

PREFERRED CREDITLINE DISCLOSURE

| Interest Rate and Interest Charges | |
|--|---|
| Annual Percentage Rate (APR) for Purchases and Cash Advances | 18.000% |
| Paying Interest | You will be charged interest from the transaction date. |

| Fees | |
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| Set-up and Maintenance Fees | <p>NOTICE: Some of these set-up and maintenance fees will be assessed before you begin your account and will reduce the amount of credit you initially have available. Based on your credit limit, your initial credit will be the credit limit less the annual fee (for example, if your credit limit is \$1,000, your initial credit will be only about \$975).</p> <p>You may still reject this plan, provided that you have not used the account or paid a fee after receiving a billing statement. If you do reject this plan, you are not responsible for any fees or charges.</p> |
| <ul style="list-style-type: none">Annual Fee | \$25.00 |
| Transaction Fees | |
| <ul style="list-style-type: none">Statement Reconciliation | Statement Reconciliation Fee \$10.00 per half hour |
| <ul style="list-style-type: none">Research | Research Fee \$10.00 per half hour |
| <ul style="list-style-type: none">Stop Payment | Stop Payment Fee \$30.00 |
| Penalty Fees | |
| <ul style="list-style-type: none">Late Payment | 5% of the Minimum Amount Due or the part of it that remains unpaid (as amended from time-to-time; refer to the Consumer Loan Fee Schedule for current fees), provided that before Your next payment is due We tell You that the late charge is due. |
| <ul style="list-style-type: none">Over-the-Credit Limit | Over-the Credit Limit Fee \$29.00 |
| <ul style="list-style-type: none">Returned Payment | Returned Payment Fee \$25.00 |

How We Will Calculate Your Balance: We use a method called “daily balance (including current transactions).” See your account agreement for more details.

Billing Rights. Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

PREFERRED CREDITLINE AGREEMENT

AGREEMENT. When signing the Pre-Approved Preferred CreditLine Certificate ("certificate"), I agreed (i) to abide by the terms and conditions of the Preferred CreditLine Agreement, and (ii) that they will be binding on this line of credit. The following is the agreement to which the application refers. It describes and explains the terms and conditions which apply to your Preferred CreditLine with American Savings Bank. "You," "Your," or "Borrower" mean everyone who signed the certificate or otherwise agrees to be obligated under this Agreement (for example, but not limited to, by using the Preferred CreditLine). "We," "Us," "Our," and "American" mean American Savings Bank, the lender under this Agreement or any other lender or person who succeeds to Our rights. "Preferred CreditLine" means the line of credit that American permits You to use. "Preferred CreditLine Overdraft Loan" means the service by which You get an overdraft protection loan by using Your checking account. "Preferred CreditLine Loan" means the service by which You get a line of credit loan by using special checks or by making transfers to other American accounts.

We will set a credit limit for Your Preferred CreditLine and let You know what it is. We do not have to extend more credit than Your credit limit. You must not use Your Preferred CreditLine for more credit than Your credit limit.

You should read the rules governing Your personal checking account for information about check hold periods and about how Your personal checking account works.

YOUR PROMISES AND INFORMATION. You have given Us Your acceptance of the pre-approved certificate ("acceptance certificate") for a Preferred CreditLine, which is offered with your approved Equity Express application. By signing Your acceptance certificate, or using the Preferred CreditLine, You represent that all the information is true and correct. If We issue You the Preferred CreditLine for which You accepted, You agree to all of the terms of this Agreement as We may amend them from time-to-time. Whenever You use Your Preferred CreditLine, You will be repeating the promises You made in this Agreement. You agree to immediately notify Us of any important adverse changes which affect the information You have given Us. Also, You give Us permission to ask the references You listed on Your Equity Express credit application about Your credit history, employment, finances, income, and character. We may ask You for further credit information in the future and re-evaluate Your creditworthiness. We may also answer anyone's question about Our credit experiences with You.

