process and the Bankruptcy Rules.

E. The Debtor seeks authority to enter into the DIP Credit Agreement with North Tustin Partners, Inc. (“Lender”). The Debtor has determined, in the reasonable exercise of its business judgment, that availability under the credit facilities provided for in the DIP Credit Agreement, which facilities the Debtor is seeking approval of by this Motion, will be sufficient to operate its businesses and preserve the going concern value of its assets for the benefit of its estates and its creditors.

F. The Debtor has requested that Lender extend, and Lender has agreed on the terms set forth in the DIP Credit Agreement, as modified by this Order, to extend certain financial accommodations to the Debtor on a post-petition, senior secured, superpriority basis.

G. The Debtor and Lender have conducted good faith negotiations for the extension of such financial accommodations, such negotiations were at arms length, the proposed terms and conditions of such financial accommodations are fair and reasonable, and the extensions of credit contemplated by the DIP Credit Agreement, as modified by this Order, are found to be extensions of credit by Lender in good faith within the meaning of Bankruptcy Code § 364(e), after due consideration by the Court of all facts and circumstances surrounding the loan.

H. The Debtor has been unable to obtain post-petition financing in the form of unsecured credit allowable as an administrative expense under Bankruptcy

Code § 503(b)(1), unsecured credit allowable under Bankruptcy Code § 364(a), or secured credit pursuant to Bankruptcy Code §§ 364(c) and (d) on terms and conditions more favorable to its estate than those offered by Lender, as evidenced by this Order and the DIP Credit Agreement.

I. Lender is not willing to extend post-petition financial accommodations unless the Debtor grants to Lender perfected liens and security interests on the assets described in Paragraph 6, below (collectively referred to herein as the “Collateral”) with the priorities set forth herein.

J. The financial accommodations contemplated hereby and by the DIP Credit Agreement are necessary to avoid immediate and irreparable harm to the Debtor, its estate, and its creditors. On October 6, 2008 this Court entered its “Interim Order Authorizing Debtor To Obtain Post-Petition Financing On A Secured And Superpriority Basis And Scheduling Final Hearing On Motion” and on November 13, 2008, this Court entered its “Second Interim Order Authorizing Debtor To Obtain Post-Petition Financing On A Secured And Superpriority Basis And Scheduling Final Hearing On Motion” (collectively, the “Interim Orders”).

K. The Debtor has an immediate need to obtain the financing approved hereby to permit, among other things, the continued operation of its business. Additionally, the Debtor needs the requested financing to allow it to fulfill its obligations under that certain Letter of Intent (“LOI”) between the Debtor and the

Trustees of the Estate of Bernice Pauahi Bishop, dated September 30, 2008, and approved by Order entered herein on November 6, 2008, including the build out of the retail space that is the subject of said LOI in the Royal Hawaiian Shopping Center (“RHSC”).

L. Without adequate financing, on a final basis, the Debtor would be unable to continue operating, and would thereby be unable to preserve the going concern value of its assets. Good cause exists for approval of the Motion and entry of this Order, which is in the best interests of the Debtor, its creditors, and the estate. The terms of the post-petition financing, the granting of the DIP Security Interests and superpriority claims and the adequate protection authorized hereby are fair and equitable under the circumstances, reflect the exercise of prudent business judgment consistent with the Debtor’s fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

WHEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is granted, subject to the terms and conditions set forth in this Order, on a final basis and any objections thereto that have not previously been withdrawn and that are inconsistent with this Order are overruled. Subject to the terms hereof, this Order is valid immediately and is fully effective immediately upon its entry.

2. The Debtor is authorized and directed to enter into and perform under and in accordance with the terms and conditions of the DIP Credit Agreement and to execute and deliver to Lender such additional documents, instruments, or agreements as may be reasonably requested by Lender or the Debtor to implement the terms, or effectuate the purposes, of this Order or the DIP Credit Agreement. The terms and conditions of the DIP Credit Agreement are hereby approved. The failure to reference or discuss any particular provision of the DIP Credit Agreement in this Order shall not affect the validity or enforceability of any such provision. Notwithstanding any other provision of this Order or the DIP Credit Agreement, to the extent that this Order is inconsistent with the DIP Credit Agreement this Order shall govern the rights of the parties.

3. The Debtor is authorized to obtain advances on the terms and conditions set forth in the DIP Credit Agreement in the aggregate amount permitted by the DIP Credit Agreement (collectively, together with interest, fees and charges thereon, the "DIP Loan"). The Debtor is authorized and directed to use proceeds of the DIP Loan for, and only for, the purposes set forth in the DIP Credit Agreement. The maximum total advances the Debtor is authorized to obtain under the DIP Credit Agreement is limited to \$5,000,000.00.

