

Report of the Executive Director

Kalaeloa Report

August 2, 2017

The Hawaii Community Development Authority (HCDA) has established four groups to address and advise the HCDA with respect to various concerns and issues within the Kalaeloa Community Development District (District). The four advisory teams are: the Kalaeloa Community Network (KCN), Kalaeloa Public Safety Group (KPS), Kalaeloa Advisory Team (KAT), and the Kalaeloa Archaeological and Cultural Hui (KACH). The following is a summary of these groups' efforts and other HCDA projects/initiatives over the past several months.

Kalaeloa Community Network: The HCDA established the KCN in November 2006. Their mission is to share ideas, network, address concerns about the District's infrastructure, pool resources, and capitalize on opportunities to foster pride in Kalaeloa. Kalaeloa landowners, tenants, businesses and elected officials attend the KCN meetings.

The KCN met on July 13, 2017 and the following items were discussed:

- HCDA staff relayed their appreciation to the KCN members that had attended the Kalaeloa advisory combined team meeting on June 15, 2017. Staff reported that they followed up on the Lexington Avenue concern that was aired at the meeting by conducting a site inspection and reporting the uneven/broken roadway asphalt to the City and County of Honolulu (County) via their online reporting system. The County's Department of Facility Maintenance initiated a service request to follow up on the concern.

HCDA also noted that the comment period for the draft Environmental Assessment for the Aloha Solar Energy Fund II proposed photovoltaic project on HCDA's Kalaeloa Parcel 13073-E is from July 8, 2017 to August 7, 2017. The report is available on the Office of Environmental Quality Control website at: http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2017-07-08-OA-DEA-Aloha-Solar-Energy-Fund-II-Kalaeloa.pdf

- Senator Mike Gabbard's office announced that the County's Department of Planning and Permitting has signed off on the tracings for the Kalaeloa Enterprise Energy Corridor. The HCDA expressed their appreciation for Gabbard's leadership to obtain three legislative Capital Improvement Projects,

The next KCN meeting is scheduled for Thursday, September 14, 2017, 9:30 a.m. to 11:00 a.m. at the Department of Hawaiian Home Lands, Hale Pono conference room.

Asset Management:

- HCDA received written confirmation that Aloha Solar Energy Fund II established an escrow account to help satisfy the fence construction requirement due to the unauthorized activities that were conducted on HCDA Kalaeloa land parcel C13073-E. See Exhibit B.

Infrastructure Initiatives:

- Kalaeloa (Enterprise) Energy Corridor Project. On July 10, 2017 HCDA staff was notified by the consultant Ron N. S. Ho & Associates that City approvals for the project tracings have been approved. Staff will issue the notice to proceed as soon as the construction schedule from Paul's Electrical Contracting, LLC is received. Staff also provided an update for Senator Gabbard and all appropriate stakeholders.

Fukuba, Pearlyn

From: Sen. Mike Gabbard <sengabbard@capitol.hawaii.gov>
Sent: Saturday, July 15, 2017 9:16 AM
To: Fukuba, Pearlyn
Subject: aloha

Aloha e Pearlyn,

I hope you're doing well. I'm following up on a couple of issues that Rock mentioned to me that came up at yesterday's Kalaeloa Community Network Meeting.

You spoke about the problem of the illegal dumping of tires in the district. Last session, HB 1546 was introduced to require tire retailers to collect a tire disposal deposit. The bill was deferred by the Energy and Environmental Protection Committee, primarily due to opposition from the Hawaii Auto Dealers Association (HADA).

Here's the bill and testimony:

http://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=HB&billnumber=1546&year=2017

I plan to take this up with HADA to see what kind of legislation we can come up with, given the problem in Kalaeloa is likely from the commercial side.

I'm also forward you the response we recently got back from USPS regarding their operations in Kapolei that Rock referenced, which you can share with the group. As an addendum to what's below, USPS has also informed us that they have no plans for any significant cuts or expansion of existing services at the Kalaeloa Postal Station.

