



Hawaiiana Management Company, Ltd.
 Pacific Park Plaza, Suite 700
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 Honolulu, Hawaii 96813
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November 2018

Dear The Collection Owner,

Your Board of Directors has approved the 2019 Operating and Reserve Budgets which were prepared on a cash basis and after carefully reviewing the Association's current and long range requirements, the Board has increased maintenance fees for 2019 as follows:

Common.....	13% increase
Tower.....	3% increase
Midrise (Lofts).....	18% increase
Commercial.....	90% increase

Each unit is charged the *Common* maintenance fee, in addition to the fee associated with the entity in which they reside (*i.e. – Tower, Midrise (Lofts), or Commercial*). Copies of the 2019 Operating and Reserve budgets are available on your website at www.thecollectionhonolulu.net or you may request a hard copy from The Collection office by calling 808-548-4555.

SurePay and other E-Payments

Statements will continue to be sent to you each month. Please return the bottom portion of the statement with your payment (*Unless you are on our automatic SurePay Plan – in your case, your statement is for information only – no need to do anything*). You may sign up to receive your statement via email. Or, if you are not already using our SurePay system for automatic payments, you might want to consider it now. A form for that purpose is enclosed. If a bank 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 that will be effective with the January 1, 2019 payment.

Please note the following:

- Payments are due on the 1st of each month. A late fee equal to the greater of 5% of the amount due plus 1% interest will be assessed for any unpaid assessments.
- Each unit owner is responsible to maintain his/her unit in good repair. Please check and correct any deficiencies to avoid headaches and additional expenses.
- Insurance - The Association maintains insurance to cover the cost of damage caused by the common elements to the building and to your unit. You are required to have homeowner's insurance (*HO-6*) to cover damages or injuries caused by the failure of fixtures and appliances in your unit or by the actions of its residents and guests.
- Annual Meeting (**April 25, 2019**): When you receive your proxy form, even if you plan to attend, please be sure to complete and return it immediately. Doing so will avoid additional costs in sending you the forms again and help the Association save money. If the legal name of the owner of your unit has changed please notify Hawaiiana Management Company Ltd., in writing. This important information must be kept current especially when we prepare and tally proxies and ballots.

Have a safe and happy holiday season!

Sincerely,
 FOR THE BOARD OF DIRECTORS
 OF THE COLLECTION

Debi Balmilero CMCA®, AMS®, PCAM®
 Management Executive
 cc: General Manager
 Enclosures

THE COLLECTION

2019 Maintenance Fees

Unit Type	2017 Total Fees (excluding electricity)	2018 Total Fees (excluding electricity)	2019 Common Maintenance Fee	2019 Tower Maintenance Fee	2019 Midrise Maintenance Fee	2019 Commercial Maintenance Fee	2019 Total Fees (excluding electricity)
A	935.85	970.74	113.56	896.35			\$ 1,009.91
A1	1,094.29	1,135.10	132.79	1,048.12			\$ 1,180.91
B	477.83	495.64	57.98	457.66			\$ 515.64
C	750.16	778.14	91.03	718.51			\$ 809.54
D	764.19	792.69	92.73	731.94			\$ 824.67
E	791.42	820.94	96.04	758.03			\$ 854.07
F	1,004.34	1,041.79	121.87	961.96			\$ 1,083.83
G	717.97	744.75	87.12	687.68			\$ 774.80
H	725.41	752.46	88.02	694.79			\$ 782.81
J	478.66	496.50	58.08	458.45			\$ 516.53
K	854.97	886.85	103.75	818.89			\$ 922.64
L	543.85	564.13	65.99	520.90			\$ 586.89
M	804.62	834.63	97.64	770.67			\$ 868.31
N	577.68	599.22	70.10	553.31			\$ 623.41
M-A	324.04	348.03	46.60		362.01		\$ 408.61
M-AR	324.04	348.03	46.60		362.01		\$ 408.61
M-B	458.39	589.00	79.52		611.99		\$ 691.51
M-C	550.37	591.14	79.74		614.28		\$ 694.02
CM 1	1,081.85	1,128.53	265.63			1,697.58	\$ 1,963.21
CM 2	397.72	414.89	97.73			623.98	\$ 721.71
CM 3	21.58	22.52	5.31			33.85	\$ 39.16
CM M1	1,320.09	1,377.07	324.66			2,070.56	\$ 2,395.22

The Collection-Commercial

Calendar Year 2019 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Jon McKenna and Hawaiiana Management Company, Ltd on July 20, 2018

Approved by Board of Directors on October 16, 2018

PRESENT RESERVE LEVELS

Projected 2018 Ending Reserve Balance		\$32,000
Required End of 2018 Balance to be 100% Funded		\$15,424
Projected End of Year 2018 Percent Funding		207.5%

