

**EXHIBIT B**

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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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## EXHIBIT B

### CERTAIN PRINCIPAL TERMS OF THE SERIES 2007 BONDS

#### I. General

**Aggregate Principal Amount: \$12,085,000.**

**Date of Bonds: June 21, 2007.**

**Authorized Denominations: \$100,000 and whole multiples of \$5,000 in excess of \$100,000.**

**Interest Payment Dates: January 1 and July 1, commencing January 1, 2008.**

**Maturity Dates, Principal Amounts and Interest Rates:**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
January 1, 2027	\$12,085,000	6.92%

**CUSIP Number: 419898 AA9**

#### II. Redemption Provisions

**Mandatory Sinking Fund Redemption.** The Series 2007 Bonds are subject to mandatory sinking fund redemption in part by lot, from moneys deposited for such purpose in the Principal Account of the Bond Fund, on January 1 of each year set forth below, in the respective principal amounts listed opposite each such year, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2011	\$100,000	2020	\$745,000
2012	235,000	2021	810,000
2013	365,000	2022	885,000
2014	405,000	2023	965,000
2015	455,000	2024	1,050,000
2016	505,000	2025	1,140,000
2017	560,000	2026	1,235,000
2018	615,000	2027*	1,340,000
2019	675,000		

**\* Maturity**

The principal amount of Series 2007 Bonds required to be redeemed on any mandatory redemption date may be reduced by the principal amount of Series 2007 Bonds theretofore delivered to the Trustee by the Issuer in lieu of cash payments under the Indenture, or purchased by the Trustee out of available moneys in the Bond Fund, which have not theretofore been applied as a credit against any mandatory redemption payment.

In addition, if less than all of the Series 2007 Bonds are redeemed upon optional or extraordinary redemption, the principal amount of Series 2007 Bonds so redeemed shall be applied in

equal portions to reduce the principal amounts of Series 2007 Bonds thereafter required to be redeemed upon mandatory redemption.

**Optional Redemption.** The Series 2007 Bonds are subject to optional redemption at the direction of the Issuer, at any time on and after January 1, 2018 (the “First Call Date”), as a whole or in part by lot, out of moneys deposited for such purpose in the Redemption Account of the Bond Fund, at a redemption price equal to 102% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Prior the First Call Date, the Issuer may, at its option, redeem the Series 2007 Bonds in whole or in part by lot (but not less than \$ 1,000,000) at any time, out of moneys deposited for such purpose in the Redemption Account of the Bond Fund, at a redemption price equal to the greater of: (a) 100% of the principal amount of the bonds to be redeemed, plus accrued interest to the redemption date; or (b) as determined by the Quotation Agent (as hereinafter defined), the sum of the present values until the First Call Date of the remaining scheduled payments of principal and interest and the redemption price of the Series 2007 Bonds at the First Call Date on the portion of the bond to be redeemed (not including any portion of payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as hereinafter defined) plus 20 basis points, plus accrued interest to the redemption date.

The following provisions shall apply for purposes of any optional redemption prior to the First Call Date:

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

“Adjusted Treasury Rate” means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

“Business Day” means any day that is not a day on which banking institutions in New York City are authorized or required by law or regulation to close.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the bonds that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the bonds.

“Comparable Treasury Price” means, with respect to any redemption date:

- the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of the Reference Treasury Dealer Quotations; or
- if the Quotation Agent obtains fewer than three Reference Treasury Dealer Quotations, the average of all Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the financial advisor to the Issuer.

“Reference Treasury Dealer” means each of J.P. Morgan Securities Inc. and Greenwich Capital Markets, Inc. and their respective successors, unless any of them ceases to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), in which case the financial advisor to the Issuer shall substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that redemption date.

**Extraordinary Redemption.** Under the circumstances specified in the Indenture, the Series 2007 Bonds are subject to extraordinary redemption in whole or in part by lot at any time out of insurance proceeds, condemnation awards and proceeds of conveyances in lieu of condemnations deposited for such purpose in the Redemption Account of the Bond Fund in respect of any damage to or destruction of any Road Maintenance Properties other than the Subdivision Roadways or in respect of any condemnation (or other similar taking) of any Subdivision Roadways or other Road Maintenance Properties. Any such redemption of Series 2007 Bonds shall be made upon payment of a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date.