



HAWAIIANA

Hawaiiana Management Company, Ltd.
Pacific Park Plaza, Suite 700
711 Kapiolani Boulevard
Honolulu, Hawaii 96813
Tel: (808) 593-6378
Fax: (808) 447-5163
Internet: www.hmcmgt.com

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 - Common

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		\$365,000
Required End of 2018 Balance to be 100% Funded		\$522,863
Projected End of Year 2018 Percent Funding		69.8%

2019 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2019 Balance to be 100% Funded		\$757,311
Year 2019 Reserve Ontlays		\$64,575
Year 2019 Reserve Contribution Required to be 100% Funded		\$456,886
Plus Projected Operating Expense		\$464,764
Less Other Income		\$1,680
Fully Funded Maintenance Fee Change/Amount	120.1%	\$919,970
Management Executive Recommendation	13.0%	\$472,218

BOARD APPROVED YEAR 2019 MAINTENANCE FEES

Operating Expenses		\$464,764
Less Other Income		\$1,680
Maintenance Fee Change/Amount	13.0%	\$472,218
Reserve Contribution / FHA Requirement 10%	2%	\$9,134
Projected Funding Level/Balance at the End of Year 2019	40.88%	\$309,559

Hawaiiana Management Company, Ltd

2019 Monthly Cash Operating Budget For

The Collection - Common

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	39,351	39,351	39,351	39,351	39,351	39,351	39,351	39,351	39,351	39,351	39,351	39,351	472,218
INVESTMENT INTEREST	124	124	124	124	124	124	124	124	124	124	124	124	1,488
CHECKING INTEREST	16	16	16	16	16	16	16	16	16	16	16	16	192
TOTAL REVENUE	39,491	39,491	39,491	39,491	39,491	39,491	39,491	39,491	39,491	39,491	39,491	39,491	473,898

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
TELEPHONE	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	13,632
TOTAL UTILITIES	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	1,136	13,632

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
LANDSCAPING	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	2,848	34,176
TREE TRIMMING	292	292	292	292	292	292	292	292	292	292	292	292	3,504
PEST CONTROL	215	215	215	215	215	215	215	215	215	215	215	215	2,580
SECURITY EQUIP. MAINT.	750	750	750	750	750	750	750	750	750	750	750	750	9,000
TOTAL CNTRCT SVCS	4,105	4,105	4,105	4,105	4,105	4,105	4,105	4,105	4,105	4,105	4,105	4,105	49,260

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MAINTENANCE	850	850	850	850	850	850	850	850	850	850	850	850	10,200
CLEANING SUPPLIES	53	53	53	53	53	53	53	53	53	53	53	53	636
GROUNDS-OTHER	417	417	417	417	417	417	417	417	417	417	417	417	5,000
ELECTRICAL	100	100	100	100	100	100	100	100	100	100	100	100	1,200
PLUMBING	500	500	500	500	500	500	500	500	500	500	500	500	6,000
PAINT	47	47	47	47	47	47	47	47	47	47	47	47	564
MISCL REPAIRS & PURCHASES	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
BLDG MAINT-OTHER	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
FIRE SYSTEMS	333	333	333	333	333	333	333	333	333	333	333	333	4,000
TOTAL MAINTENANCE	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	51,600

Approved by Board of Directors on October 16, 2018

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	TOTAL
ADMIN SUPPLIES & SVCS	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
ASSOCIATION ADMIN EXPENSE	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,580
MANAGEMENT SRVCS	5,043	5,043	5,043	5,043	5,043	5,043	5,043	5,043	5,043	5,043	5,043	5,043	60,521
AUDIT				12,564									12,564
LEGAL FEES GENERAL	500	500	500	500	500	500	500	500	500	500	500	500	6,000
PROF & ADMIN SVS-OTHER				750									750
SOCIAL EVENTS	208	208	208	208	208	208	208	208	208	208	208	208	2,500
TOTAL PROF. SERVICES	9,967	9,967	9,967	23,281	9,967	9,967	9,967	9,967	9,967	9,967	9,967	9,967	132,915

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE-PROPERTY	33,256	33,256	33,256								34,253	34,253	168,274
INSURANCE-LIABILITY	2,739	2,739	2,739								2,821	2,821	13,859
INSURANCE-D&O											6,636		6,636
INSURANCE-FIDELITY	77	77	77								78	78	387
INSURANCE-UMBRELLA	1,305	1,305	1,305								1,331	1,331	6,577
APT MAINTENANCE FEE	17,076												17,076
REAL PROPERTY TAX		1,056											1,056
STATE GENERAL EXCISE TAX	291	291	291	291	291	291	291	291	291	291	291	291	3,492
TOTAL OTHER EXP.	54,744	38,724	37,668	291	291	291	291	291	291	291	45,410	38,774	217,357