2019 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2019 Balance to be 100% Funded		\$23,714
Year 2019 Reserve Outlays		\$0
Year 2019 Reserve Contribution Required to be 100% Funded		(\$8,286)
Plus Projected Operating Expense		\$52,735
Less Other Income		\$0
Fully Funded Maintenance Fee Change/Amount	59.0%	\$44,449
Management Executive Recommendation	90.0%	\$53,111

BOARD APPROVED YEAR 2019 MAINTENANCE FEES

Operating Expenses		\$52,735
Less Other Income		\$0
Maintenance Fee Change/Amount	90.0%	\$53,112
Reserve Contribution / FHA Requirement 10%	1%	\$377
Projected Funding Level/Balance at the End of Year 2019	136.53%	\$32,377

Hawaiiana Management Company, Ltd

2019 Monthly Cash Operating Budget For

The Collection-Commercial

Approved by Board of Directors on October 16, 2018

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DESCRIPTION REVENUE	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUNE 2019	JULY 2019	AUG 2019	SEPT 2019	OCT 2019	NOV 2019	DEC 2019	ANNUAL TOTAL
MAINTENANCE FEES	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	53,111
TOTAL REVENUE	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	4,426	53,111

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY-PARKING	580	580	580	580	580	580	580	580	580	580	580	580	6,960
WATER	10	10	10	10	10	10	10	10	10	10	10	10	120
TOTAL UTILITIES	590	590	590	590	590	590	590	590	590	590	590	590	7,080

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
SECURITY SERVICE FEE (TOWER)	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	23,804
HOUSEKEEPING SERVICE FEE (TOWER)	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	1,129	13,549
TOTAL CNTRCT SVCS	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	3,113	37,353

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
CLEANING SVC WINDOWS	81	81	81	81	81	81	81	81	81	81	81	81	972
ELECTRICAL/LIGHTING	10	10	10	10	10	10	10	10	10	10	10	10	120
FIRE SYSTEMS	25	25	25	25	25	25	25	25	25	25	25	25	301
BLDG MAINT-OTHER	30	30	30	30	30	30	30	30	30	30	30	30	360
TOTAL MAINTENANCE	146	146	146	146	146	146	146	146	146	146	146	146	1,753

Approved by Board of Directors on October 16, 2018

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
MASTER ASSOC DUES	546	546	546	546	546	546	546	546	546	546	546	546	6,549
TOTAL OTHER EXP.	546	546	546	546	546	546	546	546	546	546	546	546	6,549
TOTAL OP EXPENSE	4,395	4,395	4,395	4,395	4,395	4,395	4,395	4,395	4,395	4,395	4,395	4,395	52,735
LOAN PAYMENTS													
TRANSFER TO RESERVES	31	31	31	31	31	31	31	31	31	31	31	31	377

THE COLLECTION-COMMERCIAL YEAR 2019 RESERVE PROJECTS AS OF OCTOBER 16, 2018

COST NOW and NORM LIFE values are best estimates by Hawaiiana Management and vendors who were nice enough to inspect the property or give a best guess.

It may be advisable to employ an expert to evaluate those projects with high cost.

				RESERVE FUND STATUS - PERCENT FUNDED METHOD					M. FEE	RESERVE.	MAINT.
First Plan Year - Calendar	2019	Reference Year	2018	THE MODEL'S FINDINGS FOR % FUNDING		2018 Deficit	CHANGE	CONTRIB	FEEES		
Final Plan Year	2038			Recommended Reserve Funding	100%	(16,576)	59%	(8,286)	44,449		
2018 Maintenance Fees	27,953	2019 Maint Fees	53,111	Target Reserve Funding Level	50%	(24,288)	16.59%	(20,143)	32,592		
2018 Other Income	13	2019 Othr Inc		Minimum Reserve Funding Level	50%	(24,288)	17%	(20,143)	32,592		
2018 Operating Expenses	-11,721	2019 Exp	-52,735	EOY 2019 Funding % @ Approved Lev	136.53%		90%	377	53,111		
2018 Reserve Contribution	16,246	2019 Contribution	377	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2019	32,000	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2019	207.5%	Tgt Ann Contrib	3,856	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.5%	Req Contrib-Tgt	(20,432)	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes		
Projected Savings Interest	2.5%	App. % Change	90.0%	POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	RQMNT	RES	DEFICIT
Window Seal - Test/Repair		10	2016			2026	8,246		1,649	1,649	
Window Seal - Replace		20	2016			2036	37,745		3,775	3,775	
Glass Doors and Windows - Replace		25	2016			2041	125,000		10,000	26,576	-16,576
2018 End Yr Totals							170,991		15,424	32,000	(16,576)