4. The Debtor's authority to draw additional funds under the DIP Loan shall be limited by the DIP Credit Agreement, as amended from time to time,

including without limitation the borrowing base calculations set forth in the DIP Credit Agreement.

5. The Debtor is authorized to draw up to \$300,000 in funds from the DIP Loan to pay for the costs incurred in complying with the requirements of the LOI related to the completion of the escalators referred in said LOI. The Debtor is further authorized to draw up to \$1,500,000 on said DIP Loan to cover the cost of construction of the retail space referred to in said LOI, without further order of the Court, or the consent of the Committee, provided that the debtor will only draw said funds pursuant to the terms of a construction contract for said improvements approved by the Committee or pursuant to a further order of the Court.

6. At least seven days prior to the expiration of any four week budget, the Debtors shall deliver to Lender an additional four week budget for at least four weeks from the expiration of the previously approved budget(s), together with a projection for not less than six (6) months. With respect to each such supplemental budget, Lender shall have five days during which to reject that budget or it shall be deemed accepted. If Lender and the Debtor are unable to agree on any such supplemental budgets (a "Termination Event"), the Debtor's authorization to make any additional draws on the DIP Loan shall expire at the end of the period covered by previously approved budgets. Lender shall not be

obligated to make any further advances under the DIP Loan after a Termination Event.

7. Commencing on the first Tuesday following the entry of this Order and on every other Tuesday thereafter, the Debtor shall submit a certification to the Lender and the Committee, in a form to be agreed upon, setting forth whether or not the Debtor is in compliance with the budget, attached as Exhibit "A" to that certain Second Interim Order Authorizing Debtor to Obtain Post-Petition Financing on a Secured and Superpriority Basis and Scheduling Final Hearing on Motion, filed herein on November 13, 2008, for the immediate preceding two week budget period and indicating any variance from said budget.

8. Subject to the "Carve-Out" as defined in the DIP Credit Agreement and to any prior valid, perfected and non-avoidable liens encumbering the "Nimitz Property" as more fully described in the Agreement as of the date of the entry of this Order, all advances made by Lender to the Debtor in accordance with this Order and the DIP Credit Agreement shall:

a. be granted super-priority administrative expense status under 11 U.S.C. § 364(c)(1), with priority over all administrative expenses of and unsecured claims against the Debtor now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, all administrative expenses of

the kind specified in, or arising or ordered under, 11 U.S.C. §§ 105, 326, 328, 503(b), 506(c), 507(a), 507(b), 546(c) and 1114;

b. under 11 U.S.C. § 364(c)(2), be secured by a first priority, fully perfected security interest in and lien, on all pre-petition and post-petition personal property of the Debtor's estate, whether existing as of the entry of this Order or thereafter acquired, that, on or as of the entry of this Order, is not subject to a prior valid, perfected and non-avoidable liens, including, without limitation, all unencumbered cash and cash collateral, inventory, accounts receivable, other rights to payment whether arising before or after the entry of this Order, contracts, equipment, general intangibles, documents, instruments, patents, copyrights, trademarks, trade names, and other intellectual property; and

c. be secured by a first priority security interest in the Debtor's leasehold interest in the "Nimitz Property" as more fully described in the Agreement.

9. Except as set forth in Paragraph 11 for the benefit of a chapter 7 trustee, if any, all security interest granted herein shall at all times be senior to, inter alia, (x) all other liens in and to such collateral granted, or arising, after the Petition Date (including, without limitation, liens and security interests, if any, in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors); and (y) the rights of any successor

trustee or estate representative in the Chapter 11 Case or any subsequent case commenced upon the conversion any of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code.

10. Notwithstanding anything else contained in this Order, Lender's security interest shall not attach to claims of the estate arising under Bankruptcy Code §§ 547, 548, and 550 or as the result of claims against insiders ("Avoidance Actions") and shall be released from funds when they are transferred to or for the benefit of the professionals into a segregated account to secure payment of their fees, so long as such amounts do not exceed the amounts budgeted for professionals.

11. Paragraph 7.1(c) of the DIP Credit Agreement is amended to delete the following words at the beginning of said paragraph: "Borrower shall bring a motion" and inserting "Any party shall obtain an order" in place thereof.