1. Are the people of Kapolei ever going to have a stand-alone Post Office, like Waipahu, Pearl City, Aiea, Ewa Beach? The USPS Kapolei Station is a retail unit and not a Post Office because it does not serve as a base for mail carrier operations. There are other similar facilities on the island—such as Aiea and Haleiwa—and across the country. Under the financial constraints in which we are currently operating, we don't envision purchasing or leasing additional buildings when we have the option of co-locating deliveries to multiple ZIP Codes within one facility. In this case, carriers who serve the Kapolei ZIP Code are co-located in the Waipahu Post Office with carriers who serve Waipahu.
2. Why is there no published telephone number for the Kapolei Station that customers can call? As a stand-alone retail unit, the Kapolei Station is not staffed with a supervisor or other personnel who is available and equipped to respond to customer service issues. Consequently, we request that Kapolei customers direct their customer service calls to our Waipahu Post Office, which serves as the management office for Kapolei. We apologize for the inconvenience experienced by any customer whose phone calls to Waipahu are not answered; our supervisors are sometimes indisposed due to employee or other customer service issues.
3. The customer says that there is a phone in the facility but Kapolei employees refuse to give that number out; they tell customers to call Waipahu. If this is true, why? The phone to which this customer refers is strictly for internal use. For reasons explained in the answer to question #2, we request that Kapolei customers direct their customer service calls to our Waipahu Post Office, which serves as the management office for Kapolei.
4. Why does Kapolei close at 4 p.m. when 5 p.m. would work better for Kapolei customers? The closing time for the Kapolei Station was established only after a thorough analysis of usage patterns for that office. Our studies determined that we didn't generate enough business between the hours of 4 and 5 p.m. to justify keeping the office open past the current closing time.

Exhibit A

5. Why doesn't the Kapolei Station open up more service windows when the customer lines are excessive? The staffing level for the Kapolei Station is determined by analyzing usage patterns. We have determined that staffing Kapolei with two clerks meets the needs of our customers the great majority of the time. Because customer visits ebb and flow throughout the day and the week, there are times when our clerks must manage lines, just as there are times when the office is empty or practically empty. Customers seeking to avoid lines should try to avoid our peak times: The first hour of the day, lunch time, and the end of the day. .

I hope this information is helpful.

Have a nice weekend,



Senator Mike Gabbard

Chair, Agriculture and Environment Committee

Hawai'i State Capitol, Room 201

Honolulu, Hawai'i 96813

Ph: 586-6830 Fax: 586-6679

[P.S. Click HERE to check out my Senate webpage](#)

"Agriculture is our wisest pursuit, because it will in the end contribute most to real wealth, good morals, and happiness."

Thomas Jefferson

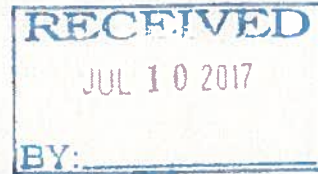




TITLE GUARANTY
TITLE & ESCROW SERVICES

TITLE GUARANTY ESCROW SERVICES, INC.
MAIN OFFICE, 235 QUEEN ST, HONOLULU, HI 96813
PH (808)521-0211, FX (808)521-0280, Email: main@tghawaii.com

July 5, 2017



RICHARD A FRYER
ALOHA SOLAR ENERGY FUND II, LLC
2969 MAPUNAPUNA PLACE
SUITE 220
HONOLULU, HI 96819

BY: _____
ESCROW NO.: 21117096792
SELLER: HAWAII COMMUNITY
DEVELOPMENT AUTHORITY
BUYER: ALOHA SOLAR ENERGY FUND II,
LLC

Dear Client,

Congratulations! An escrow account has been established with Title Guaranty Escrow Services, Inc. ("Escrow") covering the transaction identified above.

I will be processing this escrow and will be communicating with you. If you are represented by a real estate agent, I will contact your agent for any information needed to complete this transaction. I can communicate with you and your agent in a variety of ways. All of Title Guaranty's employees are accessible by email. My e-mail address as well as my associate's e-mail address is noted below.

In order to process your escrow in a timely manner, your immediate return of the following enclosures is necessary for me to promptly and efficiently serve you. These forms and instructions may also be viewed at our website at www.tghawaii.com under Real Estate Documents.