TAKING A PREFERRED CREDITLINE OVERDRAFT LOAN. You already have a personal checking account with Us. You may obtain loans from Your Preferred CreditLine from time-to-time by using Your personal checking account. If the amount of a regular check or other item exceeds Your available balance, We will automatically deposit to Your personal checking account, a loan up to Your Preferred CreditLine available Credit Limit of an amount sufficient to pay the check or other item. If a withdrawal from an automated teller machine exceeds Your available balance, We will automatically deposit to Your personal checking account a loan up to Your Preferred CreditLine available Credit Limit, of an amount sufficient to allow Your withdrawal. If You use Our BillPayer Service and You do not have sufficient money available in Your account, We will automatically deposit to Your personal checking account a loan up to Your Preferred CreditLine available Credit Limit, of an amount sufficient to allow your payment. You should review the Rules for Checking Accounts and the Electronic Fund Transfers Agreement contained in the Deposit Account Rules given to You at the time Your American personal checking account was opened. These Rules disclose American's automatic teller machine policies as well as Your obligations when using the automatic teller machine.

TAKING A PREFERRED CREDITLINE SPECIAL CHECKS LOAN. You may receive a supply of special checks. You may obtain loans from Your Preferred CreditLine from time-to-time by using the special checks. You may use special checks to make deposits to other accounts, purchases, pay bills or obtain cash withdrawals. The amount of each special check or withdrawal will be a loan to You from Us charged directly to Your Preferred CreditLine available Credit Limit regardless of how much money You have in Your checking account or regardless of any holds placed on Your personal checking account. By using one of these special checks, You will not make a withdrawal from Your personal checking account.

ONLINE TRANSFERS. Subject to additional terms and conditions, online payments and transfers may be available to and from this Preferred CreditLine account. For more information and details, see Our Online Banking Agreement and Disclosure Statement.

APPROVED CREDIT LIMIT. We will set an initial Credit Limit for your Preferred CreditLine and let You know the amount. We do not have to extend more credit than Your Credit Limit. Your Credit Limit will also be shown on Your monthly statements. You may not borrow by either loan service more than the Credit Limit We have authorized for Your Preferred CreditLine. In other words, You may make a combined total of Preferred CreditLine Overdraft Loans and Preferred CreditLine Loans only up to Your available Credit Limit (plus interest charges due). We are not required to make any loan to You over and above Your available Credit Limit. If We do make a loan over and above Your available Credit Limit, You will be charged for it under the terms of this Agreement and We are not required to do it again. As You use either of the services, You will be decreasing the available Credit Limit and incurring interest charges. Payments made in excess of interest charges due will increase Your available Credit Limit. You agree not to let Your Daily Loan Balance, which is defined below, exceed Your Approved Credit Limit.

If a Preferred CreditLine special check or other charge to Your Preferred CreditLine exceeds the available Credit Limit, We may, but We do not have to, make the loan. If We choose not to make the loan, We can return the Preferred CreditLine special check or refuse to authorize the transaction.

MONTHLY STATEMENTS. We will send You a monthly statement for Your Preferred CreditLine for any month during which You have any outstanding Daily Loan Balance or charges. The statement will tell You Your Credit Limit, list the charges made to Your Credit Limit whether by Preferred CreditLine Overdraft Loan or by using Preferred CreditLine special checks, late charges or other fees, interest charged, Credit life insurance premiums (if any), the closing date of the billing period it covers, the Minimum Amount Due that You must pay, the Payment Due Date by which We must receive Your payment, any payments You made during the billing period, Your Available Credit and New Balance on the closing date of the billing period.

PROMISE TO PAY. You promise to pay Us for all loans charged to Your Preferred CreditLine whether made by You or anyone authorized to use Your account. You also promise to pay Us for all interest charged, late charges, and costs that are described in this Agreement. If more than one person signed this Agreement, the advance by any one of You or anyone authorized on Your personal checking account by either Preferred CreditLine Overdraft Loan or Preferred CreditLine Loan will be binding on all of You.

