

**HB-347-HD-1**

Submitted on: 2/20/2019 2:35:28 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kevin Agena	Hawaiian Properties, Ltd.	Oppose	No

Comments:



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# HONOLULU TOWER

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60 N. Beretania Street • Honolulu, HI 96817  
Phone (808) 531-9090 • Fax (808) 534-1870  
<http://www.honolulutower.org> • [htmanager01@gmail.com](mailto:htmanager01@gmail.com)

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**February 21, 2019**

**TESTIMONY ON HB347, HD1, RELATING TO CONDOMINIUMS  
HOUSE JUDICIARY COMMITTEE, FEBRUARY 22, 2019  
via fax 586-9456**

Honolulu Tower is a 396 unit condominium, built in 1982. The Board of Directors of the Honolulu Tower Association of Apartment Owners voted unanimously at its February 4, 2019 meeting to oppose this bill. We believe the current procedures which have existed for many years work fine and should not be changed.

Honolulu Tower Association of Apartment Owners  
Board of Directors

**HB-347-HD-1**

Submitted on: 2/21/2019 10:45:07 AM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Richard Emery	Associa	Oppose	Yes

Comments:

We oppose HB347 as it takes away the right of an owner to assign his/her proxy to whomever they select. Often homeowners are not familiar with the individual views of a director but are happy with the board majority's direction. Directors are, after all, homeowners individually elected by owners at an annual meeting; more often 9 directors as current law requires association with more than 100 units to have 9 directors. Simply put, directors are elected representatives of the homeowners and they are homeowners too. Some candidates are not elected and seem to blame this on the board majority option on a proxy as if these directors are incompetent or in other words not doing what they want. Prior to the proxy options, owners were summarily asked to give their proxy to the Board President which is obviously consolidating voting further. This will worsen the situation and possibly make it more difficult to obtain a quorum. The current method is working just fine. WE OPPOSE.



P.O. Box 976  
Honolulu, Hawaii 96808

February 21, 2019

Honorable Chris Lee  
Honorable Joy A. San Buenaventura  
House Committee on Judiciary  
415 South Beretania Street  
Honolulu, Hawaii 96813

Re: HB347 HD1 - OPPOSE

Dear Chair Lee, Vice-Chair San Buenaventura and Committee Members:

This testimony in opposition to HB347 HD1 is submitted on behalf of the Community Associations Institute ("CAI") Legislative Action Committee.

The Committee opposes this bill because there is no rationale given for eliminating the Whole Board proxy vote, and in the experience of the Committee members, the measure is completely unnecessary. It seems to be an attempt to rectify a problem that does not exist. In testimony given in prior hearings, there was no compelling reason given for enacting this measure even by those supporting it.

In most condominium association elections the majority of proxies submitted are assigned to the Whole Board. A much smaller percentage is assigned to the Board on a 'split' (percentage) basis. The question then becomes whether the owners will assign their proxies to the Board on a split basis or submit the proxy for quorum purposes only. When the 'quorum only' option is selected, the owner effectively gives up his/her right to vote in the election or in any other ballot questions that come before the assembly. The 'quorum only' proxy is a non-voting proxy.

If the end result is that the 'quorum only' option receives a larger share of the proxies, the effective voting rights of the owners will be diminished and the power to select the Board members will be concentrated in a smaller segment of the ownership. Thus the potential for abuse, dominance and control by a minority is increased rather than decreased.

Some association bylaws stipulate that to be elected to a director's position the candidate must receive the votes of not only a majority of the owners present at the meeting, but also a majority of the ownership in general. Since this bill could have the effect of increasing the 'quorum only' share of proxies, it could make it potentially impossible to elect anyone to the Board of Directors for some associations.

CAI represents the condominium industry, and opposes any attempt to undermine the democratic voting procedures of these self-governing associations. We respectfully request that the Committee to defer HB 347 HD1 and maintain the current proxy format.

Very truly yours,

*Allen Wilson*  
Allen Wilson

**HB-347-HD-1**

Submitted on: 2/20/2019 10:23:50 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Philip Nerney	Individual	Oppose	Yes

Comments:

There is no reasonable basis for depriving owners of the opportunity to express their confidence in a board of directors by assigning a proxy to be voted on the basis of a preference of a majority. Eliminating that option is likely to mean returning to the days when a Board President or some other individual (rather than a group) will wield inordinate influence.

Leaving owners with only the option of assigning a proxy to individual directors, including those an owner may distrust or disagree with, would be imprudent and unfair. The existing option of expressing confidence in a majority of the board is wise and appropriate.

