

MILILANI TOWN ASSOCIATION  
ANNUAL MEETING

TIME AND PLACE

The 55th Annual Meeting of the members of the Mililani Town Association was held on Wednesday, March 15, 2023 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 2,895.

DIRECTORS PRESENT

|                   |                 |                     |
|-------------------|-----------------|---------------------|
| Bob Barrett       | Michelle Kidani | Josie Hart Ka'anehe |
| Neil Takeda       | Will Kane       | Michael Magaoay     |
| Noriko Salangdron | Roger Babcock   | Val Aquino Okimoto  |

DIRECTORS ABSENT

None

GUEST

Richard S. Ekimoto, Esq., Ekimoto & Morris, LLC

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 9, 2023.

INTRODUCTION

Chair Bob Barrett introduced the Board of Directors and Officers for the past year: Michelle Kidani, Vice President; Josie Hart Ka'anehe, Secretary; Neil Takeda, Treasurer; Will Kane, Director; Michael Magaoay, Director; Noriko Salangdron, Director; Roger Babcock, Director; and Val Aquino Okimoto, 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; Katherine Cueva, Assistant General Manager/Covenants and Design Manager; Lynelle Tamashiro, Controller; Laurie Usui, Member Services Manager; Darryl Barbadillo, Landscaping Manager; Kaleo Perreira, Aquatics & Safety Manager; Jessica Maclachlan, Food and Beverage Manager; Roy Tashiro, Maintenance Manager; and Bernice Peller, Human Resources Manager.

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.

APPROVAL OF PREVIOUS  
ANNUAL MEETING MINUTES

Chair Bob Barrett stated that the minutes of the previous Annual Meeting held on March 16, 2022 were provided. There being no corrections; the minutes were approved as distributed.

REPORT OF OFFICERS

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

FINANCIAL REPORT

Treasurer, Neil Takeda reported the Revenue and Expenses as of February 28, 2023 as follows:

|  |                  |
|--|------------------|
| OPERATING FUND   |                  |
| REVENUES   | \$9,585,960.10   |
| EXPENSES   | (\$8,797,778.18) |
| OUTSTANDING ACCOUNTS PAYABLES                                  | \$264,887.96     |
| OUTSTANDING ACCOUNTS RECEIVABLES                               | \$784,822.88     |
| (Delinquent Maintenance Assessments, Late Fees and Legal Fees) |                  |
| RESERVE FUND   |                  |
| FY2022-23 CONTRIBUTIONS TO RESERVE FUND                        | \$1,000,000.00   |
| INVESTMENT RESERVE ACCOUNT BALANCE                             | \$9,473,390.45   |
| (Bank of Hawaii)   |                  |
| YTD RRP and CIP EXPENSES                                       | \$901,384.66     |

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, 2024

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

1. Mililani Town Association (the "Association") is a homeowners association that qualifies as a social welfare organization under subsection 501(c)(4) of the Internal Revenue Code of 1986, and, as a result, the membership dues, fees related to its exempt functions, and assessments collected by the Association during any tax year that the Association holds that status are treated as exempt 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, 2024, 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 \$1,100,000 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, 2024, 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 by unanimous consent.

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, 2024 to March 31, 2025."

Since there were no objections, the resolution was adopted by unanimous consent.

EXPLANATION OF SYSTEM

President, Bob Barrett 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 each for a 3-year term and one (1) vacancy on the Board for a 1-year term that needed to be filled.

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: Bob Barrett, Josie Hart Ka'anehe, Michelle N. Kidani, Marilyn B. Lee, Val Aquino Okimoto, Erick Daniel Villatoro Rodriguez, Skyler C. Ross and Juan C. Zapata.

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

|                                  | <u>Number of Votes</u> |
|----------------------------------|------------------------|
| Bob Barrett                      | 2,902                  |
| Val Aquino Okimoto               | 2,618                  |
| Michelle N. Kidani               | 2,474                  |
| Josie Hart Ka'anehe              | 2,110                  |
| Marilyn B. Lee                   | 1,491                  |
| Skyler C. Ross                   | 1,082                  |
| Juan C. Zapata                   | 846                    |
| Erick Daniel Villatoro Rodriguez | 374                    |

Total Valid Ballots: 3,990

The three (3) directors elected to each serve a three (3) year term of office are Bob Barrett, Val Aquino Okimoto and Michelle N. Kidani. The one (1) director elected to serve a one (1) year term of office is Josie Hart Ka'anehe.

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

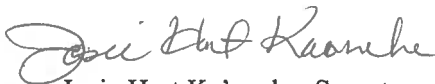
Directors Organizational Meeting

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 55th 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