You can pay the balance of Your Preferred CreditLine in monthly installments. If You decide to pay in monthly installments, You can pay as much as You like, but You must pay on or before the Payment Due Date that appears on Your Statement, and pay at least the Minimum Amount Due. The Minimum Amount Due will be the greater of \$30.00 or 5% of the New Balance plus interest charged as of Your statement date. If Your Preferred CreditLine is linked to a personal checking account to provide overdraft protection, the Minimum Amount Due will be automatically deducted from Your personal checking account on the payment due date unless We receive written instructions from You to the contrary.

MINIMUM PAYMENT. The Minimum Amount Due is Your current payment plus any part of the previous month's Minimum Amount Due You did not pay. If You do not pay Your Preferred CreditLine Minimum Amount Due by the Payment Due Date, We may charge Your personal checking account for it.

You must also pay whenever We demand it any amount by which Your Daily Loan Balance exceeds Your Credit Limit.

We will apply Your payments as follows: first, to Interest, whether or not billed; then to Principal; then to Your Annual Fee and Other Fees incurred, then to Late Charges incurred. If You make Your payment either by mail or in our branches on non-business days (Saturdays, Sundays, and recognized bank holidays), Your payment will be credited on the next business day.

INTEREST CHARGES.

(a) Calculation. We will figure the interest charged on Your Preferred CreditLine each day on Your Daily Loan Balance. Your Daily Loan Balance is the balance of all the loans outstanding at the end of the day after deducting all payments and credits (or parts of payments and credits) applied to Your loans that day.

We will apply a daily periodic rate of .000493 which is an annual percentage rate of 18.00%. Your interest charged for the billing period is the sum of all the interest charged for each day during the billing period.

(b) Avoiding Interest Charged. To avoid interest charged You can repay Your loans on the same day they are made. Otherwise, because interest charges are computed daily, there is no period within which Your loans can be repaid without incurring interest charges. No interest charge will be computed, however, on accrued interest charges whenever You pay them.

ANNUAL FEE. For Preferred CreditLine, You must pay Us a non-refundable \$25 annual fee (as amended from time-to-time; refer to the Consumer Loan Fee Schedule for current fees) whether or not You use the Preferred CreditLine. The annual fee will be charged to You in Your first billing statement and every year thereafter in the billing statement of Your anniversary month. Your annual fee, however, will be refunded to You if You decide to close Your Preferred CreditLine within 30 days after Your annual fee charge appears on Your billing statement. Refer to the Cancellation section, below, for further information on cancellation procedures.

LATE CHARGES. If You do not pay Your minimum payment within 10 days after the due date, You must pay a late charge equal to 5% of the Minimum Amount Due or the part of it that remains unpaid (as amended from time-to-time; refer to the Consumer Loan Fee Schedule for current fees), provided that before Your next payment is due We tell You that the late charge is due. We will tell You about the late charge by showing it in Your next statement. You will only have to pay the late charge once on the same late payment, but when You make any payment, We can treat it as being Your oldest payment(s) due, whether or not the amounts are the same. We will not charge You any more late charges after acceleration of Your payments (acceleration is explained in the "Default; Whole Balance Due" section, below).

OTHER FEES. If not prohibited, and up to any limit imposed by law, We may charge You fees, which may be amended from time-to-time by Us for the following: stop payments, statement reconciliation, research requests, overlimit fees, or returned check fee for each check, draft, or item which You submit for a payment which is returned to Us unpaid. We reserve the right to waive fees from time-to-time and if We incur special expenses on Your Account due to a request by You, We may also charge You for these expenses. We may at Our option, add such fees to the balance owing under this Agreement. Refer to the Consumer Loan Fee Schedule for current fees, as amended from time-to-time.

