

TROPIC GARDENS 1

Town Hall September 5, 2023

Previously submitted questions with responses

Preface provided by the Attorney to the AOA, John Morris, of Ekimoto and Morris, LLC to Unit Owner questions and the AOA responses:

- This work has to be done. It (AOA) is not making unnecessary improvements or constructing anything that is not required to be done to ensure that the TG project is properly maintained and remains functional for the future.
- Owners are entitled to their own opinions, but the board is relying on the advice of experts, including people with geotechnical and engineering expertise. Under the law, the board has a right to and, in fact, is required to rely on expert advice in areas in which expertise is required.
- With work of this size and complexity, it is common for changes to be made as the work progresses and new conditions and problems are discovered as a result. If as the work progresses the engineers indicate that changes need to be made for the work to be fully effective, the board should follow their advice.

CIP Questions and Concerns:

1. In relation to the new sewer cut off wall schedule...
 - a. [Response: There is no such assembly in the Tropic Gardens project and therefore no comments or responses.]
2. Where is the foundation work? Isn't that supposed to be first?
 - a. [Response: For Phase 1- Buildings 4202, 4836, 4838, 4840, 4844 will receive 'cut-off walls' below the perimeter of the buildings. This foundation work precedes the building work and will be addressed concurrently with drains and sewer work in areas not adjacent to the foundation work.]
3. A cut off wall is used to protect your foundation. It blocks groundwater from reaching your foundation, dispersing it away from your home. However, don't you need to fix the current foundation problems before a cutoff wall is done.
 - a. [Response: To clarify the above, the intent of the perimeter cut-off wall in select buildings is to preclude subterranean water infiltration of the soils below the building slabs. The cut-off wall is the only foundation remediation recommended in the Geotechnical Report dated Nov 7, 2020. For added information, please review the Geotechnical report]
4. A cut off wall is being installed because of the trench system being put in. A cut off wall prevent ground water from entering the work area. This is being put in because of this trench system that's now being installed. This is the only way the trench system can be installed/done w/a cut off wall. This just means that there is no foundation work being done at all. ?
 - a. [Response: To respond to the above, please see the response to Question 3 above regarding the need for the cut-off wall to address shallow subterranean water infiltration below buildings. The building perimeter apron, channel drain and swale system it to address drainage management of rain and other surface water issues. The surface drainage system alterations are to transmit surface waters away from the buildings (lower chances of flooding) and to minimize ponding water that is a cause of water infiltrating into the soils under and around the buildings. With currently encountered storms and anticipated storm intensities in the future, restoration and enhancement of surface water management is warranted. The design basis for the cut-off wall and surface water alterations are separate but interrelated. The construction of

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each of the structures are, however, separate, distinct and not co-dependent. However, as a matter of practicality, the construction sequence requires the below grade structures to be installed before the structures above them.

5. When were we all going to be notified that the 17 million dollar no longer has foundation work being done? When were you going to tell all owners that this cut off wall is only being done because of this trench system?
 - a. [Response: The assertion of this question is incorrect. The cut-off walls (to be installed in 16 buildings) is the foundation work recommended by the Geotechnical Engineer, please review the Tropic Gardens Geotechnical Report dated November 7, 2020.]
6. Help me understand why the foundation will not be fix/corrected first?
 - a. [Response: The assertion of this question is incorrect. The cut-off walls are to be completed prior to building restoration, however, may be addressed concurrently with other civil improvements in other areas of the development. The cut-off walls will need to be constructed prior to the drainage improvement for the buildings receiving the cut-off wall.
7. When this project was first advertised, one of the main areas of focus were the foundations of the buildings, and leveling the foundations to mitigate the cracks in walls, uneven floors, etc. When did this portion of the project change?
 - a. [Response: The assertion in this question is incorrect. The cut-off walls will also stabilize the buildings for those buildings needing foundation enhancements. For those buildings that do not need the cut-off walls, the Geotechnical Engineer has recommended that surface water mitigation measures will be sufficient to address future movement. The Geotechnical, structural and civil engineers have recommended that leveling and crack repair be address architecturally.]
8. And who knew, and who authorized the change? I believe a little over 5 MILLION dollars was budgeted for foundational work.
 - a. [Response: There is no change. The project budgets were built of foundation augmentation, as needed, which resulted in the \$5 million budget amount. The budget investigation to install micropiles in all buildings was \$32 million, clearly not an option considered by the Board. The cut off wall bid numbers came in around \$1 million for four buildings, a little under the anticipated costs. The total recommended number of buildings requiring the foundation work are a total of 16. As the surface drainage solution contributed to the foundation solutions, a budget review should be considered by the Board.]
9. Has that money been re-allocated?
 - a. [Response: Budget allocation is a matter for the Board]
10. Which leads me to a further question. Haven't we been informed that ANY change to the project could cause the loan to be cancelled, and ANY change would result in permits being pulled. But a major change like this, 5 MILLION dollars, and nothing?
 - a. [Response: There is no known scope reason for the loan to be cancelled, however, that is a matter between the Board and the Lender. There is no reason for the Permits to be cancelled other than non-performance.]
11. Let's talk about trenching. The original plan called for sidewalk and landscaping and parking lot restoration, all aligned to redirect water away from certain buildings that get flooded during heavy rain.