12. The DIP Security Interest shall not be surcharged under Bankruptcy Code § 506(c) or otherwise, except to the extent of the direct costs of selling any Collateral with respect to which the proceeds are remitted to Lender.

13. The DIP Loan shall have the highest administrative priority under Bankruptcy Code § 364(c)(1), subject to the Carve-Out (as defined in the DIP Agreement). Such administrative expenses shall have priority over all other costs and expenses of the kinds specified in, or ordered pursuant to, Bankruptcy

Code §§ 105, 326, 330, 331, 503(b), 506(c), 507(a), 507(b), or 726, or any other provision thereof, and shall at all times be senior to the rights of the Debtor, Debtor's estate, and any successor trustee or estate representative in the Chapter 11 Case or any subsequent case commenced upon the conversion of the Chapter 11 Case to cases under chapter 7 of the Bankruptcy Code; provided, however, that, notwithstanding anything else contained in this Order, the liens created pursuant to this Order and the superpriority status of the DIP Obligations shall be subordinated to the trustee's fees and expenses in the event this Chapter 11 case is converted to a case under Chapter 7 of the Bankruptcy Code. The terms "fees" and "expenses," in this paragraph, do not include the fees and expenses of professionals employed by a Chapter 7 Trustee.

14. The DIP Security Interests granted pursuant to this Order were perfected by operation of law upon execution of the Interim Orders by this Court and shall be ratified and reaffirmed upon entry of this Order by this Court. Lender shall not be required to file or record any financing statements, mortgages or other documents in any jurisdiction, to give any notices to, to receive acknowledgments or consents from any Person, or to take any other action to validate or perfect the DIP Security Interests. Either the Interim Orders or this Order shall be deemed sufficient and conclusive evidence of the validity and perfection of the DIP Security Interests. If Lender shall, in its sole discretion, choose to file financing

statements or record mortgages or other documents, or otherwise confirm perfection of the DIP Security Interests, Lender is hereby authorized to effect such filings and recordations, the Debtor is directed to cooperate and assist in such process, and all such financing statements, mortgages, and similar documents shall be deemed to have been filed, recorded or made on the date hereof. Lender may file a copy of the Interim Orders and/or this Order as a mortgage, financing statement or similar perfection document with any recording office.

15. The Debtor is authorized (but not compelled) to pay the fees and expenses due to Lender pursuant to the DIP Credit Agreement. Failure to pay such fees and expenses would be an Event of Default. Lender's out of pocket expenses under the DIP Credit Agreement are limited to out of pocket expenses incurred in negotiating and drafting the DIP Credit Agreement and obtaining Court approval of them, including without limitation its reasonable attorneys' fees and expenses in connection therewith.

16. Except as specifically permitted under the DIP Credit Agreement, as long as the DIP Credit Agreement is in effect, no agreement shall, without Lender's prior written consent: grant or impose, under Bankruptcy Code § 364 or otherwise, (i) superpriority claim status senior or equal to that granted to Lender or (ii) post-petition liens and security interests upon any of the Collateral (except as may be permitted by Paragraph 13, above)

17. The automatic stay of Bankruptcy Code § 362 is hereby modified to the extent necessary to permit Lender to perform in accordance with this Order and the DIP Credit Agreement. Lender is hereby authorized, inter alia, to: (a) receive and apply collections on and proceeds of the Collateral to the DIP Loan; and (b) charge and collect any interest, fees, and other expenses accruing under any of the DIP Credit Agreement, as modified by this Order.

18. Upon the occurrence of an Event of Default, Lender, without further order from this Court, may do any or all of the following in accordance with the terms of the DIP Credit Agreement: (a) cease making additional advances or otherwise extending any other financial accommodations under the DIP Credit Agreement; and (b) declare all principal of, and accrued interest on, the DIP Loan to be immediately due and payable. Lender shall be entitled to an expedited hearing on a request for relief from the automatic stay if an Event of Default occurs, on five (5) business days notice to counsel to the Debtor, counsel to the Committee, and the United States Trustee. In no event shall Lender be subject to the equitable doctrine of marshaling or any similar doctrine with respect to the DIP Loan.

19. The rights, remedies, powers, privileges, liens and security interests and priorities of Lender provided for in the Interim Orders, this Order and in any of the DIP Credit Agreement shall not be modified, altered or impaired in

any manner by any subsequent order (including a confirmation order, conversion order or dismissal order) or by any plan of reorganization or liquidation in the Chapter 11 Cases or in any subsequent case under the Bankruptcy Code, and shall survive entry of any such order, unless the DIP Obligations have first been paid in full and completely satisfied.