1. Escrow Instructions and General Provisions for your review.

Please be Informed Escrow has received the initial deposit in the amount of \$200,000.00. Please note that we do not accept ACH Transfers.

Escrow must hold valid funds prior to closing. Final payments to Escrow from out of state clients must be paid via Fed wire. Hawaii clients may submit a cashier's check drawn on a Hawaii financial institution. All other forms of payments will delay closing.

The Parties shall deliver to Escrow fully executed originals or copies of the Purchase Contract, addenda, amendments, and other agreements for which the parties require escrow services with respect to this transaction.

Paragraph 4 of the Escrow Instructions and General Provisions specifies how earnings on funds deposited with Escrow will be treated. Unless Escrow is instructed otherwise in writing, an earnings accrual account will not be opened and all earnings on funds deposited will accrue to Escrow. Please read paragraph 4 carefully to understand your choices.

I look forward to working with you to assure the successful closing of your transaction. Please always reference your escrow number to expedite a response.

Alone
Barbara Paulo
Vice President - Commercial Division Manager
bpaulo@tghawaii.com
(808) 521-0209

Lobella Kinoshita
Escrow Officer
kinoshita@tghawaii.com
(808) 521-0229

Enclosure(s)

Exhibit B

ESCROW INSTRUCTIONS and GENERAL PROVISIONS

The Escrow Instructions and General Provisions (the "Escrow Instructions") under which this escrow will be processed are printed below. Please read them carefully. If you have any questions, please contact your escrow officer. Any requested changes to these Escrow Instructions must be in writing, received and accepted by Escrow and all other parties to this escrow within ten days of the date of Escrow's opening letter. Otherwise, all of the Escrow Instructions on these pages will govern this transaction.

ESCROW INSTRUCTIONS

To: **Title Guaranty Escrow Services, Inc. ("Escrow")**

The Parties agree to the sale and purchase, refinance, or exchange, of the referenced property.

Escrow will collect and hold all documents and funds delivered to Escrow pursuant to the Contract, Lender's Instructions, if applicable, and these Escrow Instructions. If the Parties have not delivered to Escrow all appropriate and necessary documents, Escrow is authorized to have them prepared for execution. When Escrow has obtained said documents and funds and when required conditions to the closing of the escrow transaction have been satisfied, Escrow is authorized to deliver or record, or both, said documents and to apply and disburse the funds delivered to Escrow pursuant to the Contract, Lender's Instructions, if applicable, these Escrow Instructions and the closing statement.

TENTATIVE CLOSING STATEMENTS ONLY

The tentative closing statement is based upon a pro-ration of charges as of a specified date and the understanding that all necessary payments will be current to that date by the Parties. If the pro-ration date changes or the necessary payments have not been kept current, Escrow is authorized to close this transaction and to make all necessary payments and adjust all pro-rations to the date of closing, unless another date has been agreed upon by the Parties.

GENERAL PROVISIONS

1. DEFINITIONS

"Contract" means the agreement (including amendments, if any) received by Escrow pertaining to this transaction. "Lender's Instructions" means instructions received by Escrow from a Lender pertaining to this transaction. "Escrow" means Title Guaranty Escrow Services, Inc., a Hawaii corporation. "Party" means each Buyer and Seller as identified in the Contract; Borrower; Lender and in any exchange transaction, each Principal. Unless otherwise agreed to in writing by the relevant parties, all notices and communications must be in writing and may be delivered by: U.S. Mail, courier service, hand-delivery, facsimile or other electronic transmission.

2. TIME IS OF THE ESSENCE

Time is of the essence in this transaction. Any Party, not being in default, shall have all legal remedies against any other Party for such other Party's default. If this transaction is not in a condition to close as provided in the Contract, or at the time of any extensions made pursuant to the Contract, any Party may, in writing, demand the delivery of any money, property or documents deposited with Escrow by that Party. Escrow shall deliver a copy of such demand to the other Party. Unless the other Party objects to the demand in writing within fifteen (15) days of the date of mailing of Escrow's notice of such demand, Escrow shall have the right to either comply with the demand or proceed under the Disputes paragraph. If the agreed upon closing date has passed, and Escrow has not received a written demand, Escrow may continue to process this transaction and close. However, at Escrow's sole discretion, if there is no action taken on this escrow within six (6) months after the contracted 'closing' date or written extension thereof, Escrow can elect to resign from this transaction as described in the Right of Resignation paragraph.