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Not all buildings, just some. But now, there is a massive water retention project being planned, that is also supposed to mitigate the foundational issues with the buildings?

- a. [Response: The Project Budget line items for the sitework, exclusive of Sewer Line Replacement include: i) Surface Drainage Management System; ii) Sidewalks and iii) Parking Lot and Apron Reconstruction. The scope developed in the construction documents is consistent with the budgeted line items.]

12. Hate to tell you folks, but the buildings foundations are uneven and causing the walls to crack, due to gravity, and geology. We live at the end of a massive valley, where the earth underneath our buildings is slowly migrating towards the ocean. Sprinklers, people washing their cars, rain are not causing this issue.

- a. [Response: The Buildings have experienced differential settlement due to varying soil conditions on the site with varying moisture surface saturation levels. The combination of the cut-off walls and surface water mitigation was the Engineering team's solution to address the need for foundation stabilization. Refer to the Tropic Gardens Geotechnical Report dated November 7, 2020.]

13. I) And this issue with the city rejecting the permit to allow water to drain into the city sewer system. ii) Where does the water drain to right now? It's supposed to rain tonight, will we get a fine? I'd like to see the permit application, and the language in the rejection. lii) The only thing the current plan is going to do is retain water on our property, so it doesn't flow downhill (water will follow the path of least resistance) towards Ku'ono marketplace, and possibly flood their business.

- a. [Response: i) It is illegal to transmit Storm Water Runoff into the City & County Waste Water system (Sewer). There were no applications for Storm Water System connection license submitted, see the design rationale for the Storm Water improvements as articulated in the Memo provided by Hida Okamoto & Associates, Tropic Gardens 1's civil designer.]
- b. ii) The surface water in some areas ponds and saturates the on site surface soils, some water flows off the property onto City & County right-of-ways and other flows across the property lines onto adjacent properties.]
- c. lii) The issue of Storm Water discharge from Tropic Gardens 1 to Ku'ono Marketplace was addressed by Tropic Gardens with Kamehameha Schools at the onset of the stormwater improvement design by Tropic Gardens engineers. Kamehameha Schools and their designers feel that they had accommodated the surface water transmission from Tropic Gardens in their site and drainage improvements already completed at that time. The surface water drainage improvements are primarily designed to mitigate on premises flooding into units and ponding leading to surcharge of soils immediately surrounding structures on the property and to stay within storm water transmissions guidelines and ordinances. The new storm water structures quickly drain the surface water from buildings which increases the 'Critical Flow' concentrations at discharge locations. Tropic Gardens is limited to only allow water transmission to adjacent properties at 'pre-improvement' levels. As discussed above, water transmission is still allowed onto Ku'ono Marketplace and that development has made what it considers appropriate accommodation for that water.]

14. Why are we mitigating their risk of flooding?

- a. [Response: Tropic Gardens surface water management improvements are not designed to mitigate water transmission to adjacent properties, but to address on-site surface flows. However, water transmission from Tropic Gardens 1 may not exceed pre-improvement levels.]

