

ARTICLE XI. CONCERNING THE TRUSTEE

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 XI
CONCERNING THE TRUSTEE**

Section 11.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article XI, to all of which the Issuer agrees and the respective Owners agree by their acceptance of delivery of any of the Bonds.

Section 11.02. No Responsibility for Recitals. The recitals, statements and representations contained in this Indenture or in the Bonds, save only the Trustee's or authenticating agent's authentication upon the Bonds, shall be taken and construed as made by and on the part of the Issuer, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

Section 11.03. Limitations on Liability. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers or employees, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or employee selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatsoever in connection with the trust created hereby, except only for its own negligence and willful misconduct. Except for its certificate of authentication on the Bonds, the Trustee shall not be responsible for: any recital in this Indenture or in the Bonds, the validity, priority, recording, rerecording, filing or re-filing of this Indenture or any Supplemental Indenture, any instrument or document of further assurance or collateral assignment, any financing statements or amendments thereto, insurance of the Project or collection of insurance moneys, the validity of the execution by the Issuer of this Indenture, any Supplemental Indenture or instruments or documents of further assurance, the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, the value of or title to the Project, or the maintenance of the security hereof,

Section 11.04. Compensation, Expenses and Advances; Indemnity. The Trustee shall be entitled to reasonable compensation for its services rendered hereunder (not limited by any provision

of law in regard to the compensation of the trustee of an express trust) and to reimbursement for its actual out-of-pocket expenses (including counsel fees) reasonably incurred in connection therewith except as a result of their negligence or willful misconduct. If the Issuer shall fail to perform any of the covenants or agreements contained in this Indenture, other than the covenants or agreements in respect of the payment of the principal of and interest on the Bonds, the Trustee may, in its uncontrolled discretion and without notice to the Owners, at any time and from time to time, make advances to effect performance of the same on behalf of the Issuer, but the Trustee shall be under no obligation so to do; and any and all such advances may bear interest at a rate per annum not exceeding the rate of interest then in effect and as announced by the Trustee as its prime lending rate for domestic commercial loans in the city in which its Designated Office is located; but no such advance shall operate to relieve the Issuer from any default hereunder. Notwithstanding any provision of this Indenture to the contrary, before taking any action at the direction of the Owners under this Indenture the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct (or ordinary negligence in the handling of funds received by it in accordance with the terms of this Indenture) by reason of any action so taken. The Issuer shall indemnify the Trustee for, and hold it harmless against, any loss, liability or expense arising out of or in connection with the exercise or performance of any of its powers or duties hereunder, provided that no indemnification will be made to the Trustee for any loss, liability or expense arising out of the willful misconduct or negligence of the Trustee. This right of indemnity should extend to the Trustee's officers, directors and employees and shall survive resignation or removal of the Trustee or termination of this Indenture.

No provision of this Indenture Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers hereunder.

Section 11.05. Notice of Events of Default. The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Indenture, other than an Event of Default under Section 10.01(a) hereof, unless the Trustee has actual knowledge of such default or Event of Default or shall have been specifically notified thereof in writing by the Issuer or by Owners of at least 25% in principal amount of the Bonds then Outstanding at its Designated Office.

Section 11.06. Action by Trustee. The Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the Owners of at least 25% in principal amount of the Bonds then Outstanding and, if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provisions of this Indenture to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Owners, or without such security or indemnity.

Section 11.07. Good Faith Reliance. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, telex or facsimile

transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, or the due execution thereof, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any Person as an Owner or to take any action at such Person's request unless the Bond owned by such Person shall be deposited with such entity or satisfactory evidence of the ownership of such Bond shall be furnished to such entity.

Section 11.08. Dealings in Bonds and With the Issuer. The Trustee, in its commercial banking or any other capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder, and may join in any action which any Owner may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, in its commercial banking or any other capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer, and may act as depository, trustee or agent for any committee or body of Owners secured hereby or other obligations of the Issuer as freely as if it did not act in any capacity hereunder.

Section 11.09. Allowance of Interest. The Trustee may, but shall not be obligated to, allow and credit interest upon any moneys which it may at any time receive under any of the provisions of this Indenture, at such rate, if any, as it customarily allows upon similar funds of similar size and under similar conditions. All interest allowed on any such moneys shall be credited to the appropriate fund or account as provided in Article VI with respect to interest on investments.