3. DEPOSITS & INSURANCE

To avoid delays, not less than 48 hours prior to a scheduled disbursement, deposits need to be made by wire transfer or cashier's check drawn on a Hawaii financial institution. Escrow shall verify that all deposits have been cleared by the financial institution to which they are submitted before funds can be disbursed. Funds received in this escrow may be deposited with other escrow funds in any Federally-insured Hawaii financial institution. The Parties acknowledge that Federal law and regulations limit the amount of insurance on insured deposit accounts per depositor. For insurance coverage, see www.fdic.gov. Escrow may have other deposit accounts in the financial institution in which the funds for this escrow are deposited. The cumulative effect of other accounts of Escrow may limit the amount of insurance available for the funds deposited in this escrow. The Parties agree that Escrow has no liability in the event of failure, insolvency or inability of a financial institution to pay any funds so deposited, including earnings thereon. The sole responsibility of Escrow is to make the deposit.

4. INTEREST ON DEPOSITS

Hawaii law provides that when Escrow holds funds in escrow, any earnings on those funds shall accrue to the credit of the Buyer in the transaction unless written instructions to the contrary are given to Escrow by the Parties. To defray the costs of special handling and accounting for such earnings, an administrative fee of Fifty Dollars (\$50.00) will be added to the normal escrow fees, to be paid by the Party to whom the earnings are paid. Because in many instances the administrative charge will exceed any accrued earnings, unless the Parties otherwise instruct Escrow in writing, the Parties will be deemed to have waived the right to receive such earnings and these Escrow Instructions constitute written instructions to Escrow not to open and hold the funds in an earnings accrual account, in which case the \$50.00 charge will not be applicable, and the funds may be placed in deposits in financial institutions, as permitted by Hawaii law. All earnings on the deposits will accrue and be payable to Escrow. If the Parties instruct Escrow to open an earnings accrual account, the \$50.00 charge will be applicable and the Party to whom the earnings accrue must supply the applicable Social Security Number or other Tax Identification number. A minimum of two (2) business days will be required prior to closing to withdraw and disburse invested funds. Further, in such event, the Party entitled to the earnings and not Escrow will be responsible for any early withdrawal penalty.

5. FEES & CHARGES

The Parties agree to pay all charges, including the fees of Escrow, incurred in connection with this transaction, even if the transaction does not close. The Parties further agree that all consent fees and other fees required to be paid in advance in order to process this transaction may be paid by Escrow prior to closing from funds held in escrow. In the event of cancellation, Escrow is not responsible for payment of third party service vendors.

6. WRITTEN INSTRUCTIONS TO ESCROW

Escrow's sole responsibility shall be to comply with the written instructions given to Escrow by the Parties and accepted by Escrow. Any amendment to these Escrow Instructions must be in writing and accepted by Escrow. If there is any conflict between the Contract or Lender's Instructions and these Escrow Instructions, these Escrow Instructions will control.

7. DISCLOSURE REQUIREMENT

Escrow is neither responsible for, nor assumes any liability for the obligation of any Party to comply with disclosure requirements under Federal and Hawaii law, including without limitation, Haw. Rev. Stat. 508-D, 514A-61, 514B, Part V, 516-71, and 516D-11.

8. TENTATIVE & FINAL CLOSING STATEMENTS

In most instances, each Party's Tentative Closing Statement and Final Closing Statement will differ. Copies of such statements will be furnished to the Party named therein and such Party's real estate agent. Escrow shall send the applicable closing statements to the appropriate lending institutions in compliance with governmental guidelines.

9. PRO-RATIONS

Unless otherwise agreed upon, all pro-rations and adjustments shall be made as of the date upon which the appropriate documents are recorded. All adjustments and pro-rations shall be made on the basis of a 30-day month.

