



Hawaiiana Management Company, Ltd.
Pacific Park Plaza, Suite 700
711 Kapiolani Boulevard
Honolulu, Hawaii 96813
Internet: www.hmcngt.com

November 2017

RE: 2018 Budget and Reserve Analysis, Maintenance Fees

Dear The Collection Owner:

The Collection Association of Unit Owners (AOUO) Board of Directors (Board) has been working closely with your Management Company (Hawaiiana Management) to analyze and review the current financial status and expenditures of the AOOU. The fiscal year for The Collection starts on January 1, 2018. As you know, the previous budget was developed in 2013 in preparation for home sales to commence. Fast forward four years later and we are now able to utilize actual expense data over the past 11 months to develop the 2018 budget.

At the November 2, 2017 Board meeting, the Board voted to approve the following increases for the four entities that comprise The Collection effective January 1, 2018:

Common	10.5% increase
Tower	3.0% increase
Midrise (Lofts)	7.0% increase
Commercial	2.8% increase

Every owner is charged the Common maintenance fee, plus the fee associated with the entity in which they reside (i.e. – Tower, Midrise (Lofts), or Commercial).

The Budget and Reserve Analysis may be accessed through The Collection website, www.thecollectionhonolulu.net or you may request a hard copy from The Collection office by calling 808-548-4555.

Why an increase in fees?

- **We must plan for the future.** State law requires that we must maintain reserve funding at acceptable levels. Perhaps more importantly, we must plan for essential maintenance and replacement projects. The inaugural AOOU reserve study was performed by Akamai Reserves in the summer of 2017 and includes all capital components whose replacement cost is greater than \$10,000.

If we want to avoid costly, special assessment fees in the future and with increased costs in reserve items, we must prepare now. Completing the reserve study to clearly identify the capital funding requirement was a key component for increase in fees.

The good news is.....

As occupancy and monthly expenses continue to normalize throughout 2018, we will continue to gain a better understanding of operational needs and budget impacts. To aid in providing some key information pertaining to each of the categories that make up the budget, a summary of the Common budget, as well as the entity in which you reside, is included in this mailing.

Will maintenance fees increase next year?

- Good business practices in condominium management are to: 1) increase fees to at least match annual inflation rates; and 2) contribute to the reserve fund based on the recommendations of a professional reserve study. In approving the current budget the Board has followed these practices. The budget represents the Board's best estimate of costs for this fiscal year. As we have learned, utilities, oil prices, maintenance, and reserve funding can influence future needs. Additionally, service providers may raise their fees as their costs increase as well.
- The Board will continue to monitor revenues and expenses during the next year to see how they can continue to reduce costs and responsibly maintain the building and common areas.

SurePay and other E-Payments

Statements will continue to be mailed to homeowners each month. If you are already using SurePay for automatic payments, the new amount will be automatically adjusted beginning with the January 2018 payment. If you are not using SurePay as your method of payment and would like more information, please contact Tisa Romano at (808) 593-6351.

If a bank, savings and loan, or bill payment agency, other than Hawaiiana's SurePay Plan, pays your maintenance fees, you must inform that agency of the new maintenance fee amount and the effective date of **January 1, 2018**. Please do so at your earliest convenience to ensure that the correct amount is paid and to avoid a late fee penalty.

Should you have any questions concerning this matter, please feel free to contact me at (808) 203-5234 or by e-mail at jonm@hmcmgt.com.

Sincerely,
FOR THE BOARD OF DIRECTORS
OF THE COLLECTION



Jon McKenna
Management Executive

cc: General Manager

THE COLLECTION

2018 Maintenance Fees

Unit Type	2017 Total Fees (excluding electricity)	2018 Common Maintenance Fee	2018 Tower Maintenance Fee	2018 Midrise Maintenance Fee	2018 Commercial Maintenance Fee	2018 Total Fees (excluding electricity)
A	935.85	100.50	870.24			\$ 970.74
A1	1,094.29	117.51	1,017.59			\$ 1,135.10
B	477.83	51.31	444.33			\$ 495.64
C	750.16	80.56	697.58			\$ 778.14
D	764.19	82.06	710.63			\$ 792.69
E	791.42	84.99	735.95			\$ 820.94
F	1,004.34	107.85	933.94			\$ 1,041.79
G	717.97	77.10	667.65			\$ 744.75
H	725.41	77.90	674.56			\$ 752.46
J	478.66	51.40	445.10			\$ 496.50
K	854.97	91.81	795.04			\$ 886.85
L	543.85	58.40	505.73			\$ 564.13
M	804.62	86.41	748.22			\$ 834.63
N	577.68	62.03	537.19			\$ 599.22
M-A	324.04	41.24		306.79		\$ 348.03
M-AR	324.04	41.24		306.79		\$ 348.03
M-B	458.39	70.37		518.63		\$ 589.00
M-C	550.37	70.57		520.57		\$ 591.14
CM 1	1,081.85	235.07			893.46	\$ 1,128.53
CM 2	397.72	86.48			328.41	\$ 414.89
CM 3	21.58	4.70			17.82	\$ 22.52
CM M1	1,320.09	287.31			1,089.76	\$ 1,377.07