

February 28, 2019
 The Collection Board of Directors Meeting
 General Manager’s Report
 Submitted by Al Guzman

ADMINISTRATION

1. The Collection Visitor Counts

Month	Count
2019 Jan	1,399

2. 2019 Violations

2019 <u>Violation Letters Issued</u>	Jan			Feb			Total
	1st	2nd	3rd	1st	2nd	3rd	
Smoking	1						1
Over Watering on Lanai							0
Failure to Register Guest	1						1
Short Term Rentals							0
Speeding							0
Open Door							0
No Vehicle Decal/Registration	9			60	9		78
Resident in Guest Parking							0
Parked in Wrong Stall							0
No Headlights							0
Lanai Storage							0
Oil Stains							0
Amenity Cancellation							0
Improperly Stored Items	3						3
Other	2						2
Total Letters Issued	16	0	0	60	9	0	85

3. Staffing

Several staff members have recently left. Our Operations Manager has left, along with two maintenance staff and two Residential Specialists. Ads were placed advertising the openings and we received many applications. Interviews were conducted and I’m happy to report that Charles Poepoe has filled the position of Operations Manager. Charles currently works full time at Disney’s Aulani as a Security Host and was the Operations Supervisor at One Waterfront Towers. We will continue interviews for the other positions.

4. After Hour Perimeter Patrols

During the evenings on the weekends (Friday, Saturday, Sunday), Kaka’ako’s bars close at 2am. Bar patrons begin leaving the bars between midnight and 2am and some walk to the Salt Garage or to Auahi

Street to get into their vehicles. The RSs will begin their patrols starting at Drybar on Auahi Street to monitor and show presence while the patrons go to their vehicles. They will call HPD if they observe any crimes being committed. It is hoped that the show of presence will deter unwanted behavior. As more eateries and bars open, we want to establish our security presence for patrons to see.

5. Vehicle Break Ins

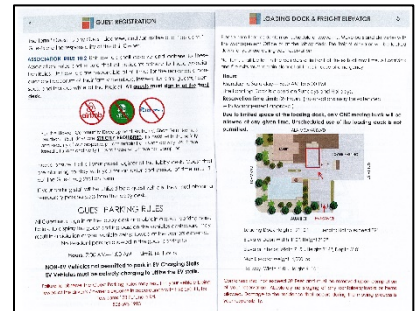
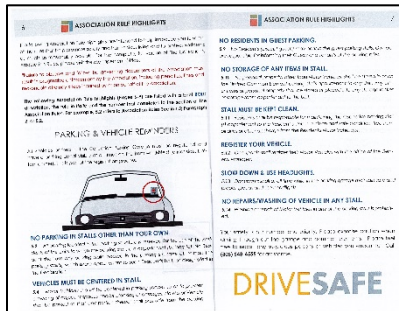
Met with Officer William Suarez of HPD regarding recent vehicle break ins on Auahi Street. Officer Suarez related that on February 8, 2019, a vehicle parked on Auahi Street was broken into. There have been several more as well. HPD believes the group committing these acts are from Palolo and do not live in the area. Advised the RSs to show presence and be vigilant.

6. Welcome Brochure / and Resident Informational Meeting

A welcome brochure has been created for all owners, but especially for new owners and tenants. Residents moving into The Collection are unaware of the matters that have surfaced during the first two years since opening. These include such things as using your headlights while driving in the garages, registering your vehicle, fire safety, evacuation site, short term rental prohibition etc.

These brochures (Tower and Lofts) will be posted on the website and provided to all new residents who register at the management office.

To further inform residents, an informational meeting will be held Wednesday, March 6, 2018 in the Tower Club Room at 5:30pm. It will be an informal get together. I'll be discussing the relevant topics and will include a question and answer portion as well.



7. Solar Photovoltaic Update

The Request for Proposal was sent to Energy Industries, Revolusun, HH Alternative and Hawaii Energy on February 1, 2019. There were a few concerns that some of the requirements would lessen the quality of the PV equipment, increase cost to the project and lessen savings to The Collection. Revisions made and re-distributed.