Section 11.10. Construction of Indenture. The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee or the Trustee in good faith shall be binding upon the Owners of the Bonds.

Section 11.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Indenture by executing any instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the Issuer not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Mail, not less than three weeks prior to such resignation date, to all Owners of Bonds. Such resignation shall take effect on the day specified in such instrument and notice, unless previously a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee, but in no event shall a resignation take effect earlier than the date on which a successor Trustee has been appointed.

Section 11.12. Removal of Trustee. The Trustee may be removed at any time by the Issuer with the prior written consent of a Majority of Owners by filing with the Trustee an instrument or instruments in writing appointing a successor.

Section 11.13. Appointment of Successor Trustee. If at any time the Trustee shall resign, be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state

or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of Trustee and a successor shall be appointed by the Issuer with the prior written consent of a Majority of Owners, by filing with Trustee, an instrument in writing, executed by the Issuer designating such successor Trustee. Copies of such instrument shall be promptly delivered by the Issuer to the predecessor Trustee and to the Trustee so appointed.

Section 11.14. Qualifications of Successor Trustee. Every successor Trustee (a) shall be a national or state bank or trust company that is authorized by law to perform all the duties imposed upon it by this Indenture, and (b) shall have a combined capital stock, surplus and retained earnings of at least \$50,000,000.

Section 11.15. Judicial Appointment of Successor Trustee. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article XI within ninety (90) days after the effective date specified in the Trustee's notice of resignation, the resigning Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee. If no appointment of a successor Trustee shall be made, pursuant to the foregoing provisions of this Article XI, within six months after a vacancy shall have occurred in the office of Trustee, any Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee. In either event, the Issuer shall be responsible to the Trustee or Owner for its costs and expenses (including reasonable attorney fees) in obtaining such judicial appointment.

Section 11.16. Acceptance of Trusts by Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. Upon request of such successor Trustee, the predecessor Trustee and the Issuer shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of the predecessor Trustee and the predecessor Trustee shall pay over to the successor Trustee all moneys and other assets at the time held by it hereunder.

Section 11.17. Successor by Merger or Consolidation. Any entity into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any entity resulting from any such conversion, sale, merger, consolidation or transfer to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Indenture to the contrary notwithstanding; provided, however, if such successor entity is not a trust company or state or national bank that has trust powers, the Trustee shall resign from the trusts hereby created prior to such merger or consolidation.

Section 11.18. Standard of Care. Notwithstanding any other provisions of this Article XI, the Trustee shall, during the existence of an Event of Default of which the Trustee has notice as provided in Section 11.05 hereof, exercise such of the rights and powers vested in it by this Indenture and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances in the conduct of his own affairs. If there is no Event of Default of which

the Trustee is deemed to have knowledge as provided in Section 11.05 hereof, the Trustee has no duties other than those set forth herein, and no implied covenants or obligations shall be read herein against the Trustee.

Section 11.19. Intervention in Litigation of the Issuer. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Owners, the Trustee may and shall, upon receipt of indemnity satisfactory to it at the written request of Owners of at least 25% in principal amount of the Bonds then Outstanding and if permitted by the court having jurisdiction in the premises, intervene in such judicial proceeding. Notwithstanding anything in this Indenture to the contrary, the Trustee shall not initiate or commence any proceeding for a declaratory judgment, interpleader or similar action to determine the rights and duties of the parties hereunder or of the Owners of the Bonds, without prior written notice to the Issuer.

Section 11.20. Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including without limitation, the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustees in that jurisdiction. It is recognized that, (a) if there is litigation under this Indenture or other instruments or documents relating to the Bonds and the Project, and in particular, in case of the enforcement hereof or thereof upon a default or an Event of Default, or (b) if the Trustee should deem that, by reason of any present or future law of any jurisdiction, it may not (i) exercise any of the powers, rights or remedies granted herein to the Trustee, (ii) hold title to the properties, in trust, as granted herein, or (iii) take any action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an individual or additional institution as a co-Trustee. The following provisions of this Section are adopted to these ends.