

**ARTICLE III. ISSUANCE OF SERIES 2007 BONDS;  
ADDITIONAL BONDS**

**HAWAIIAN PARADISE PARK OWNERS ASSOCIATION**

and

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

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**TRUST INDENTURE**

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

Dated as of June 1, 2007

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**ARTICLE III**  
**ISSUANCE OF SERIES 2007 BONDS; ADDITIONAL BONDS**

**Section 3.01. Issuance of Series 2007 Bonds; Disposition of Proceeds.**

(a) The Issuer shall issue the Series 2007 Bonds upon execution of this Indenture and upon receipt of an executed Investor Letter from each initial purchaser of the Series 2007 Bonds. At the direction of the Issuer, the Trustee shall authenticate the Series 2007 Bonds and deliver the same to the purchaser(s) thereof.

(b) The Issuer shall cause the proceeds of the sale of the Series 2007 Bonds to be deposited with the Trustee and, upon receipt of such proceeds, the Trustee shall apply the same as follows:

(i) the sum of \$10,350,000 shall be deposited in the Construction Fund and applied to pay the Costs of the 2007 Project in accordance with Article IV hereof;

(ii) the sum of \$1,208,500, representing the Reserve Fund Requirement, shall be deposited in the Debt Service Reserve Fund; and

(iii) the sum of \$526,500 shall be deposited in the Cost of Issuance Fund.

(c) In addition, the Issuer shall make an initial deposit into the Interest Account of the Bond Fund in the amount of \$250,708.41, of which \$203,040.34 shall be applied to the payment of interest on the Series 2007 Bonds on the first Interest Payment Date for such Bonds and the remaining \$47,668.07 of which shall be applied to the payment of interest on the Series 2007 Bonds on January 1, 2009.

**Section 3.02. Issuance of Additional Bonds; Disposition of Proceeds.**

(a) The Issuer may issue one or more series of Additional Bonds from time to time to pay the Cost of undertaking or completing a Project or the Cost of refunding all or a portion of the Outstanding Bonds. The Trustee shall authenticate and deliver such Additional Bonds at the request of the Issuer, but only upon:

(i) Execution and delivery by the Issuer and the Trustee of a Supplemental Indenture providing for the issuance of the Additional Bonds, including appropriate supplements to Exhibits A and B hereto with respect to the matters indicated in Section 2.01 hereof;

(ii) Receipt by the Trustee of the following additional documents, each in form and substance reasonably acceptable to the Trustee:

(A) A resolution or resolutions of the Board of Directors of the Issuer, certified by the Secretary of the Issuer (1) authorizing the issuance of the Additional Bonds and the execution and delivery of the Supplemental Indenture providing for the issuance of the Additional Bonds, and (2) as applicable, approving the Project or refunding for which the Additional Bonds are being issued and authorizing the execution and delivery of the related construction contracts or refunding documents;

(B) A certificate of an Authorized Officer of the Issuer (1) setting forth the Revenues Available for Debt Service of the Issuer for the most recent Fiscal Years, and (2) demonstrating and concluding that such Revenues Available for Debt Service were not less than 135% of the Maximum Annual Debt Service Requirements on all Bonds to be Outstanding immediately upon the issuance of the Additional Bonds; provided that the foregoing certificate shall not be required in the case of a refunding if, upon the issuance of the Additional Bonds, there will be no increase in the Maximum Annual Debt Service Requirements on all Outstanding Bonds;

(C) An opinion or opinions of counsel to the effect that (1) the Additional Bonds have been duly issued for a permitted purpose under this Indenture, (2) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Issuer under its Articles of Incorporation and By-laws, any applicable laws or regulations, court orders or rulings of governmental authorities to which the Issuer is subject or any agreements to which the Issuer is a party or to which its properties are subject, and (3) all documents delivered by the Issuer in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions;

(D) In the case of Additional Bonds issued to finance the Costs of a Project, executed counterparts or certified copies of all applicable Construction Contracts (as defined in Section 4.01 hereof, including all change orders or amendments then in effect) for the Project, together with all surety bonds and insurance policies (or certificates of insurance), schedules, plans and other documents required to be delivered pursuant to Section 4.01 hereof;

(E) In the case of Additional Bonds issued for refunding purposes, (1) executed counterparts or certified copies of such documents as are necessary or appropriate for the purposes of the refunding, including, if appropriate, an escrow agreement providing for the deposit and application of funds for the refunding and irrevocable instructions with respect to any required redemption of refunded Bonds, and (2) unless all refunded Bonds are to be redeemed or otherwise retired on the date of delivery of the Additional Bonds, such schedules, verified as to mathematical accuracy by an independent public accountant not unsatisfactory to the Trustee, as are necessary to demonstrate the adequacy of funds deposited for the refunding and the income thereon for the purpose of paying, when due, the principal or redemption price of and interest on the refunded Bonds;

(F) Confirmation from S&P (if such rating agency then maintains a rating on any series of Bonds then Outstanding) or such other nationally recognized rating service as shall then be maintaining a rating on any series of Outstanding Bonds that, upon issuance of the Additional Bonds, the rating then in effect for such Outstanding Bonds will not be reduced below "BBB" or its equivalent;

(G) The written consent of a Majority of Owners to the issuance of the Additional Bonds; and

(H) An Investor Letter signed by each initial purchaser of the Additional Bonds, unless the Issuer and Trustee receive an opinion of counsel experienced in matters under federal securities laws to the effect that the offering and sale of Additional Bonds is not limited by the Securities Act of 1933 to a private placement with Qualified Institutional Buyers or Accredited Investors.

(b) Upon the issuance and delivery of any series of Additional Bonds issued under this Article III, the Bond proceeds and other amounts received by the Trustee shall be deposited in a Construction Fund established for the Project for which the Bonds of such series were issued (unless the purpose is a refunding, in which case the proceeds and any other amounts to be added thereto shall be deposited in an escrow fund especially established for such purpose outside the lien of this Indenture); except that any portion of such proceeds required to be deposited into the Debt Service Reserve Fund shall be so deposited, and any portion of such proceeds representing accrued or prepaid (capitalized) interest on Bonds shall be deposited in the Bond Fund.