

## **ARTICLE XII. MODIFICATION OF INDENTURE**

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**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 XII  
MODIFICATION OF INDENTURE**

**Section 12.01. Supplemental Indentures Without Owner Consent.** The Issuer and the Trustee may, from time to time and at any time, without the consent of or notice to the Owners, enter into Supplemental Indentures as follows:

- (a) to provide for the issuance of Additional Bonds in accordance with Article III hereof;
- (b) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture, or resolve any conflict between different terms and provisions of this Indenture;
- (c) to add to the covenants and agreements of the Issuer in this Indenture other covenants, agreements, or to surrender any right or power reserved or conferred upon the Issuer, and which shall not materially adversely affect the interests of the Owners of the Bonds;
- (d) to confirm, as further assurance, any pledge of or lien on the Gross Revenues or of any other moneys, securities or funds subject to the lien of this Indenture;
- (e) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;

(f) to add, delete, or amend any provision as may be required by any Nationally Recognized Rating Agency from whom a rating on the Bonds is desired by the Issuer; and

(g) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Owners of the Bonds at the time the change becomes effective.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section 12.01, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Indenture is authorized by this Indenture and will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms.

#### **Section 12.02. Supplemental Indentures Requiring Owner Consent.**

(a) Except for any Supplemental Indenture entered into pursuant to Section 12.01 hereof, subject to the terms and provisions contained in this Section 12.02 and not otherwise, Owners of not less than 60% in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution and delivery by the Issuer and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Issuer for the purposes of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that, unless approved in writing by the Owners of all the Bonds then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal or redemption price of or interest on any Outstanding Bond, or (ii) the creation of a claim or lien upon, or a pledge of, the Trust Estate other than as created by this Indenture, or (iii) a reduction in the aggregate principal amount of Bonds the consent of the Owners of which is required for any such Supplemental Indenture.

(b) If at any time the Issuer shall request the Trustee to enter into any Supplemental Indenture for any of the purposes of this Section 12.02, the Trustee shall cause notice of the proposed Supplemental Indenture to be given by Mail to all Owners of Outstanding Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Owners.

(c) Within six months (or such shorter time as consented to by 100% of the Owners) after the date of the first publication of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Owners and (ii) an opinion of Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture, complies with the terms hereof and, upon the execution and delivery thereof, will be valid and binding upon the Issuer in accordance with its terms.

(d) If Owners of not less than the percentage of Bonds required by this Section 12.02 shall have consented to and approved the execution and delivery thereof as herein provided, no Owner shall have any right to object to the execution and delivery of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Issuer or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

**Section 12.03. Effect of Supplemental Indenture.** Upon the execution and delivery of any Supplemental Indenture pursuant to the provisions of this Article XII, this Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced under this Indenture subject in all respects to such modifications and amendments.