**HB-347-HD-1**

Submitted on: 2/20/2019 9:33:51 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lila Mower for Kokua Council	Kokua Council	Support	Yes

Comments:

**HB-347-HD-1**

Submitted on: 2/21/2019 10:14:03 AM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lila Mower	Hui `Oia`i`o	Support	Yes

Comments:

**HB-347-HD-1**

Submitted on: 2/20/2019 9:31:25 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lila Mower	Individual	Support	Yes

Comments:

The option to assign one's proxy to "the board as whole" serves no other purpose except to multiply the power of the majority of those directors in attendance at the annual meeting to determine for the entire association who their elected directors will be; thus **that board majority may be as few as one person.**

This often means that incumbent board members may continue to re-elect themselves to control the destiny of hundreds of owners with little regard for the needs or wants of the supposed "minority" who may actually be the "silent majority," unable to overcome the voting block of proxies controlled by "the board as a whole."

As HB347 HD1 is written, owners who wish to assign their proxies to the board are still able to do so, assigning their proxies to the members of the board who are in attendance at the meeting, divided in equal portions.

Please pass HB347 with an effective date of July 1, 2019.



**HB-347-HD-1**

Submitted on: 2/20/2019 9:33:00 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Leimomi Khan	Individual	Support	Yes

Comments:

Aloha, I am a condominium homeowner and fully support this bill. It reminds me of the biblical battle between David and Goliath. David being the underdog and in this bill representing homeowners, and Goliath being property management companies and Boards of Directors. I really believe there's a conflict of interest when property management companies give testimonies on bills like this because their services are contracted by Boards of Directors. Many property managers know that this bill has merit, yet, many take a position favorable to Boards to protect their contracts.

I feel encouraged knowing that there are legislators who have listened to our stories of how proxies to the Board as a whole has been misused, and I am hopeful that today, we will see this bill passed in honor of David.

Please pass this bill.

**HB-347-HD-1**

Submitted on: 2/21/2019 1:00:28 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dale	Individual	Support	Yes

Comments:

Dale A. Head  
85-175 Farrington Hwy C-428  
Waianae, Hawaii 96792  
[sunnymakaha@yahoo.com] (808) 696-4589

To: House Committee on Judiciary  
Chairman Chris Lee, Vice Chair Joy A. San Buenaventura, esteemed Members Tom Brower, Richard P. Creagan, Nicole E. Lowen, Angus L.K. McKelvey, Dee Morikawa, Calvin K.Y. Say, Gregg Takayama, Ryan I. Yamane, and Cynthia Thielen.

HB347 HD1 Introducer House Speaker Scott Saiki

Aloha:

1) I requested this bill be introduced and support its passage. For 31+ years I have resided at the Makaha Surfside condos (a 454 unit complex) in Waianae. We are only about 10% owner-occupied, with the rest being tenants. About half of our owners happen to be Hawaii residents, with most of the rest on US Mainland and a very few foreign owners from Canada, New Zealand, Germany, France, Japan and even Belarus. [One metric to be aware of is that 60% of Hawaii condos are investor-owned. Close to 40% of Hawaii residents now reside on association controlled properties.]

2) For the past few years, at Makaha Surfside, we have experienced intrigues at our annual meetings, focused mostly on the elections. I myself had spent 10 years on our Board of Directors. Usually I receive the most Proxies from owners, and have been disappointed when our property management company assigned person injected themselves into influencing, wrongfully, our election outcomes. This is not too surprising considering they wish to keep us as their client account along with a highly profitable contract. After a decade on our Board it became obvious to me that these companies are in a 'conflict of interest' situation running the elections, which itself is a good reason to get rid of them and become 'self-managed'. About 80 out of 1,680 condo associations are in that category. About 96% rely on property management companies, all being privately owned 'for profit' businesses which are not at all well regulated.

3) In 2014 I had 57 owners assign me their Proxy, while two other Board members had just 5 and 3 themselves. Had that election been run honestly, 'power' on our Board would have shifted away from our Board members favored by the property manager, meaning, we could get a different company. So, to alter the outcome, after 'closing nominations' from the floor, our President made a Motion to expand our Board from 5 to 7. He did not allow discussion of the Motion, and, after a very few people raised their hand to support his Motion, he declared it 'passed'. This was an intrigue. No discussion of his Motion was allowed. Expanding the Board should have been on the Agenda, which it was not. This altered the election and kept our Board under control of members loyal to the property manager.