Request for Info deadline was February 14, 2019. Only Revolusun submitted questions. They asked:

1. *Is EOY 2019 completion date a firm date? The reason we ask is that there are a lot of factors that could push this project back, not the least of which are the board/council possibly taking more time to review*



proposals and negotiate a final contract. The time taken to obtain permits is also a big unknown in many instances. If circumstances necessitate it, would The Collection be ok with the project being safe harbored in 2019 so that tax credits or terms of PPA could be secured?

2. *Is The Collection going to provide an ISP to connect monitoring to, or does the developer need to provide separate service for the monitoring system? In other words, can we just hook the monitoring up to an existing provider/internet connection that you have for the building already?*

The question and the response below were provided to all bidders.

1. The End of Year completion date is firm.
2. Contractors can use The Collection’s existing internet service, however, the contractor would incur any cost(s) charged to The Collection by Hawaiian Telcom relating to any additional equipment, technical assistance, connection fee, recurring fees etc. as a result of the PV installation.

8. Property Management Proposals

Obtained 4 property management proposals from Hawaiiana, Associa Hawaii, Hawaiian Properties and Touchstone. All 4 forwarded to the Board’s Executive Committee.

9. Short Term Rental

The Collection Management Staff have issued several violation letters and fines to those owners we can confirm are participating in short term rentals at The Collection.

Other preventive measures include:

- Sending formal letters by the Collection’s attorney to Airbnb and Home Away requesting they cease advertising The Collection.
- Sending a formal letter to Captain Cook Realty (CCR) requesting that they stop advertising units from The Collection. CCR was a prolific advertiser and after one of The Collection’s owners received a violation letter, they ceased advertising.
- Successful utilization of a Private Investigator
- Posting signage around the property prohibiting the activity
- Numerous mentions of the prohibition in newsletters, notices, message board and website.

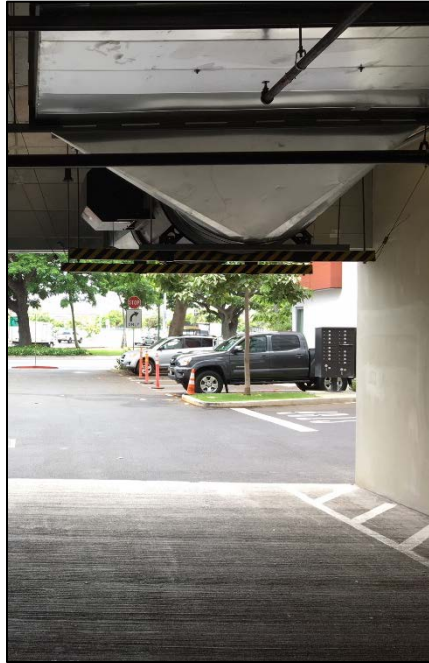
Concerns continue to be raised and the question of what more can be done to prevent short term rentals from occurring at The Collection. The two main entry points to the Tower and The Lofts are through the lobbies and the garage gates. If the ownership is willing, private uniformed security can be hired to man these entry points and obtain the unit # and registered name of all who enter. The cost to do so would be as follows (Tower Only for illustration purposes) – see proposals attached:

Company	Location	Hourly Wage	Weekly Hours	Weekly Cost	Monthly Cost	Annual Cost	X 2 Guards
Securitas	Tower	\$23.54	56	\$1,318	\$5,273	\$63,276	\$126,551
API	Tower	\$29.32	56	\$1,642	\$6,568	\$78,812	\$157,624

OPERATION

1. Lofts Pedestrian Striping and Stop Sign

To increase pedestrian safety and minimize risk to the association, the pedestrian striping and stop sign were installed at the Lofts garage exit.