20. If any provisions of the Interim Orders, this Order or the DIP Credit Agreement are hereafter modified, vacated, reversed, limited or stayed by subsequent order of this Court or any other court, such modification, vacation, reversal, limitation or stay shall not affect: (a) the validity of any DIP Loan incurred prior thereto, or (b) the validity, enforceability or priority of any lien or security interest or the priority of the DIP Loan or specified hereunder and granted or incurred prior thereto. Notwithstanding any such modification, vacation, reversal, limitation or stay; any obligation under the DIP Credit Agreement of Debtors pursuant to the Interim Orders, this Order or under the DIP Credit Agreement arising prior thereto shall be governed in all respects by the original provisions of the Interim Orders, this Order and the DIP Credit Agreement and Lender shall be entitled to all of the rights, privileges, and benefits granted hereunder and thereunder with respect to the DIP Loan. Additionally, and without limitation, in the event that the Interim Orders or this Order is stayed, vacated, reversed, limited or modified on appeal, then upon such event, an Event of Default

under the DIP Credit Agreement shall occur and Lender's obligation to extend credit to the Debtor shall, in Lender's sole discretion, cease.

21. No order dismissing the Chapter 11 Cases under Bankruptcy Code § 1112 shall be entered unless, prior to the effective date thereof, the DIP Loan shall have been paid in full, including principal, interest and other costs, and completely satisfied or Lender shall have consented to the entry of such Order. No order providing for the sale of Debtor or substantially all of its assets under Bankruptcy Code § 363 or otherwise shall be entered unless such order provides that on or prior to the consummation of such sale the DIP Loan shall have been paid in full and completely satisfied or Lender shall have consented otherwise. This Order shall not be construed in any way as a waiver or relinquishment of any rights that Lender may have to be heard on any matter brought before this Court or to seek any relief from this Court. The rights and remedies of Lender specified herein are cumulative and not exclusive of any rights or remedies that it may have.

22. This Court has considered and determined the matters addressed herein pursuant to its powers under the Bankruptcy Rules and the Bankruptcy Code, including the power to authorize the Debtor to obtain credit on the terms and conditions upon which the Debtor and Lender have agreed. Each of such terms and conditions constitutes a part of this Court's authorization under Bankruptcy Code § 364. Having been found to be extending credit to the Debtor

in good faith, Lender shall be entitled to the full protection of Bankruptcy Code § 364(e) with respect to the DIP Loan, the liens and security interests, the superpriority claims, and all other rights and remedies of Lender created or authorized by the Interim Orders and this Order in the event that either the Interim Orders or this Order or any authorization contained herein is stayed, vacated, reversed, limited or modified on appeal or otherwise.

23. The Interim Orders, this Order and the DIP Credit Agreement shall be binding upon Lender, the Debtor and its respective successors and assigns, including any trustee or other estate representative hereafter appointed or elected for the estate of the Debtor in the Chapter 11 Case or any subsequent chapter 7 cases. The Interim Orders, this Order and the DIP Credit Agreement shall inure to the benefit of Lender and the Debtor and their respective successors and assigns, but no trustee or other estate representative hereafter appointed for the estate of the Debtor in proceedings under chapter 7 or chapter 11 of the Bankruptcy Code shall have the right to make any further borrowings under the DIP Credit Agreement. Except as otherwise explicitly set forth in this Order, no third parties are intended to be or shall be deemed to be third party beneficiaries of the provisions of this Order or the DIP Credit Agreement.

24. The entry of the Order is without prejudice to the right of the Committee to object to the Debtor's proposed construction contract, when made

available, the assumption of the RHSC Lease, or any construction loan obtained by the Debtor for the purpose of completion of the build out of the RHSC Lease.

25. The Court shall hold a status conference regarding the Debtor's progress in obtaining construction financing and other matters affecting this case at 9:30 a.m. on January 8, 2009.

Dated: December 4, 2008.

APPROVED AS TO FORM:

TED N. PETTIT, ESQ.
Attorney for the Official Committee
Of Unsecured Creditors

TOM E. ROESSER, ESQ.
Attorney for North Tustin
Partners, Inc.

In re Pomare, Ltd.; Bk. No. 08-01448; FINAL ORDER AUTHORIZING
DEBTOR TO OBTAIN POST-PETITION FINANCING ON A SECURED AND
SUPERPRIORITY BASIS; EXHIBIT "A"

LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT is made this ____ day of _____ 2008, by and between **POMARE, LTD.**, a Hawaii corporation, whose business and mailing address is 700 North Nimitz Highway, Honolulu, Hawaii 96817 (the "Borrower"), and _____, whose business and mailing address is _____ (the "Lender").

