

MILILANI TOWN ASSOCIATION
ANNUAL MEETING

TIME AND PLACE The 50th Annual Meeting of the members of the Mililani Town Association was held on Wednesday, March 21, 2018 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 2,689.

ROLL CALL Silent roll call noted 9 directors were present:

DIRECTORS PRESENT

Bob Barrett	Michelle Kidani	Josie Hart Ka'anehe
Glenn Yoshimori	Will Kane	Neil Takeda
Michael Magaoay	Val Okimoto	Noriko Salangdron

DIRECTORS ABSENT None

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 15, 2018.

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; Will Kane, Director; Neil Takeda, Director; Michael Magaoay, Director, Val Okimoto, Director; and Noriko Salangdron, Director. Chair Bob Barrett also introduced John Morris, 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; Darryl Barbadillo, Landscaping Manager; Kaleo Perreira, Aquatics Manager; Jessica Maclachlan, Food and Beverage Manager; Caryn Tangalin, HR Manager and Roy Tashiro, Maintenance Manager.

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 15, 2017 is 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:

- Recreation 6 and 7 photovoltaic system installed.
- Recreation 7 pool converted from chlorine to a saline system.
- Four Pickleball courts at Recreation 3.
- Shave ice offered at Recreation 7.
- Waena walkway re-poured entirely and solar lights will be installed next Fiscal year.
- Recreation 7 covered seating built.
- Ku'ulako Tot Lot rebuilt and expanded.

FINANCIAL REPORT

Treasurer, Glenn Yoshimori reported the Revenue and Expenses as of February 28, 2018 as follows:

OPERATING FUND

REVENUES	\$7,990,891.67
EXPENSES	(\$7,630,849.48)
OUTSTANDING ACCOUNTS PAYABLES	\$162,672.26
OUTSTANDING ACCOUNTS RECEIVABLES (Delinquent Maintenance Assessments, Late Fees and Legal Fees)	\$751,396.08
TRUSTEE ACCOUNT (Facility Rental Security Deposits) *	\$14,250.00

RESERVE FUND

FY2017-18 CONTRIBUTIONS TO RESERVE FUND	\$841,931.75
INVESTMENT RESERVE ACCOUNT BALANCE (Bank of Hawaii)	\$9,923,597.32
YTD RRP and CIP EXPENSES	\$1,122,873.22

*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, 2019

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, 2019, 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 \$928,021 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, 2019, 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.

AMENDMENTS TO BY-LAWS

Election of Directors

Chair Bob Barrett moved for adoption to amend Article I, Sections 2 and 3 and Article II, Section 1 of the Bylaws to address procedures for the election of Directors by mail.

Since there were no objections, the amendment was adopted.

Security

Chair Bob Barrett moved for adoption to amend Article II, Section 3 of the Bylaws to address security that may be provided by MTA.

Since there were no objections, the amendment 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, 2018 to March 31, 2019."

Since there were no objections, the resolution was adopted.

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, 2019 to March 31, 2020.

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 Merriman River Group, 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: Ronald Kaopuiki, Michael Y. Magaoay, Bernard Marcos, Jr., Valerie A. Okimoto and Neil Takeda.

ELECTION RESULTS

Secretary, Josie Hart Ka'anehe announced the following election results:

	<u>Number of Votes</u>	<u>% of Total Ballots Cast</u>
Ronald Kaopuiki	1,283	36.6%
Michael Y. Magaoay	2,211	63.1%
Bernard Marcos	1,357	38.7%
Valerie A. Okimoto	2,499	71.3%
Neil Takeda	2,128	60.7%
Total Votes Cast	9,478	
Total Ballots	3,504	

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

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 Administrative Office 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. Various homeowners addressed the Board.

ANNOUNCEMENTS

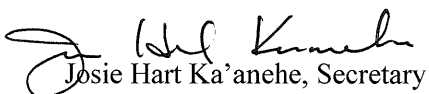
Directors Organizational Meeting

Chair Bob Barrett reminded all directors that an organizational meeting of the Board of Directors would be held in the Administrative Office Conference Room following adjournment of this meeting.

ADJOURNMENT

There being no further business to come before the members attending the 50th Annual Meeting of the Mililani Town Association, the meeting was adjourned at 7:16 p.m.

RESPECTFULLY SUBMITTED,


Josie Hart Ka'anehe, Secretary

JHK/sk