10. CONDITION OF TITLE

The Parties acknowledge that Escrow is not a title abstractor or title insurer. It is the duty of the Parties to determine the condition of title and all physical attributes of the property, including without limitation, any facts which a correct survey, archaeological report or inspection of the property would disclose. Without limiting the generality of the foregoing, it is the Parties' responsibility to review and understand the contents of any deed, mortgage, and other transaction documents. Escrow does not render legal or financial advice as to the sufficiency or legal effect of such instruments.

11. DISPUTES

If any dispute arises with respect to this transaction, or any demand is received by Escrow and Escrow is uncertain as to its duties hereunder, Escrow may at its sole election and without any liability: (1) await, without taking any action, the determination of such dispute by the Parties; or (2) file a suit in interpleader or institute other action in any court of competent jurisdiction for the purpose of having the respective rights and duties of Escrow and the Parties adjudicated. The Parties shall be liable to Escrow for all costs and expenses, including reasonable attorney's fees, incurred by Escrow in connection with any dispute or legal action. The Parties agree that such fees and expenses can be deducted from the funds held in Escrow. The Parties agree to indemnify and hold Escrow harmless against liabilities, damages and costs incurred by Escrow, including reasonable attorney's fees and costs, except to the extent that such liabilities, damages and costs were caused by the gross negligence or willful misconduct of Escrow.

12. WITHHOLDING REQUIREMENTS

To comply with certain Federal and State withholding requirements, Seller shall provide to Escrow a Non-Foreign affidavit or other exemption form pursuant to the IRS Code (FIRPTA) and a Non-Resident affidavit or other exemption form pursuant to Hawaii law (HARPTA), if applicable. If FIRPTA/HARPTA payments are to be made by Escrow to the IRS and/or State of Hawaii Department of Taxation, Escrow may prepare the FIRPTA/HARPTA forms to attach to the payments and charge Seller \$50.00 for the FIRPTA forms and \$50.00 for the HARPTA forms. The Parties understand both State of Hawaii forms and Federal forms require Federal Identification Numbers from the Buyer and Seller, and in some situations, these forms are circulated to each Party for compliance purposes. If the transaction involves payment to a non-resident alien, Escrow may also be required to withhold up to thirty percent (30%) of such payment under Federal law. Escrow does not provide tax advice and recommends that any Party affected by these withholdings consult with a tax consultant.

13. ESCHEAT

Escrow reserves the right to give notice to an appropriate Party if funds are subject to escheat under Hawaii law, and to escheat such funds in accordance with Chapter 523A, Hawaii Revised Statutes.

14. RELEASE OF MORTGAGES

If on the date of recordation, Escrow does not hold a release of mortgage, Escrow will charge a Release Processing Fee of \$55.00. This fee will cover the follow-up and processing of any such release. The fee will be charged to the Seller.

15. DOCUMENT PREPARATION

Real estate documents required for this transaction may be prepared by an attorney designated by a Party. If the Party does not designate the attorney to prepare the documents, Escrow is authorized to select the attorney to prepare the documents. The attorney is not the agent of Escrow. Escrow recommends that the Parties consult and obtain legal advice for this transaction.

16. SIGNATORY OF DOCUMENTS

These Escrow Instructions and other instructions, agreements, approvals or notices regarding this transaction may be signed in counterparts, and unless otherwise required in writing by a Party or by Escrow, a facsimile or electronically-transmitted signature or communication as permitted by the Uniform Electronic Transactions Act, shall be as binding and effective for all purposes as the original. Escrow shall have no duty to inquire into or have responsibility for the form, content, due execution, genuineness, validity, sufficiency or enforceability of any agreement, documents, certification, or other papers received by Escrow. The Parties acknowledge that Escrow will assume that all papers received by it have been signed by the proper person, that each such person had capacity and authority to so sign, and that such papers have been signed by the persons whose signatures purport to appear thereon.

17. ELECTRONIC DELIVERY

Escrow reserves the right to electronically deliver (e-record) original documents for recording in accordance with the Bureau of Conveyances, Title 13 Chapter 16 Hawaii Admin Rules, as revised. Paper originals of recorded documents will be destroyed after recordation.

