

HAWAIIAN PARADISE PARK OWNERS ASSOCIATION

and

**UNION BANK OF CALIFORNIA, N.A.,
as Trustee**

TRUST INDENTURE

**\$12,085,000
Hawaiian Paradise Park Owners Association
Homeowners Assessment Revenue Bonds, Series 2007**

Dated as of June 1, 2007

**ARTICLE II
GENERAL PROVISIONS CONCERNING THE BONDS**

Section 2.01. Form and Terms of Series 2007 Bonds and Additional Bonds.

(a) Bonds of each series shall be issued in substantially such form as may be approved by the Issuer and set forth in Exhibit A hereto, as the same may be supplemented to include the form of any Additional Bonds.

(b) The Issuer shall determine the terms of each series of Bonds, including, without limitation thereto, the following: (i) the aggregate principal amount of such Bonds; (ii) the authorized denominations of such Bonds; (iii) the date of such Bonds; (iv) the maturity date or dates of such Bonds and the principal amount of Bonds within each maturity; (v) the redemption provisions for such Bonds; and (vi) the rate or rates of interest on such Bonds and the dates on which such interest is required to be paid. All such terms shall be set forth in Exhibit B hereto, as the same may be supplemented to include the terms of any Additional Bonds.

(c) The Issuer in issuing its Bonds may use "CUSIP" numbers (if then generally in use), and the Trustee shall use such "CUSIP" numbers in notices of redemption for the Bonds as a convenience to the Owners of the Bonds, provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption.

Section 2.02. Execution. The Bonds shall be executed by the manual or facsimile signature of the President or Vice President of the Issuer, attested by the manual or facsimile signature of its Secretary or Assistant Secretary, with the corporate seal of the Issuer impressed or imprinted by facsimile thereon. In the event any or all of the above officers shall cease to hold such office before the Bonds shall have been issued and delivered, said Bonds may be issued as though said officers had not ceased to hold office and such signatures appearing on said Bonds shall be valid and sufficient

for all purposes as if they had remained in office until such issuance. The validity of any Bond so executed shall not be affected by the fact that one or more of the officers whose signatures appear on such Bond have ceased to hold office at the time of issuance or authentication or at any time thereafter.

Section 2.03. Authentication. No Bond shall be valid for any purpose hereunder until the certificate of authentication printed thereon is duly executed by the manual signature of an authorized officer of the Trustee. Such authentication shall be proof that the holder is entitled to the benefit of the trust hereby created and, if the Issuer causes a copy of the text of its bond counsel's opinion to be printed on the Bonds, shall certify the correctness of such copy.

Section 2.04. Registration, Transfer and Exchange.

(a) The ownership of each Bond shall be recorded in registration books kept by the Trustee at its Designated Office and shall contain such information as is necessary for the proper discharge of the Trustee's duties hereunder as Trustee, registrar, paying agent and transfer agent.

(b) Bonds may be transferred or exchanged as follows:

(i) Any Bond may be transferred if endorsed for such transfer by the holder thereof and surrendered by such holder or such holder's duly appointed attorney at the Designated Office of the Trustee, whereupon the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of the same series and maturity and in the same denomination as the Bond surrendered for transfer or in different authorized denominations equal in the aggregate to the principal amount of the surrendered Bond. Notwithstanding the foregoing, no Bond may be transferred to any Person other than a Qualified Institutional Buyer or Accredited Investor who has executed and delivered an Investor Letter to the Issuer and the Trustee, and each Bond shall specify the foregoing restriction clearly on its face; provided that such requirement shall not apply to any Additional Bonds for which an Investor Letter is not required pursuant to Section 3.02(H) hereof. The Trustee shall conclusively rely on any such Investor Letter as proof that any proposed transferee is a Qualified Institutional Buyer or Accredited Investor

(ii) Any Bond or Bonds of a particular series and maturity may be exchanged for one or more Bonds of the same series and maturity and in the same principal amount, but in a different authorized denomination or denominations. Each Bond so to be exchanged shall be surrendered by the holder thereof or such holder's duly appointed attorney at the Designated Office of the Trustee, whereupon a new Bond or Bonds shall be authenticated and delivered to the holder.

(iii) In the case of any Bond properly surrendered for partial redemption, the Trustee shall authenticate and deliver a new Bond in exchange therefor, such new Bond to be of the same series and maturity and in a denomination equal to the unredeemed principal amount of the surrendered Bond; provided that, at its option, the Trustee may certify the amount and date of partial redemption upon the partial redemption certificate, if any, printed on the surrendered Bond and return such surrendered Bond to the holder in lieu of an exchange.

Except as provided in subparagraph (iii) above, the Trustee shall not be required to effect any transfer or exchange during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or at any time following the mailing of any such notice, if the Bonds or any portion of a Bond to be transferred or exchanged has been called for such redemption. No charge shall be imposed in connection with any transfer or exchange, except for taxes or governmental charges related thereto. No transfers or exchanges shall be valid for any purposes hereunder except as provided above.

Section 2.05. Mutilated, Destroyed, Lost or Stolen Bonds.

