

## **ERP ALERT #8**

Since we issued Alert #7, we have received questions and concerns from many owners about the Elua Renovation Project. This alert will attempt to address these questions and update you on the activity that is happening now in relation to the project.

### **TIMING**

The Elua Board of Directors has tried very hard to provide accurate information to owners in a timely manner as this project has evolved. The timing of the project has been one of the more difficult aspects to pin down and will continue to be so until after we have selected a contractor for the job.

### **CLOSURE OF THE ENTIRE ELUA CAMPUS? No.**

At this point, **we do not intend to close the entire property for the duration of the construction project.** Our plan is to start in one area and move across the property and not start demolition on every building at the same time. At present, we do not know exactly how long construction will take to complete any one building. That depends on a number of factors including the extent of the problems found, the complexity of each and work being done concurrently on neighboring buildings.

### **IMPACTS ON TIMING**

One of the contracts we have entered into is with a structural engineer who is evaluating some of the problems that we have shown you earlier, such as the failed anchorage of the lanai bolts on one of the buildings described in Alert #6. While evaluating the necessary repairs he became concerned that similar wood rot may be revealed in other units in that building and other Elua buildings of a similar design. Discussions with the engineer and prospective contractors were the genesis of the Board's concern for the timing of this project. The change in the **probable start date** from May 1 to April 15, 2015 is to increase the chance of completing this project in 2015.

### **CONSTRUCTION SCHEDULE IS FORTHCOMING**

We intend to provide notice as early as possible with the most accurate dates for construction to be undertaken on each building so that owners and/or rental companies do not book their units during the anticipated construction period for that building and then later have to cancel the bookings. In order to meet our time deadlines, *please be aware that construction cannot be interrupted because an owner has rented his/her condo.* Therefore, we suggested in the last Alert that you be aware of the unresolved construction calendar before you make any firm commitments for the rental or use of your unit. We hope to have hired a contractor in the next 60 days and will issue the schedule for 2015 work as soon as possible thereafter at which time you can confirm rental dates for your unit.

### **IMPACT ON RENTAL REVENUES**

Since it is anticipated that construction will be underway in different areas of Elua from April 15 to December 15, 2015, anyone scheduled to visit any part of Elua during this time should be fully informed that construction activity and noise will impact their visit. Most of Elua's owners rent their condos, including all of the Board of Directors. We share your concern over the loss of rental income during a time when assessments are

required. We are working as fast as possible to give you reliable information so that you can plan accordingly to minimize revenue loss.

### **HAPPENING NOW**

The Maui County Planning Department requires eight full sets of architectural drawings for the exterior of each building for our permit applications, going to eight departments within the County. To expedite their review they have asked us to submit no more than three of our 24 building plans per month. A full set of plans for the first three buildings involved 137 pages. Our architects are currently preparing these drawings and by the end of November all plans will have been completed and submitted. All building permits for the project are expected to be issued by late March of 2015.

All of the prospective contractors would prefer to have fully detailed drawings before giving us their bids. As explained above we will not have all of the detailed drawings completed before we have to hire a contractor. They are now using the drawings completed for the first six buildings to determine their bids for the work and project the quantities of materials required to meet the dates planned for the work. To accelerate this process we have hired a construction consultant to evaluate alternative construction methods, code compliance methods and materials that are cost efficient and will minimize our future maintenance costs.

### **WHAT ELSE MIGHT AFFECT THE PROJECT & COST?**

Each of the eight departments in the Maui County review may require some special work be done before granting a permit to build. For example: The Fire Department might require an additional hydrant. Surprises like this are unpredictable.

### **MORE QUESTIONS?**

We hope you can understand that there are a lot of moving parts to get this project underway, keep it on budget and on schedule. We ask for your patience as all of these steps take time but are necessary in order to complete this project to the high standards all owners expect. There is another Maui project of similar age to Elua that has gone through this type of renovation to repair problems and address wood rot in their buildings. It is located in Kapalua and the following link will give you an overview of the work that they have been doing and show you the results they have produced: (<http://www.youtube.com/watch?v=7qo4P0F9gSM>).

As in earlier Alerts, we ask that you send all of your comments and concerns to our email address so they can be sent to all directors: [waileaelua@gmail.com](mailto:waileaelua@gmail.com).