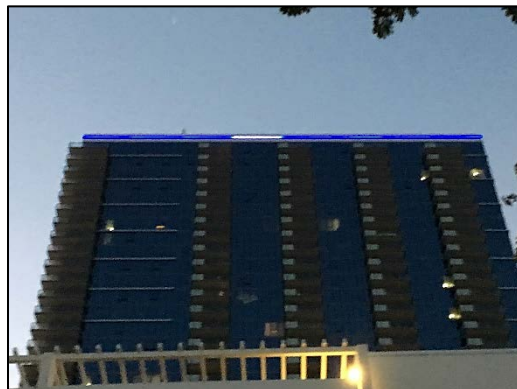
Before



Addition of Stop Sign and Crosswalk

2. Tower Crown Lighting

Almost at the end of the Warranty period, we noticed that a section of the Tower's Crown Lighting was discolored. This section had been previously replaced soon after opening. The prior Warranty submittal was reopened and instead of replacement, a technician was dispatched to check the programming of the discolored section at no cost to The Collection. Corrections were made and the section that wasn't working properly is now consistent with the rest of the sections.



Before



After

3. Lofts Door Lock Recall

On December 12, 2018, the Consumer Product Safety Commission issued a recall on Dormakaba USA Stanley Commercial Locksets. 54 of the locksets were installed during construction at the Lofts residential units by Island Pacific Distributors (IPD). The recall stated, "the lockset can fail to open, posing an entrapment hazard and inability to vacate a location in an emergency."



IPD issued the recall information to The Collection and the GM made arrangements with Best Access Solutions, Inc., a subsidiary of Dormakaba, for shipment of 54 locksets to replace the 54 locksets at the Lofts.

The GM contacted Kimberly Johnson of Best Access Solutions Inc and asked how many reports existed of the recalled lockset failing to open. Ms. Johnson related that out of about 14,500 locks that were distributed, there have been no reports as of December 19, 2018 of any failures and that the recall was made as a precaution.

Lofts residents were informed of the replacement.

UPDATE: On Thursday, February 14, 2019, William Macdonald of Dormakaba on site to do a walk through at the Lofts to confirm new locks would be compatible with existing hardware as well as to gauge logistics of the project.

4. Booster Pumps

UPDATE: The replacement Variable Frequency Drive for High Zone pump #2 is due to arrive at the end of February. Upon arrival, installation will be scheduled.

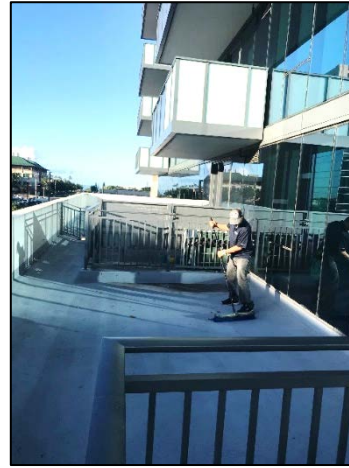


5. Lofts Club Room, Fitness Room and Mail Room AC

The Mistubishi multi stack is losing refrigerant caused by a leak somewhere in the system from the rooftop to the ground floor. Bids are being gathered to trouble shoot the problem. SSM submitted a bid of \$2,746, awaiting 2 other bids. Attached is SSM's proposal.

6. 3rd Floor Tower Diamond Head Balcony

The Tower units located on the Diamond Head side have a balcony outside their lanais that catches debris that falls from the floors above. On February 5th, we obtained permission from one of the 3rd floor units to access this area for cleaning. Several storm drains are on the lanai and it is important to keep the balcony clean to prevent storm drain clogs.



7. Unattended Stove Fire

On Sunday, February 17, 2019 at about 8:15am, the Lobby Desk received a report of a smoke detector alarm and the smell of smoke. The smoke detector alarm was found to be coming from a unit on the 26th floor. Upon arrival, I could smell smoke (burnt food) and entered the unit. No one was home at the time and I observed two burners on with two pots smoking profusely. Cleared the smoke out through the lanai door and window (General Alarm did not activate) Ben and Mel arrived to assist. Resident arrived and I explained to him the danger in what he did. Formal letter of advisement sent.



Unit after smoke was cleared – haze can still be seen.