(a) If any Bond is mutilated, lost, stolen or destroyed, the holder thereof shall be entitled to the issuance of a substitute Bond only as follows:

(i) in all cases, the Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section;

(ii) in the case of a mutilated Bond the Owner shall surrender the Bond to the Trustee for cancellation; and

(iii) in the case of a lost, stolen or destroyed Bond, the Owner shall provide evidence, satisfactory to the Issuer and the Trustee, of the ownership and the loss, theft or destruction of the affected Bond.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, executed by the Issuer, shall be authenticated by the Trustee and delivered to the Owner, all at the expense of the Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price then due or becoming due shall be paid by the Trustee in accordance with the terms of the mutilated, lost, stolen or destroyed Bond without substitution therefor.

(b) Every substituted Bond issued pursuant to this Section 2.05 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

(c) All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

Section 2.06. Payments of Principal, Redemption Price and Interest; Persons Entitled Thereto.

(a) The principal or redemption price of each Bond shall be payable by check or draft upon surrender thereof at the Designated Office of the Trustee; provided, however, that

upon the request of a holder of at least \$1,000,000 in principal amount of Bonds Outstanding, such payment shall be made by wire transfer of immediately available funds to an account designated by such holder in writing to the Trustee at least 15 days prior to the date of such payment; and *provided, further*, that all payments to the Initial Owner shall be made by means of wire transfer of funds through the Federal Reserve Wire System to Citibank, N.A., for credit to Dexia Credit Local, New York Branch, ABA # 021000089, A/C# 36243063, Reference: CUSIP # 419898 AA9, or such other account as the Initial Owner may specify in writing from time to time. Such payments shall be made to the holder of the Bond so surrendered, as shown on the registration books of the Issuer on the date of payment.

(b) Each Bond shall bear interest and be payable as to interest as follows:

(i) Each Bond shall bear interest from (A) the date thereof, if authenticated prior to the first Interest Payment Date, (B) from the date of authentication, if authenticated on an Interest Payment Date to which interest has been paid, or (C) from the last preceding Interest Payment Date to which interest has been paid (or the date of the Bond if no interest thereon has been paid) in all other cases. In each case, interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(ii) Subject to the provisions of subparagraph (iii) below, the interest due on any Bond on any Interest Payment Date shall be paid by check or draft mailed to the holder of such Bond as shown on the registration books kept by the Trustee as of the close of business on the “regular record date”, which shall be the fifteenth (15th) day of the calendar month (whether or not a business day) preceding such Interest Payment Date; provided, however, that upon the request of a holder of at least \$1,000,000 in principal amount of Bonds Outstanding, such payment shall be made by wire transfer of immediately available funds to an account designated by such holder in writing to the Trustee at least 15 days prior to the date of such payment; and *provided, further*, that all payments to the Initial Owner shall be made by means of wire transfer of funds through the Federal Reserve Wire System to Citibank, N.A., for credit to Dexia Credit Local, New York Branch, ABA # 021000089, A/C# 36243063, Reference: CUSIP # 419898 AA9, or such other account as the Initial Owner may specify in writing from time to time..

(iii) If the available funds under this Indenture are insufficient on any Interest Payment Date to pay the interest then due, such interest shall thereupon cease to be payable to the Owners shown on the registration books as of the regular record date. If sufficient funds for the payment of such overdue interest thereafter become available, the Trustee shall immediately establish a “special interest payment date” for the payment of the overdue interest and a “special record date” (which shall be a business day) for determining the Owners entitled to such payments. Notice of each date so established shall be mailed to each Owner at least 10 days prior to the special record date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date by check or draft mailed to the Owners, as shown on the registration books kept by the Trustee as of the close of business on the special record date; provided, however, that upon the request of a holder of at least \$1,000,000 in principal of Bonds Outstanding, such payment shall be made by wire transfer of immediately available funds to an account designated by such holder in writing to the Trustee at least 15 days prior to the date of such payment; and *provided, further*, that all payments to the Initial Owner shall be made by

means of wire transfer of funds through the Federal Reserve Wire System to Citibank, N.A., for credit to Dexia Credit Local, New York Branch, ABA # 021000089, A/C# 36243063, Reference: CUSIP # 419898 AA9, or such other account as the Initial Owner may specify in writing from time to time..

(c) CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number shall accompany all payments of interest, principal or redemption price, whether by check or by wire transfer.

Section 2.07. Temporary Bonds. Pending preparation of definitive Bonds of any series, or by agreement with the purchasers of all Bonds of any series, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds, in authorized denominations, of substantially the tenor recited above. At the request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.08. Cancellation and Destruction of Surrendered Bonds. The Trustee shall cancel and destroy (a) all Bonds surrendered for transfer or exchange, for payment at maturity or for redemption (unless the surrendered Bond is to be partially redeemed and the Trustee elects to return the Bond, certified as to the redemption, to the holder thereof pursuant to Section 2.04(b)(iii)), (b) all Bonds purchased by the Trustee with available moneys in Funds established hereunder, and (c) all Bonds purchased by the Issuer and surrendered to the Trustee for cancellation. The Trustee shall deliver to the Issuer a certificate of destruction in respect of all Bonds destroyed in accordance with this Section.

Section 2.09. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Owners or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the Person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of this Article II.

Nothing herein contained shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request, consent of, or assignment by any Owner shall bind every future Owner of the same Bond or any Bond or Bonds issued in lieu thereof in respect of anything done by the Trustee or the Issuer in pursuance of such request or consent.