RECITALS :

WHEREAS, Borrower wants to establish a line of credit with the Lender of up to FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) in the aggregate; and

WHEREAS, the Lender agrees to establish such line of credit under the terms and conditions herein contained;

NOW, THEREFORE, for and in consideration of the mutual promises and obligations to be performed herein, the parties agree as follows:

1. Amount of Credit. The Lender agrees to make loans to Borrower, as Borrower may from time to time request according to the terms of this agreement, in an aggregate principal amount at any one time outstanding of up to FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) (the "Loan").

2. Terms of Loan. This loan shall be evidenced by a Grid Note (the "Note") of Borrower, payable to the Lender or order, together with interest at the rate of ____ PERCENT (____%) per annum. The Note shall be substantially in the form of Exhibit "A" which is attached hereto and made a part hereof, with appropriate insertions. Interest and other fees charged hereunder shall not exceed any maximum set forth by law and if, from any circumstance whatsoever, fulfillment of any provision hereof or of any other Loan Documents (as hereinafter defined), at the time performance of such provision shall be due, shall involve exceeding the maximum interest permitted by law, then the obligation to be fulfilled shall be reduced to the limit of such maximum permissible interest. In the event any payment is received by the Lender which would otherwise be deemed to be a payment of interest in excess of the maximum allowed by law, such payment shall be deemed to have been paid on account of principal at the time of receipt.

3. Duration of Agreement. This line of credit shall automatically expire and terminate on _____, unless earlier terminated as herein provided or unless extended by written agreement of the Lender. All other agreements and provisions herein shall remain in full force and effect until all outstanding obligations of Borrower under this agreement or the Note are fully paid and satisfied. The Lender has no obligation to extend this agreement. If, however, the Lender does extend this agreement, all provisions herein shall continue until all outstanding obligations of Borrower are fully paid and satisfied.

4. The Lender's Right of Review. During the term of this agreement, the Lender shall have the right to review Borrower's ability to pay, financial condition and integrity and all other

factors relevant to or bearing upon Borrower's credit or financial standing with the Lender in connection with the loans herein. Borrower shall fully cooperate with the Lender and furnish all such information and records that the Lender may request in the conduct of any such review. This agreement is subject to all laws and governmental rules and regulations applicable to the Lender. In the event any of the Lender's actions hereunder are found to be in conflict therewith, the Lender shall have the right to amend this agreement, the Note, and any other instruments or agreements evidencing the loans hereunder ("Loan Documents") to conform the Lender's actions with such applicable laws, rules and regulations, without liability whatsoever to Borrower.

5. Security. This Loan shall be secured by a first priority mortgage lien on Borrower's leasehold property located at 700 North Nimitz Highway, Honolulu, Hawaii 96817, and security agreement encumbering all of the Borrower's assets, subject only to existing security interest granted certain of Borrower's vendors.

6. Default; Remedies on Default. If any of the following events ("events of default") shall occur, any further obligation of the Lender to make disbursements hereunder shall terminate without impairing any of the other rights, powers, privileges or remedies of the Lender at law or in equity. The Lender may then declare the unpaid principal amount of the Note, any late charges and any interest on the Note accrued and unpaid, and any other sums payable by Borrower with respect to said loans, to be immediately due and payable. The events of default are:

a. Payment. If the Borrower shall default in the payment of any sum due under the Note when the same shall become due and payable.

b. Performance. If the Borrower shall default in the performance of or compliance with any other term or provision contained herein or in any other Loan Document, and such event of default shall continue for a period of ten (10) days after written notice is delivered to Borrower by the Lender at Borrower's business address, specifying such default and requiring that the same be remedied.

c. False Representation. If any representation made by or on behalf of the Borrower or otherwise in writing in connection with this Agreement shall prove to have been false or incorrect in any material respect on the date made.