On February 20, 2019 at 10am, another resident opened their door to vent their cooking smoke causing the Fire Alarm system to activate. Reminder email blast sent to all owners and residents. Notices were also posted on each floor.

8. Tower Elevator Fob Access

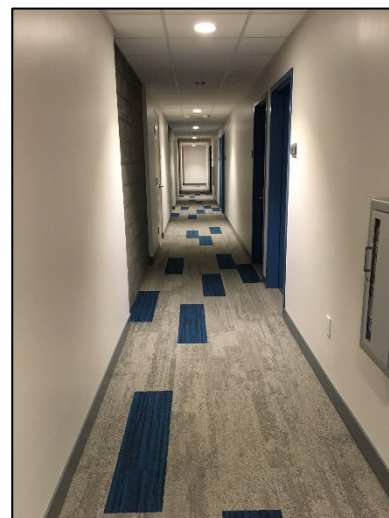
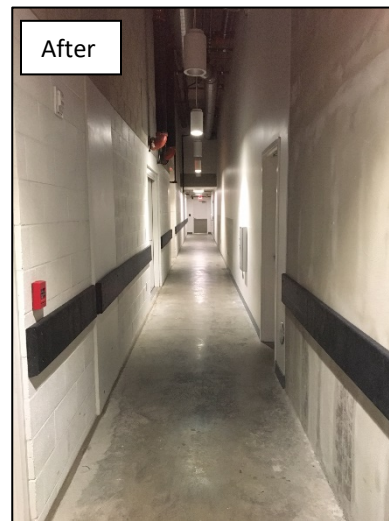
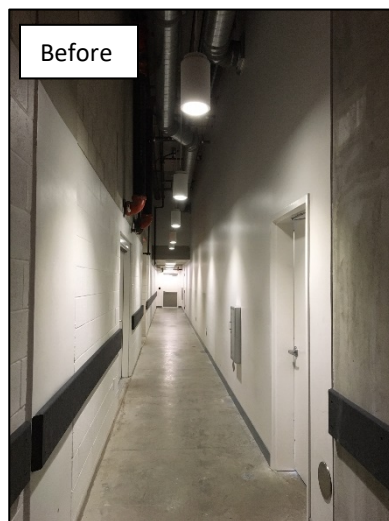
To minimize others from pressing an elevator floor button after someone else has fobbed a Tower elevator, the time allowed to select a floor was reduced from 10 seconds to 5.

9. Lofts Lighting Motion Sensor

Contractors were asked to provide proposals to install motion sensors for the ground floor long corridors lighting. Nakata Electrical submitted their proposal of \$16,100. Awaiting submittals from Waialae Electrical and E1. See Nakata's Electrical proposal attached.

10. Lofts Electricity Saving Measures

To save on electrical consumption at the Lofts, about every other canned light on floors 1, 2, 3 & 4 have been disconnected – a total of 54 fixtures that were on 24/7. A trial period is in effect to observe if any safety, security concerns or complaints surface. Based on the Hawaii Energy Worksheet, this delamping will save the Lofts Owners up to **\$3,800** annually on electricity.





COST PROPOSAL

The Collection Honolulu

February 2019

Hourly Bill Rate	Cost Estimates	Officer Wages
Based on 112 hours per week \$22.48 + tax	Monthly - \$10,910 + tax	Security Officer - \$14.50
	Annually - \$130,924 + tax	

Please take note. Our Hourly Bill rate includes the following items:

- Uniformed guard services per written post orders designed by client and Branch Manager.
- Securitas' proprietary guard management system, Vision2 which allows client real time access to guard activities, reporting, schedules and much more. Cloud based storage to ensure accuracy as well as ease of access.
- Securitas Sentry, an Intrusion Detection Monitor, which enhances officer capabilities by acting as a force multiplier to the static officer deployment and patrol efficiency
- Cellular phone(s)
- Recruitment, background screening, pre-employment drug screening and hiring costs.
- All security officers are Act 208 certified and cleared by the DCCA prior to any work assignment.
- Employee wages, payroll taxes and insurance.
- Excellence in Service performance recognition program.
- Free life insurance and paid vacations: 1 week at one year; 2 weeks at five years; 3 weeks at ten years.
- Introductory, pre-assignment and paid on-site training.
- Monthly service review and planning meetings between local branch manager and client.
- 24-hour National Communications Center.
- Department of Homeland Security SAFETY Certification and Designation.
-

Holidays are included in the above rate. Employees scheduled to work on these holidays will receive time and a half pay for the following six holidays: NO ADDITIONAL CHARGES TO YOUR SCHEDULED HOURLY BILL RATE!