18. NO DUTY TO INFORM

Escrow shall have no duty to inform any Party regarding any facts which Escrow may have acquired outside this transaction and which concern the property covered by this escrow.

19. RIGHT OF RESIGNATION

Escrow has the right to resign upon ten (10) calendar days written notice delivered to the principals herein. If such right is exercised, Escrow may return all funds less costs and documents to the party who deposited them and Escrow shall have no liability hereunder.

20. PROCEEDS TO TITLE HOLDERS

Escrow will issue proceeds payable to the current vested owner of record and/or Buyer/Borrower acquiring title to said transaction. Exceptions will be made for proceeds paid in connection with IRS 1031 Exchange transactions.

21. REQUESTED INFORMATION

Documents relating to this escrow, including your personal information, may be disclosed if Escrow is served with a subpoena or court order.

22. HAWAII LAW GOVERNS

Hawaii Law shall govern this escrow. Each Party agrees to submit to the exclusive jurisdiction of the courts of the State of Hawaii or the United States District Court for the District of Hawaii and waives any objections to venue with respect to actions brought in such courts. The liability of all Parties shall be joint and several unless otherwise expressly stated. All duties, rights and benefits shall inure to and be binding upon the Parties and their respective heirs, personal representatives, successors and assigns.

TITLE GUARANTY ESCROW SERVICES, INC.'S STATEMENT OF PRIVACY POLICY

This Statement is provided to you as a customer of Title Guaranty Escrow Services, Inc. It applies to transactions involving individuals who are purchasing our services for primarily personal, family or household purposes.

We want you to know that we recognize and respect your privacy expectations and the requirements of federal and state privacy laws. Information security is one of our highest priorities. We recognize that maintaining your trust and confidence is the bedrock of our business. We maintain and regularly review internal and external safeguards against unauthorized access to non-public personal information ("Personal Information").

In the course of business, we may collect Personal Information about you from the following sources: from applications or other forms we receive from you, including communications sent through electronic transmission; from your transactions with, or from the services being performed by us, our affiliates, or others; from a consumer reporting agency, if such information is provided to us in connection with your transaction; and from the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates and non-affiliates.

Our policies regarding the Protection of the Confidentiality and Security of your Personal Information are as follows. We restrict access to all Personal Information about you to those employees who need to know that information in order to provide products and services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to protect your Personal Information from unauthorized access or intrusion. Employees who violate our strict policies and procedures regarding privacy are subject to disciplinary action. We regularly assess security standards and procedures to protect against unauthorized access to Personal Information.

Our policies and practices regarding the sharing of your Personal Information are as follows. We may share your Personal Information, consistent with applicable privacy laws, with affiliated companies and with others who are providing you with the services that you have requested. **WE DO NOT DISCLOSE ANY PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT PERMITTED BY LAW.**

Consistent with applicable privacy laws, there are some situations in which Personal Information may be disclosed. We may disclose your Personal Information when you direct or give us permission; when we are required by law to do so, for example, if we are served with a subpoena or a court order; or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

Our policy regarding dispute resolution is as follows. Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by alternative dispute resolution with Dispute Prevention & Resolution, Inc. or other Hawaii-based dispute resolution company.

CONTROLLED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT

This is to give notice that Title Guaranty Escrow Services, Inc. has a business relationship with Title Guaranty of Hawaii, Incorporated. The nature of the relationship is that each of the two corporations has a majority of their stock owned by the same individuals or entities. Because of this relationship, this referral may provide Title Guaranty Escrow Services, Inc. a financial or other benefit.

We have estimated charges or a range of charges by Title Guaranty of Hawaii, Incorporated for the following settlement services:

You are NOT required to use Title Guaranty of Hawaii, Incorporated for the settlement of your loan on or for the purchase, sale or refinance of the subject property. There are other title service providers. You should determine that you are receiving acceptable services and rates for those services. Unless otherwise instructed in writing, Escrow will use Title Guaranty of Hawaii, Incorporated and its underwriters, Chicago Title Insurance Company, First American Title Insurance Company, Old Republic National Title Insurance Company and others for those services.