SECURITY; SETOFF. We may set off any obligations We owe You (such as the balance of Your checking, savings, or certificate accounts) against anything You owe Us under this Agreement, but We do not have to do so. If We decide to make such a setoff, We can make it without prior notice or demand except that if any time You are able to use Your Preferred CreditLine with a credit card, We

will not do so unless We first get a court order, with such notice to You as the court requires. Otherwise, Your Preferred CreditLine is not secured regardless of any other agreement You may have with Us.

TIME. It is essential that You make Your Preferred CreditLine payments and keep Your promises under this Agreement on time.

DEFAULT; WHOLE BALANCE DUE. You will be in default under this Agreement if:

1. Anything You have told Us here or any place else is false;
2. You fail to pay Us any amount owing under this Agreement;
3. You fail to keep some other promise You have made to Us;
4. The payment due date of any other debt You owe Us or anyone else is accelerated;
5. You move from the State of Hawaii; or
6. Any of the following things happens to You: death, failure to pay any of Your debts as it comes due, appointment of or taking possession by a receiver or other custodian of any of Your property, or the commencement of a case under the Federal bankruptcy laws or against You as a debtor. If You are in default under this Agreement, or if We in good faith and with reasonable cause believe that You will not keep Your promises in it, We can "accelerate" all the payments and can prevent further use of this account; that is to say, We can make everything You owe under this Agreement immediately due and payable without giving You any advance notice.

NOTICE OF NEGATIVE INFORMATION. We may report information about Your account to credit bureaus. Late payments, missed payments, or other defaults on Your account may be reflected in Your credit report.

COLLECTION COSTS. If We have to use any of Our legal remedies to collect an amount You owe under this Agreement, You must pay Us any attorney's fees and expenses, any costs and expenses of any legal remedy available to Us, including any court costs, if any. You must pay such amounts when We demand, or We can treat them like a purchase under this Agreement.

CHANGE OF TERMS. We can change the terms of this Agreement at any time. The new terms will apply to new loans and also to everything You already owe, at the time the change is effective. We will mail or deliver to You the new form of this Agreement or some other written notice of the changes at least 45 days before it takes effect, except that We don't have to do that if:

- o You've already agreed to the change;
- o The change involves late charges, charges for giving You a copy of a receipt or other credit document, or overlimit charges;
- o The change results from an agreement involving a court proceeding; or
- o The change (other than an increase in interest charged) results from Your failure to make Your payments or otherwise do as You've promised under this Agreement.

CANCELLATION. We can cancel Your Preferred CreditLine at any time by phone or by mailing You a notice of cancellation. You can cancel Your Preferred CreditLine by delivering to Us written notice that You wish to do so. Closure will be completed upon the request of any one of the authorized Borrowers. If Your Preferred CreditLine is cancelled, You must still pay Us everything You owe Us, including any amount that has not yet been billed to You. Annual fees are not refundable except under the conditions referred to in the Annual Fee section, above.

TELEPHONE MONITORING. To the extent not prohibited by law, Our supervisory personnel may listen to telephone calls between You and Our employees for the purpose of monitoring the quality of service You receive.

ADDRESSES AND NOTICES. If You move, let Us know Your new address so that We can change Our records. You may write the change of address on the payment stub of Your statement. Whenever We have to give You notice of something, We will assume that We have done so if We mailed it to You at Your present address or any new address that You have given to Us or to Your last address known to Us. Our address is given under the Questions and Billing Errors section, below. Mail any notice that You need to give Us to that address.

WAIVER. By using Your line You agree to be liable for repayment of everything You owe under this Agreement, even if We do not take all of the legal steps (such as, but not limited to, diligence, demand, presentment and notice of protest of dishonor) which We might have to take in the absence of this waiver. In addition You consent to any waiver We make, with respect to time of payment (such as extensions or postponements), or that in any other way give up Our remedies or rights. We do not waive any of Our rights under this Agreement by giving You an extension of time or other accommodation. No waiver, consent or approval by Us shall be effective unless it is in writing and We signed it.

ASSIGNMENT. You may not assign to anyone Your rights under this Agreement without Our prior written consent.

