

Hale Royale Association of Apartment Owners  
Annual Meeting Minutes  
March 9, 2019

Board Members Present: Michael Naccarato, President; Candace Horton, Vice President; Brett Ballinger, Secretary; Shelly Snyder, Treasurer; and Bree Lewis, Director

Other Attendees: Brian Kuster, Resident Manager; Leif Shafer, Maintenance Manager; Deborah Belle and Maile Wright, Management Consultants of Hawaii; and Louise Rockett, Recording Secretary

I. DECLARATION OF QUORUM

A quorum was declared, as follows: 31.9525%, in person; 34.4969%, by proxy; for total of 66.4494%. With 10.3460% present for quorum purposes only, the voting percentage was 56.1034%.

II. CALL TO ORDER

President Mike Naccarato called the Hale Royale Association of Apartment Owners Annual Meeting to order at 9:06 a.m. The Meeting was held at Napili Kai Beach Resort, Napili, Maui, Hawaii.

III. PROOF OF NOTICE

It was certified Notice of the Annual Owners Meeting was sent to all owners of record on February 7, 2019, in accordance with the Association governing documents. A copy of the Notice will be included in the Annual Owners Meeting file in the office of the Managing Agent.

IV. INTRODUCTIONS

The President welcomed the owners. Introductions were made at this time.

V. MEETING RULES OF CONDUCT

The President announced that meeting business would be conducted in accordance with Roberts Rules of Order, Newly Revised. Customary rules of conduct were briefly reviewed.

VI. APPROVAL OF MINUTES

The Minutes of the April 28, 2017, Reconvene Annual Owners Meeting were included with the information distributed to the owners at registration. The President asked for corrections. With no objections or corrections, the President declared the Minutes approved as prepared.

#### VII. PRESIDENT'S REPORT

The President reported new barbecues have been installed. The President recognized Leif, Ryan and Scott for the "excellent job".

The President explained the importance of returning the proxies for the Annual Meeting in order to achieve a quorum. It is costly to schedule a reconvened meeting.

Further, he reported that the Water Craft Rack was installed.

#### VIII. FINANCIAL REPORT

Treasurer Shelly Snyder updated the owners on the financial status of the Association as of December 31, 2018, as follows: Reserve Cash, \$778, 579; Accounts Receivable, \$132,884; Income, \$545,136; and Reserves, \$130,000.

The Treasurer answered questions the owners had.

For the second year in a row, one owner questioned the amount of the phone bill, a \$350 per month. Deborah Belle will look into that and get back to the Board.

The maintenance fees increased in 2019. The President explained that discretionary expenses, like utilities, salaries and services, were part of the reason for the raise in fees. Other neighboring properties have higher fees than Hale Royale.

Ms. Belle noted the Board is prudent in its budgeting and reserve funding strategy. The staff maintains the property in good condition, saving the Association money performing a lot of the work in-house rather than having to hire outside contractors.

#### IX. RESIDENT MANAGER'S REPORT

Owners received a copy of the Resident Manager's Report dated March 9, 2019. Mr. Kuster has been at Hale Royal for five months. His goals are to make sure the property is clean, safe and operational. He is available 24/7 in emergency situations.

He updated the owners on Association projects and activities, including: 1) Maintenance of the spa; 2) With the use of more propane, another propane tank has been added; 3) Sauna repairs ongoing; and 4) Contact with residents about cleaning oil leaks in the parking lot.

Mr. Kuster was certified as a Pool and Spa Operator by the National Swimming Pool Foundation.

Holiday lighting is not permitted after the holidays.

Barbecue operations were reviewed. Barbecues should be covered to avoid corrosion from the rain.

The Resident Manager answered questions the owners had.

X. MAINTENANCE REPORT

Owners received a copy of the Maintenance Report from Leif Shafer, dated March 9, 2019, at registration.

Mr. Shafer reported that progress was made this past year with regard to the safety and structural integrity of the property. The focus in the future will be on aesthetics at Hale Royale.

X. ELECTION OF BOARD OF DIRECTORS

A five-member Board of Directors governs the Association. With the term of Mike Naccarato expiring, there is one vacancy on the Board for a three-year term. The following persons have submitted interest to serve on the Board: Tim Dietrich and Mike Naccarato. Their names have been placed on the ballot. There was a call for further nominations from the floor. With no further nominations, nominations were closed. Balloting procedures were reviewed. Kathy Askew and Dan O'Hanlan were appointed to serve as Inspectors of Election. Tim Dietrich introduced himself.

There was a short break to cast, collect and count the votes at 9:50 a.m. Annual Meeting business resumed at 10:05 a.m.

XI. ANNUAL RESOLUTIONS

MOTION: Be it resolved that any excess of membership income over membership expenses for the calendar year ending December 31, 2019, shall be applied against the subsequent tax year membership assessments as provided by Internal Revenue Service Ruling 70-604.

With no objections voiced, the Tax Resolution was approved by unanimous voice vote.

MOTION: That the Board of Directors be authorized to select the Auditor to perform the fiscal year-end 2019 Audit, Unannounced Verification of Cash and prepare the tax returns for the Association.

With no objections voiced, the Motion was approved by unanimous voice vote.

The Audit report was not available for owners at the meeting. A copy of the Audit will be made available to owners on request when reviewed and approved by the Board.

MOTION: To authorize the Board of Directors to approve the 2019 Annual Owners Meeting Minutes as to form and content.

With no objections voiced, the Motion was approved by unanimous voice vote.

MOTION: To ratify the actions of the Board of Directors since the last Annual Meeting.

With no objections voiced, the Motion was approved by unanimous voice vote.

XII. ELECTION RESULTS

Election results were announced, as follows: Tim Dietrich, 12.8110%; Mike Naccarato, 42.4231%. Mike Naccarato was elected to serve a three-year term.

There will be an Organizational Board of Directors' Meeting following adjournment of Annual Meeting Business.

XIII. NEXT ANNUAL OWNERS MEETING

The next Annual Owners Meeting will be held on March 7, 2020, at 9 a.m.

XIV. ADJOURNMENT

The meeting adjourned at 10:13 a.m.

*Louise Rockett*

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Transcriptionist