TOTAL OP EXPENSE	74,252	58,232	57,176	33,113	19,799	19,799	19,799	19,799	19,799	19,799	64,918	58,282	464,764
LOAN PAYMENTS													
TRANSFER TO RESERVES	-34,760	-18,740	-17,684	6,379	19,693	19,693	19,693	19,693	19,693	19,693	-25,426	-18,790	9,134

THE COLLECTION - COMMON 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%	157,863	120%	392,311	919,970		
2018 Maintenance Fees	417,892	2019 Maint Fees	472,218	Target Reserve Funding Level	50%	(103,569)	29.53%	13,656	541,315		
2018 Other Income	1,678	2019 Othr Inc	1,680	Minimum Reserve Funding Level	50%	(103,569)	30%	13,656	541,315		
2018 Operating Expenses	-645,266	2019 Exp	-464,764	EOY 2019 Funding % @ Approved Lev	40.88%		13%	(55,441)	472,218		
2018 Reserve Contribution	-225,697	2019 Contribution	9,134	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2019	365,000	Target Funding L	50%	EXCELNT	E Contractor Proposal	1	Cost at Similar Project		5		
Projected Reserve % at Start of 2019	69.8%	Tgt Ann Contrib	162,216	GOOD	G Contractor Estimate	2	Statistical Guideline		6		
Minimum Inflation	2.5%	Req Contrib-Tgt	58,647	FAIR	F Engineer/Arch Estimate	3	Inflate First Year?		Yes		
Projected Savings Interest	2.5%	App. % Change	13.0%	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
Power Shaver/Conditioner	-19	20	2018			2019	63,000				
Office Equipment - Replace/Upgrade		4	2016			2020	15,000		7,500	7,500	
Asphalt - Seal/Repair		5	2016			2021	9,750		3,900	3,900	
RM Unit - Remodel		6	2016			2022	15,000		5,000	5,000	
Gate Operators - Replace		8	2016			2024	17,400		4,350	4,350	
Exterior Concrete - Paint PH 1		10	2016			2026	625,000		125,000	125,000	
Parking Deck - Seal/Repair		10	2016			2026	214,063		42,813	42,813	
Dom. Water Booster Pumps -Replace		10	2016			2026	33,000		6,600	6,600	
Fob Entry System - Replace		10	2016			2026	26,000		5,200	5,200	
Intake Fan - Replace		10	2016			2026	22,500		4,500	4,500	
Emergency Lights - Replace		10	2016			2026	17,000		3,400	3,400	
Roll Up Door - Replace		10	2016			2026	16,000		3,200	3,200	
Office - Remodel		10	2016			2026	12,500		2,500	2,500	
Exterior Concrete - Paint PH 2	1	10	2016			2027	625,000		113,636	113,636	
Security Camera System - Replace/Upgrade		11	2016			2027	140,000		25,455	25,455	
Electric Vehicle Charging - Repair/Replacement		12	2016			2028	55,000		9,167	9,167	
Dom. Water Booster Pumps -Replace		15	2016			2031	375,000		50,000	2,780	47,220
Landscaping - Restoration		15	2016			2031	87,500		11,667		11,667
Generator - Rebuild		15	2016			2031	60,000		8,000		8,000
Office Furniture - Replace		15	2016			2031	28,000		3,733		3,733
Exhaust Fan - Replacc		15	2016			2031	10,800		1,440		1,440
Pressure Fan - Replace		15	2016			2031	7,500		1,000		1,000
Employee Break Room - Refurbish		15	2016			2031	7,500		1,000		1,000
Parking Deck - Resurface		20	2016			2036	359,625		35,963		35,963
Metal Gates - Replace		20	2016			2036	90,000		9,000		9,000
Metal Panel - Replace		25	2016			2041	301,875		24,150		24,150
Fire Pump - Replace		25	2016			2041	55,000		4,400		4,400
Pole Lights - Replace		25	2016			2041	23,000		1,840		1,840
Asphalt - Replace		30	2016			2046	126,750		8,450		8,450
2018 End Yr Totals							3,438,763		522,863	365,000	157,863