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15. They chose to build below us. Water flows downhill.
 - a. [Response: Ku'ono Marketplace has made what it considers appropriate accommodation for that surface water flows that are still anticipated from Tropic Gardens.]
16. Moving on to the Monkey Pod Tree removal adjacent to parking lot 7. Why are there still logs laying in the common area?
 - a. [Response: Site Management offers the following: The log truck was down, part came in 8/23, just waiting for repairs to be completed (Justin)]
17. Why is there still a safety hazard adjacent to a step down from the parking lot (hole with exposed piping).
 - a. [Response: Site Management offers the following: The irrigation line was broken during the tree removal and was repaired next day, needed drying time before covering hole.]
18. I heard through the coconut wireless, that the Monkey Pod tree is being sold. That's why the logs have been painted with numbers, and are still on property. Did we get a discount for the work?
 - a. [Response: Site Management offers the following: Donahue's contract included disposal. Donahue was approx. \$10K less than the next bidder.]
19. Are we benefiting from this sale?
 - a. [Response: Site Management offers the following: Lumber resale was not written into agreement]
20. Why is our common area being used as a log drying yard (They leave logs like that after being cut, to dry out, because when drier they weigh less and are easier to move).
 - a. [Response: Site Management offers the following: The log truck was down, part came in 8/23, just waiting for repairs to be completed]
21. People's children play in that grassy area. Not only that, but this project was supposed to be done in 4 days.
 - a. [Response: Work areas are required to accommodate large site projects.]
22. Is this what we can expect for future projects?
 - a. [Response: It is assumed this is a rhetorical question.]
23. As an owner, I want to know where my money is being spent. Add to that, the recent tree removal contract, and the permit application and rejection for the water issue. I want to see it all.
 - a. [Response: To be addressed by AOAO]
24. Were there any proposals/estimates to determine the loan amount. How was the cost determined (the bank did approve the amount)
 - a. [Response: Order of Magnitude Budgets were developed for the entire project using proposals provided by various vendors. The Budgets were approved by the Board at that time.]
25. Why is it not possible to do only one thing at a time for the entire project. example: do all the structural with one contract
 - a. [Response: The decision to Phase the project was based on the Contractor Market conditions for AOAO work. Almost all large contractors have a 'Condominium Exclusion' in their Commercial General Liability Insurance policies, which means they do not have insurance for AOAO work. There are a small number of mid-level General Contractors that can participate in

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AOAO work subject to approval from their insurance carriers approval. The Phasing of this project allowed certain contractors to obtain waivers from the 'Condominium Exclusion' because the project risk was lowered. Seven firms were solicited for the work, five accepted the Request for Proposal Packages and only two (2) submitted proposal.]

26. Why were the contractor proposals only for one phase and not the entire project
a. [Response: See Response 25.a above]
27. Is there a standard construction guide line that explains why owners should not remain in their home during construction. Is there a health standard that contractors must follow in terms of dust, etc. I know that a dust screen is placed to prevent dust from going to the next property.
a. [Response: Persons remaining in their units during construction in the building and work area clearances are an Insurance requirement and in turn a construction agreement requirement. If not adhered to, the Contractor cannot work. If the AOAO does not fulfil its contractual obligation under the occupancy requirement and clear access requirements, the AOAO will be breach of the contract and liable for any costs associated with that breach.]
b. [Response: Dust and noise: The projects will produce significant dust and noise. Dust mitigation at the units is not included. Unit Owners may take their own precautions to guard against the dust and noise.]
28. why does all the buildings have to have a water drain around it
a. [Response: Refer to Geotechnical Report]
29. what arrangements will be made for postal delivery, UPS if at all
a. [Response: No interruption of Mail or Private Carrier is anticipated]
30. 4202-4 would like to know when she should be vacating her unit (approximate date)
a. [Response: Residents may occupy their units during the civil/utilities section of the project. Residents will need to vacate their units from 8:00 am to 5:00 pm during work performed on the structure. Notice will be provided at a minimum three (3) weeks prior to construction. Building construction work is not anticipated to commence before October 10, 2023]
31. Any estimate on how long the work will take for the first few buildings
a. [Response: Prior to any work beginning, it is anticipated that the work in any one building will be five (5) to six (6) weeks. As the contractor becomes more familiar with the work this duration will be updated.]
32. scope of work permits.
a. [Response: The scope of the work permitted are on the permit documents.]
33. Do we have a CPM
a. [Response: The building contractor is using this method for planning.]
34. All cars removed from parking lot 7 from 8 am til 4 pm during the week
a. [Response: All cars from Parking Lot 7 are to be removed from 8:00 am to 5:00 pm by contract with the contractors.]

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35. Do owners need to vacate which buildings on Sept. 5th
 - a. [Response: Residents need not vacate their units until the start of building repairs which is anticipated to tentatively start on or around October 10, 2023.]

***** End of Submitted Questions and Responses *****