

MILILANI TOWN ASSOCIATION
ANNUAL MEETING

TIME AND PLACE

The 47th Annual Meeting of the members of the Mililani Town Association was held on Wednesday, March 18, 2015 at 7:00 p.m. in Mililani Recreation Center III located at 95-281 Kaloapau Street, Mililani, Hawaii.

CALL TO ORDER

President Bob Barrett called the meeting to order at 7:00 p.m. It was determined that there were more than 100 votes represented in person and by proxy; therefore, a quorum was established pursuant to Article 1, Section 3, Paragraph (d) of the By-Laws. Total votes present were 1,979.

ROLL CALL

Silent roll call noted 9 directors were present:

DIRECTORS PRESENT

Bob Barrett	Michelle Kidani	Josie Hart Ka'anehe
Glenn Yoshimori	Roger Babcock	Will Kane
Neil Takeda	Michael Magaoay	

DIRECTORS ABSENT

Rodney Park

APPROVAL OF THE AGENDA

The agenda was approved as circulated.

PROOF OF NOTICE OF MEETING

In accordance with Section 3(c) of Article I of the By-Laws, notice of this Annual Meeting was sent to all owners of record on January 12, 2015.

INTRODUCTION

Chair Bob Barrett introduced the Board of Directors and Officers for the past year: Michelle Kidani, Vice President; Josie Hart Ka'anehe, Secretary; Glenn Yoshimori, Treasurer; Roger Babcock, Director; Will Kane, Director; Neil Takeda, Director; and Michael Magaoay, Director. Chair Bob Barrett also introduced Richard Ekimoto, Legal Counsel Representative of Ekimoto & Morris LLC; and the management staff of the Association; David O'Neal, General Manager; Lynelle Tamashiro, Controller; Laurie Usui, Member Services Manager; Katherine Cueva, Covenants and Design Manager; Mike Keller, Common Area Manager; Kaleo Perreira, Aquatics Manager; Jessica Maclachlan, Food and Beverage Manager; and Carol Shimabuku, HR Specialist.

GUESTS

None.

CONDUCT OF BUSINESS

Chair Bob Barrett explained that the most recent edition of Robert's Rules of Order, Newly Revised, would be the governing authority for the Annual Meeting in any instance not covered by any State Laws, the Declaration, or the Association's By-Laws. Since there were no objections, these rules were adopted.

APPROVAL OF PREVIOUS
ANNUAL MEETING

Chair Bob Barrett stated that the minutes of the previous Annual Meeting held on March 19, 2014 are provided. There being no corrections or objections; the minutes were approved as distributed.

REPORT OF OFFICERS

Chair Bob Barrett reported that Department Reports were included in the agenda material for reference. Chair Bob Barrett highlighted the following items:

Accounting: The Association changed banks in 2014 to Bank of Hawaii; and is now offering homeowners the option of E-statements.

Common Area: Recreation Center VII Pavilions are now open. The Landscaping Committee was formed. Projects scheduled to start this year include Recreation Center I waterslide and gazebo, and Administrative Building demolition and rebuild.

Food and Beverage: Recreation Center VII Café is now open and is serving Starbucks beverages.

Human Resources and IT: The Association now has a new and improved MTA website.

Member Services and Events: Events have been extremely successful; some include the All-Star Chef Showcase and Movie by the Pool events.

FINANCIAL REPORT

Treasurer, Glenn Yoshimori reported the Revenue and Expenses as of February 28, 2015 as follows:

OPERATING FUND

REVENUES	\$7,508,401.69
EXPENSES	\$(6,682,590.55)
OUTSTANDING ACCOUNTS PAYABLES	\$34,005.32
OUTSTANDING ACCOUNTS RECEIVABLES	\$617,488.05
(Delinquent Maintenance Assessments, Late Fees and Legal Fees)	
TRUSTEE ACCOUNT (Facility Rental Security Deposits) *	\$33,600.00

RESERVE FUND

FY2014-15 CONTRIBUTIONS TO RESERVE FUND	\$734,204.13
INVESTMENT RESERVE ACCOUNT BALANCE	\$13,904,283.10
(First Hawaiian Bank and Mutual of Omaha Bank)	
YTD RRP and CIP EXPENSES	\$1,749,608.87

*Note: Trustee Account consists of Facility Rental Security Deposits held in trust by M.T.A. and returned to the renters upon completion of their rental agreements. Any damages and penalties resulting from such rentals are deducted from the respective renter's deposit, transferred to forfeited security deposit income and the balance (if any) is returned to the renter.

Chair Bob Barrett stated the report would be entered into the minutes and placed on file subject to audit.

RESOLUTION RESPECTING CAPITAL CONTRIBUTIONS FOR THE FISCAL YEAR ENDING MARCH 31, 2016

Chair Bob Barrett moved for adoption of this resolution that WHEREAS:

1. Mililani Town Association (the "Association") is a homeowners association that has elected to be treated as a qualifying homeowners association under Section 528 of the Internal Revenue Code

of 1986, and, as a result, the membership dues, fees, and assessments collected by the Association during any tax year for which such election is in effect are treated as "exempt function income" and not subject to tax.