The Collection-Commercial

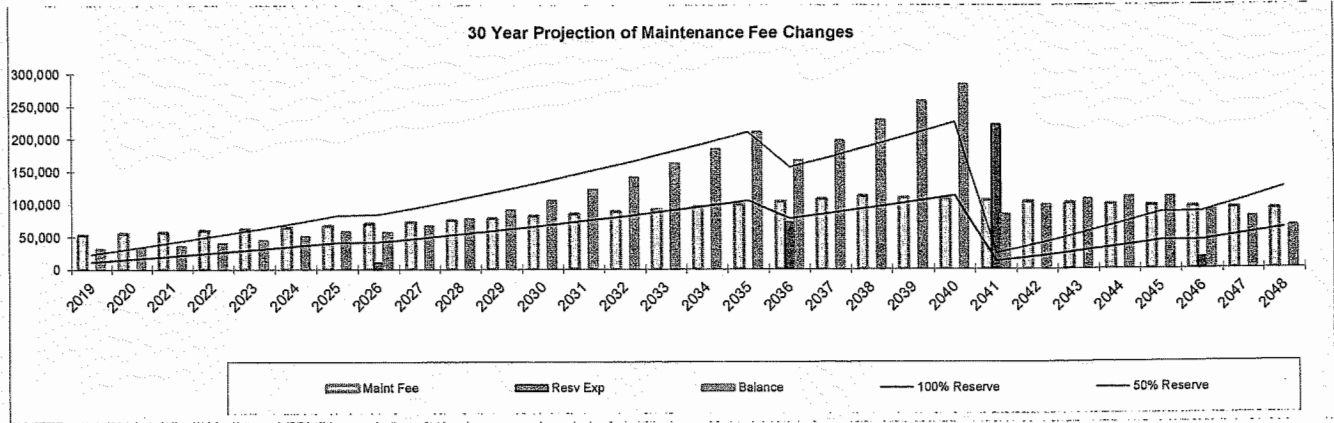
Board Approved 2019 Cash Flow Plan

Prepared By: Jon McKenna and Hawaiiana Management Company, Ltd

Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 30 Years

Assumed Rate of Inflation: 2.5%

Assumed Savings Interest Rate: 2.5%



Contingency Reserve Fur

\$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2019	32,000	0	0	52,735	53,111	0	Included	32,377	90.0%	377	137%
2020	32,377	0	0	54,053	55,236	0	824	34,384	4.0%	1,183	106%
2021	34,384	0	0	55,404	57,445	0	885	37,310	4.0%	2,041	90%
2022	37,310	0	0	56,789	59,743	0	970	41,234	4.0%	2,954	81%
2023	41,234	0	0	58,209	62,133	0	1,080	46,237	4.0%	3,924	76%
2024	46,237	0	0	59,664	64,618	0	1,218	52,409	4.0%	4,954	73%
2025	52,409	0	0	61,156	67,203	0	1,386	59,842	4.0%	6,047	73%
2026	59,842	10,047	0	62,685	69,891	0	1,461	58,462	4.0%	(2,841)	70%
2027	58,462	0	0	64,252	72,687	0	1,567	68,463	4.0%	8,435	72%
2028	68,463	0	0	65,858	75,594	0	1,833	80,032	4.0%	9,736	74%
2029	80,032	0	0	67,505	78,618	0	2,140	93,285	4.0%	11,113	77%
2030	93,285	0	0	69,192	81,763	0	2,489	108,345	4.0%	12,570	81%
2031	108,345	0	0	70,922	85,033	0	2,885	125,341	4.0%	14,111	85%
2032	125,341	0	0	72,695	88,434	0	3,330	144,410	4.0%	15,739	89%
2033	144,410	0	0	74,513	91,972	0	3,828	165,698	4.0%	17,459	93%
2034	165,698	0	0	76,375	95,651	0	4,383	189,357	4.0%	19,275	98%
2035	189,357	0	0	78,285	99,477	0	4,999	215,548	4.0%	21,192	102%
2036	215,548	71,731	0	80,242	103,456	0	4,782	171,813	4.0%	(48,517)	110%
2037	171,813	0	0	82,248	107,594	0	4,612	201,771	4.0%	25,346	117%
2038	201,771	0	0	84,304	111,898	0	5,389	234,754	4.0%	27,594	124%
2039	234,754	0	0	86,412	109,660	0	6,159	264,161	-2.0%	23,248	128%
2040	264,161	0	0	88,572	107,467	0	6,840	289,896	-2.0%	18,895	129%
2041	289,896	220,576	0	90,786	105,317	0	4,672	88,523	-2.0%	(206,045)	370%
2042	88,523	0	0	93,056	103,211	0	2,340	101,018	-2.0%	10,155	263%
2043	101,018	0	0	95,382	101,147	0	2,598	109,380	-2.0%	5,764	204%
2044	109,380	0	0	97,767	99,124	0	2,751	113,488	-2.0%	1,357	163%
2045	113,488	0	0	100,211	97,141	0	2,799	113,217	-2.0%	(3,070)	131%
2046	113,217	16,463	0	102,716	95,199	0	2,531	91,767	-2.0%	(23,981)	105%
2047	91,767	0	0	105,284	93,295	0	2,144	81,921	-2.0%	(11,990)	78%
2048	81,921	0	0	107,916	91,429	0	1,842	67,276	-2.0%	(16,488)	54%