7. Representations and Warranties by Borrower. Borrower represents and warrants to the Lender that:

a. Authority. Borrower has all requisite power and authority to enter into this agreement, to borrow money as contemplated hereby, to secure such borrowings as contemplated hereby and to carry out the provisions of the Note, this agreement and Loan Documents. The execution and delivery of this agreement, the Note, and any other Loan Documents have been duly authorized by Borrower and no other action of Borrower is requisite to the execution and delivery of the Loan Documents. No consents or approvals are required to be obtained from any governmental body or agency for the execution and delivery of this agreement, the Note or any other Loan Documents.

b. Insurance. At Lender's request, Borrower shall provide the Lender with a complete and accurate summary of the property and casualty insurance program carried by Borrower. This summary includes the insurer's (s') name(s), policy number(s), expiration date(s), amount(s) or coverage, type(s) of coverage, the annual premium(s), exclusions, deductibles and self-insured retention. The summary also describes in detail any retrospective rating plan, fronting arrangement or any other self-insurance or risk assumption agreed to or imposed upon the Borrower by any such insurer(s), and also includes any self-insurance program that is in effect.

8. Borrower's Covenants. Borrower covenants and agrees that, so long as this agreement still remains in effect or any of said loans remain outstanding:

a. Records. Borrower will keep and maintain or will cause to be kept and maintained accurate and proper books of records and accounts in accordance with sound accounting practice; the Lender shall have the right to examine the books or accounts of Borrower and to discuss the affairs, finances and accounts of Borrower, for legitimate business reasons, and to be informed as to the same by its employees and agents, all at such reasonable times and intervals as the Lender may desire.

b. Taxes and Assessments. Borrower will pay or cause to be paid all taxes, assessments, or other governmental charges hereafter levied upon any of Borrower's properties or assets, or in respect of Borrower's income before the same become delinquent except that Borrower will have the right to contest the assessment and payment of such taxes, assessments and other charges.

c. Hazard Insurance. Borrower will maintain hazard insurance on all of its tangible property, real and personal, including without limitation, improvements, furniture, fixtures and inventory, in such amounts and with such endorsements as the Lender may require. Borrower will provide the Lender with certificates of insurance or other evidence of such insurance in such form and containing such information as the Lender may reasonably require.

d. New Business or Name. Borrower shall give the Lender immediate written notice of (i) the proposed opening of any new place(s) of business or closing of any existing place(s) of business by Borrower or any subsidiary or other affiliate of Borrower; (ii) any change in the name of Borrower or any subsidiary or other affiliate of Borrower; and (iii) the use of any trade names by Borrower or any subsidiary or other affiliate of Borrower.

e. Loans. Borrower will not make loans or advances to Borrower's officers, directors, employees or affiliates without the prior written consent of the Lender.

f. Encumbrances. Borrower will not hereafter create or incur or suffer to be created or incurred any encumbrance, mortgage, security interest, pledge, lien or charge of any kind upon any of Borrower's property or assets of any character, whether now owned or hereafter acquired, or transfer any of such property or assets for the purpose of subjecting the same to the payment of any indebtedness or performance of any other obligation, PROVIDED, HOWEVER, that Borrower may create or incur or suffer to be created or incurred or to exist: (i) liens for taxes or assessments or governmental charges or levies if payment thereof shall not at the time be required

to be made in accordance with the provisions herein; (ii) liens in respect of pledges and deposits under workmen's compensation laws or similar legislation, and in respect of pledges or deposits in connection with appeal or similar bonds incidental to the conduct of litigation, and liens incidental to the conduct of the business of Borrower which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and do not in the aggregate materially detract from the value of Borrower's property; and (iii) any other liens with the approval of the Bankruptcy Court.

9. Waiver of Notice. As to all such loans, promises and obligations, Borrower waives presentment, demand of payment, protest, notice of nonpayment and of substitution or change of securities and also consents to any extension of time without notice and to changes of terms and conditions without notice.

10. Attorney's Fees. If Borrower shall default in the payment of the Note or in any of the agreements or obligations contained therein, herein or in any other Loan Documents, then Borrower shall pay to the Lender any reasonable attorney's fees and all other costs and expenses of any suit, proceeding or other action taken by the Lender or in its behalf to secure the payment of said Note or performance of those agreements or obligations. Further, Lender's reasonable attorneys' fees in the negotiation, documentation, and approval of this Agreement shall be an additional indebtedness under this Agreement.

11. Assignment. Borrower shall not assign this Agreement or any part hereof without the prior written consent of the Lender.

12. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Hawaii.

13. Binding Effect. This Agreement shall be binding upon the parties hereto and their respective heirs, devisees, personal representatives, successors, successors-in-trust, and assigns, including any Chapter 11 or Chapter 7 Trustee appointed in the Borrower's Chapter 11 Case.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above mentioned.

POMARE, LTD.

By _____

"Borrower"

[NAME OF LENDER]

By _____

Its:

"Lender"

EXHIBIT "A"

PROMISSORY NOTE