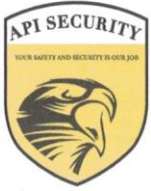
New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

The prices for security officer and related services as quoted above are valid for a period of 60 days from the date of this proposal.

To address any questions or concerns, please feel free to contact me direct.

Mahalo,

Gene Stoudt - Business Development Manager
 Securitas USA - Pacific Region - Hawaiian Islands & Guam
 O - (808) 539-5027
 C - (808) 226-9230
gene.stoudt@securitasinc.com



API SECURITY, INC.

FULL SECURITY SERVICES

1314 South King Street, Suite 504
Honolulu, Hawaii 96814
Phone: 808.593.1125 • Fax: 808.593.1549

Rate Quotation

Date: 2/21/2019

Customer: The Collection

Service: Guard Service

Location: Kaka'ako

Schedule: 7 days a week, 2 guards

7am to 3pm and 3pm to 11pm

Security Guard Service: \$28.00 per hour, plus Hawaii GE Tax (4.712%)

Rate Includes:

Communications

P.O.C

Mansour Arekat

593-1125

STANDARD SHEETMETAL & MECHANICAL, INC.

220 Kalihi Street ❖ Honolulu, Hawaii 96819
Phone: (808) 839-0909 ❖ Fax: (808) 836-7927
License No: BC-21228

BID PROPOSAL (REVISION)

Firm:	The Collection	Attn:	Mr. Al Guzman	Date:	2/7/2019
Address:	600 Ala Moana Boulevard Honolulu, Hawaii 96813	Email:	GM@thecollectionhonolulu.com	Phone:	548-4555
Project:	The Collection Lofts Common Area - Refrigerant Leak Check & Repair A/C System			Fax:	
				Quotation No:	Q18-8771

This bid complies with the requirements of the plans and specifications of the above named job, including all known alternates and addenda Nos. None, subject to the standard conditions below which will be included by reference in any subcontract; and is complete per

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PRICE</u>
	Furnish labor and materials to pressure test and refrigerant leak check the Mitsubishi City Multi A/C System. Currently, the A/C system is low on refrigerant, as found on the recent Service Call. Upon identifying leak location, if repair is deemed minor, will proceed to repair leak. If leak repair is deemed major, further repair(s) to be addressed on a separate Proposal. Start-up and check overall system operation.	All For: \$2,746.00

- notes:**
- 1) The A/C system will be out of service for most of the day to perform repair work.
 - 2) Work to be performed during normal business hours M-F 7:00am - 3:30pm.
 - 3) If an order is cancelled, the buyer shall pay the seller for any material purchased and expenses incurred up to the date of cancellation. Deviation or alteration and unforeseen circumstances from plans, scope of work, known addenda will be subject to extra and or added cost.

State of Hawaii General Excise Tax is included in all of the above pricing.

THIS BID PROPOSAL TO BE MADE A PART OF SUBCONTRACT AGREEMENT WITH GENERAL CONTRACTOR OR OWNER

The following "normal exclusion items" are excluded from the foregoing section(s) bid:

- | | |
|---|---|
| (a) Excavation, Backfill, and Dewatering (or Shoring if required). | (i) Cesspools, Septic Tanks, Cavitettes, and Drywells. |
| (b) Concrete Work of Any Description Including but Not Limited to Pads, Reaction Blocks, Curbs, Equipment Bases, Etc. | (j) Formed Openings in Structural Walls and Slabs. |
| (c) Manholes, Frames, Covers, Catch Basins, and Gratings. | (k) Board of Water Supply Pro-Rata Charge of Water Development Cost. |
| (d) Demolition, Cutting, Patching, Grouting, and Concrete Coring. | (l) Fire stopping. |
| (e) Hoisting. | (m) General Contractor to provide trash bins & disposal at no cost. |
| (f) Any or all hazardous material removal. | (n) Prefinished louvers, flashing, and roofing based on manufacturer's standard colors, unless otherwise noted. |
| (g) Painting. | (o) Louvers, unless specified in sections noted above. |
| (h) Disconnects & Power Wiring, incl. final connection to mechanical equip. | (p) Permits, Drawings or Bonding. |
| This bid is good for only <u>30</u> days. | (q) Access door / panel on Gypsum Board walls and ceilings |

OWNER OR GENERAL CONTRACTOR

(COMPANY NAME)

By: _____
(TITLE)

STANDARD SHEETMETAL & MECHANICAL, INC.

By: _____

Steven Sakata - Service Dept. Manager
(808) 690-0072

Accepted Date _____

STANDARD CONDITIONS

- The Subcontractor shall submit to the general contractor applications for payment at such reasonable times as to enable the general contractor to apply for and obtain payment from the owner. Payment for materials and/or installation shall be made with same retainages as on main contract between owner and general contractor and shall be paid, for work to date of last progress billing date, as approved by architect, within five days after general contractor has received his payment for such progress billing. Final payment shall be made within five days after general contractor has received his final or complete payment involving Subcontractor's portion of work, notwithstanding any delay of other trades; but in any event such final payment shall be made by the general contractor to the Subcontractor no later than the day preceding the expiration of the lien period. If the contract between owner and general contractor permits payment for materials delivered to the jobsite, or to satisfactory storage facilities, Subcontractor may invoice for materials as delivered and receive payment therefore as outlined above. In the event that a payment is not made on or before the day that is due, the general contractor agrees to pay interest on the unpaid balance at the rate of 18% per annum from the due date until payment in full. In the event that suit is filed by Subcontractor to collect any monies due hereunder or to enforce any other provision of the contract, the general contractor agrees to pay all costs, reasonable attorney's fees incurred and interest on the unpaid balance at the rate of 18% per annum from the date the payment was due until payment is made in full. In the event that the maximum legally enforceable interest rate for this contract is lower than the stated (18%) interest rate; due to legislative action, operation of law or otherwise, the maximum legally enforceable interest rate shall apply in lieu of the stated interest rate.
- Any bonds required by general contractor shall be furnished by the Subcontractor, and the cost thereof added to and become a part of this proposal.
- The price has been determined on the basis of straight time and normal work week. No overtime will be worked unless ordered by general contractor or his representative. In the event overtime is worked, the overtime premium rates plus Subcontractor's regular mark-up for overhead and profit will be paid as an extra. This provision is applicable where such overtime work is necessitated by delay or acceleration occasioned by reasons beyond the control of the Subcontractor.
- It is hereby stipulated that the Subcontractor shall not be held responsible or liable for any loss, damages, or delay caused by fire, strike, accident or any other cause beyond his control. In the event that the employees of the Subcontractor refuse to work or walk off the job or strike because of any picket line established by employees of the general contractor or of any other subcontractor or of any other employer, or because of any labor dispute which may arise between the employees of the general contractor and the general contractor, the employees of another subcontractor and such subcontractor and/or the employees of any other employer and such other employer, then the Subcontractor shall be relieved during the pendency of such work stoppage from performance under this subcontract and shall not be liable to the general contractor for any liquidated damages assessed under this subcontract or under the general contract or for any loss which the general contractor may sustain as a result of such work stoppage.
- Hoisting of plumbing, mechanical, and sheet metal equipment and materials shall be provided by the general contractor during normal working hours and be reasonably scheduled.