2. Aside from collecting membership assessments, the Association has also historically engaged in activities that provide "alternate sources of income" that are taxable, including leasing certain common areas for cell phone antennae. The Association has used these alternate sources of income in order to defray part of the Association's operating expenses and thereby minimize the assessments charged members.

3. The quarterly amounts assessed the homeowners/members of Association include both amounts estimated to cover operating expenses and capital contributions to fund capital reserves for the repair, replacement, and improvement of the common areas and facilities of the Association.

4. As a historical matter, to the extent that, after application of the Association's alternate sources of income to pay operating expenses, the aggregate amount of the quarterly assessments collected from members to pay operating expenses might exceed the Association's actual operating expenses in the current and the next succeeding year, the members of the Association have by resolution, in advance of each year, designated that any such excess amount would also constitute and be treated as additional contributions to the Association's capital reserves.

5. With regard to the funds contributed to the Association's reserves, the Board has established certain special accounts and adopted certain special rules and restrictions limiting expenditure of the Association's capital reserves only for repairs, replacements, and capital improvements; and the Board has deposited and holds the members' capital contributions in such special segregated reserve accounts.

NOW, THEREFORE, IN THE FOREGOING CIRCUMSTANCES, BE IT RESOLVED THAT:

A. The members acknowledge that, as in prior years, the quarterly membership assessments for the fiscal year ending March 31, 2016, include amounts allocable to the Association's capital reserves. The members hereby resolve to contribute such amounts as capital contributions to the capital reserves of the Association. In aggregate, based on the annual budget for the upcoming fiscal year, the members hereby resolve to contribute a minimum of \$164,640 to the capital reserves of the Association out of the members' quarterly membership assessments, which amount shall be deposited and held in Association's special segregated bank accounts for the Association's capital reserves (currently at Bank of Hawaii) and held by the Board in accordance with the rules and restrictions governing the Association's capital reserve funds.

B. The members further resolve that, to the extent that the remaining amount of the membership assessments collected in the fiscal year ended March 31, 2016, turn out to exceed the net expenses of providing membership services for such fiscal year (after application of any

alternate sources of income), any such excess shall also be contributed to the Association's capital reserves and shall be treated as special assessments and capital contributions to the Association's capital reserves, and shall also be deposited into one of the Association's special segregated bank accounts for the Association's capital reserves and also held in accordance with the rules and restrictions governing the Association's capital reserve funds.

Since there were no objections, the resolution was adopted.

RESOLUTION RETENTION OF A BOARD OF NINE DIRECTORS

Chair Bob Barrett moved for adoption of this resolution, by the Mililani Town Association that: "A Board of Directors consisting of nine (9) directors shall be retained for the fiscal year April 1, 2015 to March 31, 2016." Since there were no objections, the resolution was adopted.

EXPLANATION OF SYSTEM

Secretary, Josie Hart Ka'anehe explained that the system of voting is within the Association's By-Laws, that the election of Directors shall be by ballot. Homeowners were given an opportunity to vote on the candidates of their choice by mail-in ballots. These mail-in ballots were tallied electronically by RBM Consulting, LLC, an independent ballot-counting company. At MTA's request, the League of Women Voters was engaged to be the Election Tellers by overseeing the tallying procedures. The League of Women Voters validated that the ballot-counting followed appropriate tallying procedures and confirmed the final election results. There were three (3) vacancies on the Board that needed to be filled; each for a 3-year term.

The following individuals submitted their resumes in advance to the Association as candidates for the Board of Directors positions; their names appeared on the printed ballots in alphabetical order, by last name, as follows: Dennis C. H. Kim, Michael Magaoay, Bernard Marcos Jr., Valerie A. Okimoto, Rodney S. Park, and Neil Takeda.

ELECTION RESULTS

Chair Will Kane announced the following election results:

Kim, Dennis C. H.	1,214	11.91%
Magaoay, Michael*	1,980	19.42%
Marcos Jr., Bernard	1,401	13.74%
Okimoto, Valerie A.	1,926	18.89%
Park, Rodney S.*	1,686	16.54%
Takeda, Neil*	1,989	19.51%
Total Votes Cast	10,196	
Total Ballots	3,748	

The three (3) directors elected to each serve a three (3) year term of office are Neil Takeda, Michael Magaoay, and Valerie A. Okimoto.

CONGRATULATIONS

Chair Bob Barrett congratulated the elected directors and thanked all the candidates for their participation. He announced to the newly elected directors and the directors who were continuing their term of office that there would be a Board of Directors organizational meeting immediately following this Annual Meeting in the Recreation Center III's Conference Room. The purpose of this meeting is to elect the corporation's officers and to establish the meeting schedule of the Board for the next fiscal year.

HOMEOWNERS' FORUM

Chair Bob Barrett opened the floor to MTA homeowners. No homeowners wished to address the Board.

ANNOUNCEMENTS

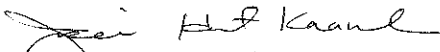
Directors Organizational Meeting

Chair Bob Barrett reminded all directors that an organizational meeting of the Board of Directors would be held in the Recreation Center III's Conference Room following adjournment of this meeting.

ADJOURNMENT

There being no further business to come before the members attending the 47th Annual Meeting of the Mililani Town Association, the meeting was adjourned at 7:12 p.m.

RESPECTFULLY SUBMITTED,


Josie Hart Ka'anehe, Secretary

JHK/ar