

*** SUBJECT TO APPROVAL AT THE ANNUAL MEETING IN THE YEAR-2007 ***

**KALELE KAI
ASSOCIATION OF APARTMENT OWNERS
ANNUAL MEETING**

MARCH 18, 2006

ESTABLISHMENT OF A QUORUM

A quorum was established with 57.74% of the membership present in person or by proxy.

CALL TO ORDER

The meeting was called to order by Richard Rosic, President of the Board of Directors, and Acting Chairman, at 10:07 a.m., on-site, at the cabana, One Keahole Place, Honolulu, Hawaii 96825.

PROOF OF NOTICE OF MEETING

The Chair verified as Proof of Notice of the meeting that all owners of record were sent such notice on February 16, 2006, which notice will be made a part of the annual meeting file.

INTRODUCTION OF STAFF AND INVITED GUESTS

The Chair introduced the Board of Directors and invited guests:

Richard Rosic	President
James Propotnick	Vice President
Colin Kurata	Secretary (absent)
Fred Rodrigues	Director
Sharon Peterson	Director
Zig Palagyi	Director (absent)
Ray Tanaka	Director

INVITED GUESTS:

Ralph N. Ahles	Property Manager; Metropolitan Management
Suzanne Fukumoto	Recording Secretary
Charlie Ursua	Registrar and Tally Clerk
Lindsey Johansen	Registrar and Tally Clerk

CONDUCT OF MEETING

The Chair announced that the meeting would be conducted in accordance with *Robert's Rules of Order, Newly Revised*. Members were asked to first be recognized by the Chair before taking the floor, and then identify themselves for the record by name and apartment number.

APPROVAL OF PREVIOUS ANNUAL MEETING MINUTES

The Chair announced that the 2005 Annual Meeting Minutes were approved by the Board for circulation and were made available within 60 days. Copies were handed out at the registration desk. There being no additions or corrections from the membership present, the minutes stood approved as circulated.

PRESIDENT' REPORT

President Richard Rosic highlighted the projects accomplished during the year 2005. Mr. Rosic then reported on the up-coming and on-going projects.

TREASURER'S REPORT

The Treasurer's Report was given by President Richard Rosic. Accompanying the Treasurer's report were audited financial statements of cash receipts and disbursements for the year ending December 31, 2005, as examined by Terry S.C. Wong, CPA. A copy of the audit report was handed out to homeowners attending the annual meeting at the registration desk and kept on file at the Managing Agent's office.

ELECTION OF DIRECTORS

The Chair announced the election of directors for six (6) Board positions. Three (3) positions are for three-years, Two (2) positions are for one-year term and One (1) position is for a two-year term. The following owners have volunteered to run for the Board and have been placed in advance on the ballot:

Jim Propotnick (#2412)
Colin Kurata (#3310)
Raymond Tanaka (#3508)
Fred Rodrigues (#2301)
Kimiko Hayashi (#1406)
Paul Jordan (#1502)
Yolanda De Weese (#3112)

The Chair then asked for nominations from the floor. There being none, a **motion** was made by Ms. Tangren (1104) and seconded by Mr. Fratzke (1408) to close the nominations.

The candidates then introduced themselves and gave a brief summary of their background. Property Manager Ahles then explained the cumulative voting procedures.

ELECTION INSPECTORS

Barbara Bennett (2607) and Ned Peterson (1608) volunteered to be the teller/inspectors.

RECESS

At 10:30 a.m., the meeting was recessed for the casting of the ballots.

At 11:45 a.m., the meeting was reconvened