The Collection - Common

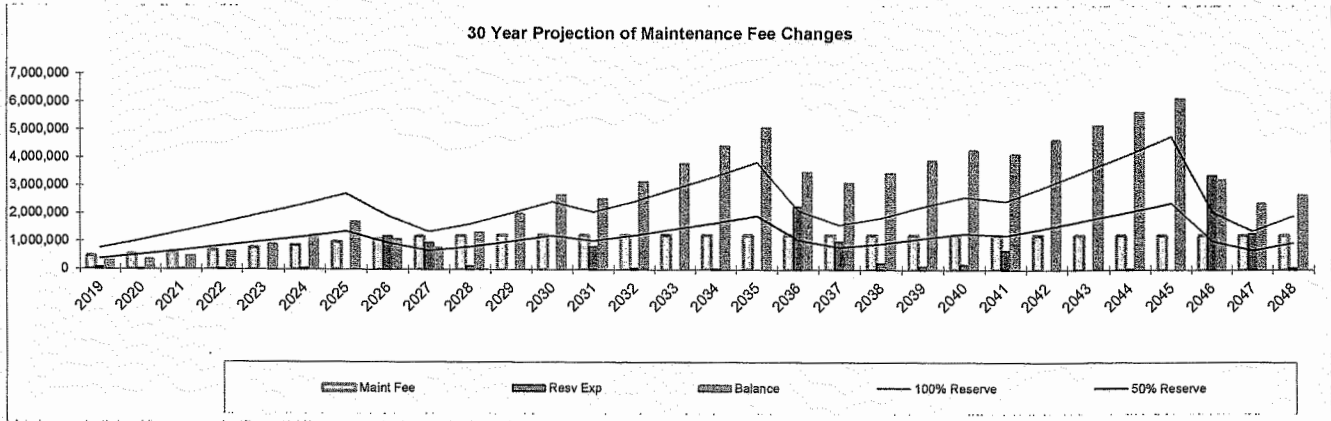
Board Approved 2019 Cash Flow Plan

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	365,000	64,575	0	464,764	472,218	1,680	Included	309,559	13.0%	(55,441)	41%
2020	309,559	15,759	0	476,383	533,606	0	8,257	359,280	13.0%	41,464	34%
2021	359,280	10,500	0	488,293	602,975	0	10,284	473,746	13.0%	104,182	35%
2022	473,746	16,557	0	500,500	681,362	0	13,897	651,948	13.0%	164,305	39%
2023	651,948	0	0	513,013	769,939	0	19,510	928,385	13.0%	256,926	46%
2024	928,385	37,574	0	525,838	870,031	0	27,042	1,262,046	13.0%	306,619	54%
2025	1,262,046	0	0	538,984	983,135	0	37,103	1,743,300	13.0%	444,151	64%
2026	1,743,300	1,188,932	0	552,459	1,081,448	0	35,333	1,118,691	10.0%	(659,942)	58%
2027	1,118,691	955,380	0	566,270	1,189,593	0	23,817	810,451	10.0%	(332,057)	60%
2028	810,451	108,807	0	580,427	1,213,385	0	26,813	1,361,415	2.0%	524,151	84%
2029	1,361,415	0	0	594,937	1,237,653	0	42,069	2,046,200	2.0%	642,715	101%
2030	2,046,200	0	0	609,811	1,237,653	0	59,003	2,733,045	0.0%	627,842	112%
2031	2,733,045	807,878	0	625,056	1,237,653	0	65,885	2,603,649	0.0%	(195,281)	126%
2032	2,603,649	45,780	0	640,683	1,237,653	0	71,981	3,226,820	0.0%	551,190	132%
2033	3,226,820	0	0	656,700	1,237,653	0	87,932	3,895,706	0.0%	580,953	134%
2034	3,895,706	22,267	0	673,117	1,237,653	0	104,171	4,542,145	0.0%	542,269	135%
2035	4,542,145	0	0	689,945	1,237,653	0	120,400	5,210,253	0.0%	547,708	135%
2036	5,210,253	2,246,588	0	707,194	1,237,653	0	108,805	3,602,929	0.0%	(1,716,129)	170%
2037	3,602,929	999,156	0	724,874	1,237,653	0	83,994	3,200,546	0.0%	(486,377)	199%
2038	3,200,546	229,407	0	742,995	1,237,653	0	83,329	3,549,126	0.0%	265,250	190%
2039	3,549,126	105,814	0	761,570	1,237,653	0	93,356	4,012,751	0.0%	370,269	178%
2040	4,012,751	176,289	0	780,610	1,237,653	0	103,828	4,397,333	0.0%	280,754	169%
2041	4,397,333	687,537	0	800,125	1,237,653	0	106,808	4,254,132	0.0%	(250,009)	173%
2042	4,254,132	0	0	820,128	1,237,653	0	111,572	4,783,230	0.0%	417,525	159%
2043	4,783,230	0	0	840,631	1,237,653	0	124,544	5,304,795	0.0%	397,022	148%
2044	5,304,795	28,504	0	861,647	1,237,653	0	136,964	5,789,261	0.0%	347,502	139%
2045	5,789,261	0	0	883,188	1,237,653	0	149,162	6,292,888	0.0%	354,465	131%
2046	6,292,888	3,381,787	0	905,268	1,237,653	0	119,205	3,362,690	0.0%	(3,049,402)	163%
2047	3,362,690	1,279,004	0	927,899	1,237,653	0	71,952	2,465,392	0.0%	(969,251)	177%
2048	2,465,392	67,961	0	951,097	1,237,653	0	64,367	2,748,354	0.0%	218,595	143%