**NAKATA
ELECTRICAL
INC.**

CONFIRMATION BID-ELECTRICAL

Date: 2/8/19

BID SUBMITTED TO: The Collection
PROJECT: The Collection Loft Miscellaneous projects

This bid complies with the requirements of the plans and specifications of the above named job, including all known alternates and
ADDENDA none ; subject to the conditions, and is complete per
ELECTRICAL SECTIONS 16000 unless otherwise stated.

NOTE: Bid shall be tabulated in the aggregate, including all ALTERNATES and/or separate ITEMS

\$14,300.00 Lump sum tax included – Item A
\$ 1,800.00 Lump sum tax included – Item B
Item A: West/East Corridor lighting Motion Sensor additions
Includes alteration of wiring which services both corridor lights & exit signs to separate the exit signs from the corridor light controls. Item B: Storage room 3-Way light switch addition
Work to be done during normal work hours

EXCEPTIONS AS FOLLOWS:

Excludes: Patching, painting

Specify by indicating each of the following items:

Lighting fixtures.....	Included	Not Included	None	x
Hawaiian Telephone Company's Cost.....	Included	Not Included	x	None
Electrical Utility Company's Cost.....	Included	Not Included	x	None
Excavation backfill and concrete encasement.....	Included	Not Included	None	x
Electrical handhole and/or manhole.....	Included	Not Included	None	x
Coring, chasing, and channeling (electrical).....	Included	Not included	None	x
Transformer pad-Light standard base.....	Included	Not Included	None	x
This Bid is good for only 60 days.				

STANDARD CONDITIONS

a. The Subcontractor shall submit to the general contractor applications for payment at such time as to enable the general contractor to apply for and obtain payment from the owner. Final payment shall be made within five days after general contractor has received his final or complete payment involving Subcontractor's portion of work, notwithstanding any delay of other trades; but in any event such final payment shall be made by the general contractor to the Subcontractor no later than the day preceding the expiration of the lien period. If the contract between owner and general contractor permits payment for materials delivered to the jobsite, or to satisfactory storage facilities, Subcontractor may invoice for materials as delivered and receive payment therefore as outlined above. Any payment not made by the general contractor to the Subcontractor as and when due shall bear interest at the rate of 18% per annum from the due date until paid in full. In the event a notice of mechanic's lien or suit is filled by the Subcontractor to collect any monies due hereunder or to enforce any other provisions of this confirmation bid or any subcontract executed pursuant to this confirmation bid, the general contractor agrees to pay all costs and reasonable attorney's fee incurred by the Subcontractor.

b. Any bonds required by general contractor shall be furnished by the Subcontractor, and the cost thereof added to and become part of the proposal.

c. Temporary electrical work required by the general contractor, and furnished by the Subcontractor, shall be at the general contractor's expense. The cost thereof shall be added to and become part of the proposal.

d. The price has been determined on the basis of straight time and normal work week. No overtime will be worked unless ordered by general contractor or his representatives. In the event overtime is worked, the overtime premium rates plus Subcontractor's regular mark-up for overhead and profit will be paid as an extra. This provision is applicable where such overtime work is necessitated by delay or acceleration occasioned by reasons beyond the control of the Subcontractor.

e. It is hereby stipulated that the Subcontractor shall not be held responsible or liable for any loss, damages, or delay caused by fire, strike, accident or any other cause beyond his control. In the event the employees of the Subcontractor refuse to work or walk off the job or strike because of any picket line established by employees of the general contractor or any other subcontractor or of any employee, or because of any labor dispute which may arise between the employees of the general contractor and the general contractor, the employees of any other subcontractor and such subcontractor and/or the employees of any other employer and such other employer, then the Subcontractor shall be relieved during the pendency of such work stoppage from performance under this subcontract and shall not be liable to the general contractor for any liquidated damages assessed under this subcontract or under the general contract or for any loss which the general contractor may sustain as a result of such work stoppage.

NAKATA ELECTRICAL, INC.

(OWNER OR GENERAL CONTRACTOR)

BY _____
(Name & Title)
ACCEPTED DATE _____

BY _____
Karl Hamada
DATE February 8, 2019