JOINT AND SEVERAL. By signing the Preferred CreditLine Application You agree, and everyone signing the Preferred CreditLine Application also agrees, to be liable to Us individually, and also jointly, for Your loans and other obligations under this Agreement. We may collect from or sue any one or more of You without giving up any of Our rights against the others. These obligations will also be binding upon Your heirs and personal representatives and upon anyone to whom You assign Your assets or who succeeds to them in any other way.

LAW THAT APPLIES; JURISDICTION. The laws of the State of Hawaii govern this Agreement; except that this sentence shall not limit or waive the application of any Federal law or regulation. If any term of this Agreement conflicts with the law, all other terms of this Agreement will still remain in effect if they can be given effect without the conflicting term. This means that if any terms of this

Agreement which conflict with the law can be separated from the remaining terms, then the remaining terms will still be enforced. You and We agree to submit to the exclusive jurisdiction of the U. S. District Court for the District of Hawaii or any State of Hawaii court for all matters pertaining to this Agreement.

CAPTIONS. The captions and titles of this Agreement are for convenience only. They may not be used to interpret or to define the terms of the Agreement.

WHOLE AGREEMENT. You understand that this Agreement contains all of Your rights and responsibilities. No oral statement will be binding. All changes must be approved in writing.

COUNTERPARTS. The application for the Preferred CreditLine may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same application.

QUESTIONS AND BILLING ERRORS. Please let Us know right away if You have any questions about Your Preferred CreditLine monthly statement by writing to Us at American Savings Bank, Consumer Loan Services Department, P. O. Box 2300, Honolulu, HI 96804-2300. Please read the statement below for important information concerning Your right to dispute billing errors. In the event of possible unauthorized use of Preferred CreditLine, You must call Us immediately and confirm by letter.

**YOUR BILLING RIGHTS
KEEP THIS NOTICE FOR FUTURE USE**

This notice contains important information about Your rights and Our responsibilities under the Fair Credit Billing Act.

NOTIFY US IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR BILL. If You think Your bill is wrong or if you need more information about a transaction on Your bill, write Us on a separate sheet at:

American Savings Bank
Consumer Loan Services Department
P. O. Box 2300
Honolulu, HI 96804-2300

Write to Us as soon as possible.

We must hear from You no later than 60 days after We sent You the first bill on which the error or problem appeared. You can telephone Us at 627-6900 on Oahu or toll-free (800) 272-2566 from the Neighbor Islands or Mainland, but doing so will not preserve Your rights.

In Your letter, give Us the following information:

- Your name and account number.
- The dollar amount of the suspected error.
- Describe the error and explain, if You can, why You believe there is an error. If You need more information, describe the item You are not sure about.

YOUR RIGHTS AND OUR RESPONSIBILITIES AFTER WE RECEIVE YOUR WRITTEN NOTICE. We must acknowledge Your letter within 30 days, unless We have corrected the error by then. Within 90 days, We must either correct the error or explain why We believe the bill was correct.

After We receive Your letter, We cannot try to collect any amount You question, or report You as delinquent. We can continue to bill You for the amount You question, including interest charges, and We can apply any unpaid amount against Your credit limit. You do not have to pay any questioned amount while We are investigating, but You are still obligated to pay the parts of Your bill that are not in question.

If We find that We made a mistake on Your bill, You will not have to pay any interest charges related to any questioned amount. If We didn't make a mistake, You may have to pay interest charges, and You will have to make up any missed payments on the questioned amount. In either case, We will send You a statement of the amount You owe and the date that it is due.

If You fail to pay the amount that We think You owe, We may report You as delinquent. However, if Our explanation does not satisfy You and You write to Us within ten (10) days telling Us that You still refuse to pay, We must tell anyone We report You to that You have a question about Your bill. And, We must tell You the name of anyone We reported You to. We must tell anyone We report You to that the matter has been settled between Us when it finally is.

If We don't follow these rules, We can't collect the first \$50 of the questioned amount, even if Your bill was correct.