4) In following two years I received slightly more Proxies, 63 and 70. Our President, who received only 10 in 2015, bitterly complained at an Executive Session, "Dale Head gets too many Proxies, we have to do something about that". Somewhat amusing for a fellow who is only a part time resident in Hawaii. [Cure for this problem would be Online and voting by US Mail with candidates who get the most votes automatically being the 'officers'.]

5) For 2018 I was down to 44 Proxies, yet suspected other candidates elected had less. It was time to perform an examination/audit of them. Although Hawaiian Properties could have advised at our annual meeting, 'how many' owners had assigned their Proxy to categories such as 'Board as a whole' & 'to be divided equally between its members', and how many were for 'Quorum only', no such announcement was made. Instead, at the meeting, our President called for a sidebar huddle of Board Members declaring, "I make a Motion to give all proxies assigned to the Board to' (his two favorite supporters, which guaranteed he could remain as as the 'Alpha Board Member')". My examination showed 75 were for Board as a 'whole' and 26 to be divided 'equally', while 69 were for 'Quorum only'. The differentiation between 'Board as a whole' and 'to be divided equally' was ignored. All of those Proxies were secretly seized which determined the election outcome, even before the meeting had started. The two fellows had just 4 and 13 Proxies assigned to them, while the President had received a mere 7.

6) Election theft is why 514b-123 is worded the way it is. Basically, it serves as an Incumbent Preservation Act. The very term 'Board as a whole' is quite misleading. It permits an 'inner circle' of Board members to seize Proxies for themselves strengthening their grip on power. When I write a letter to owners and get the support of 70, why then should a guy with 7 or 10 be able to, in collusion with a property managers, be able to grab 101 owners Proxies for himself and allies? True purpose is, in my opinion, it is a far easier time for a Property Manager to please just one to four Board members, rather than hundreds of association members.

7) Through diligent research of state archives, my good friend Ms. Lourdes Scheibert, recently discovered the origin of HRS 514B was HB3241 from 1996 (from HRS 514a). Prescient testimony/advice against it from Real Estate Commission was ignored. Their position, in part, "We question if the amendment will provide for more

abuse on the use of proxies and whether a new set of problems will appear, such as a new type of proxies and/or more challenges to proxies". Getting this into the statute was a strategic ploy of the 'industry' which makes a living off of condo associations. It throttles democracy and extinguishes transparency through clever 'word-smithing'.

8) For lack of a reporting/survey mechanism, metrics on abuse of HRS 514b-123 do not exist. Yet, when I 'compare notes' with property owners in other association 'governed' properties, find that it is quite common. This injustice must be corrected, at its source.

9) About equality. Perhaps when purchasing a condo, you might have some free time and talents to contribute to that community. When running for election, Board members have something of a status as Aristocrats, benefitting by receiving Proxies from undecided owners who mark them 'for the Board'. Now, to overcome that built-in advantage, you must aggregate more Proxies than are simply given to certain Board members by its President. This is an uphill and unequal climb, having to achieve a 'super majority' of support.

10) Owners who cannot attend a meeting can assign their proxy to any other owner, which includes Board members. There is no good reason for them to enjoy Aristocrat status as we are not a monarchy. Everyone who runs for office should have an equal chance, which is impossible with 514b-123.

11) Hawaii has perhaps 1,680 registered associations. It took me two years to persuade our Board to allow owners to indicate on a Proxy who they wanted votes to be bestowed upon. For the years 2016 and 2017 we had a 'Directed Proxy' with declared candidates names printed on the bottom (see attachment). We were the sole association doing this, and, it is the next best thing to voting Online or by US Mail. However, that document was discontinued by our Board President, without warning, as it presented an obstacle to grabbing a large bloc of Proxies for his own usage. Board members who benefitted from this intrigue are silent on it.

12) Please note that most people who oppose this bill are employed by the Property Management companies, paid lawyers, and even a Parliamentarian. Those companies make huge profits off of condo associations.

13) I ask you to pass HB347 HD1 for the sake of transparency and democracy.

14) For enlightenment, have a look at these four attachments.

#1 2016/2017 Makaha Surfside Directed Proxy

#2 2018 Election Metrics (of Makaha Surfside)

#3 Audit of 2018 Election (Keep in mind that 90% of these persons are investors who, mostly, don't even know each other.)

#4 E-mail Letter to Dass Ramadass of Hawaiian Properties (Which he apparently is never going to answer.)

Lourdes Scheibert  
920 Ward Ave #6D  
Honolulu, Hawaii 96814

February 21, 2019

Honorable Rep. Chris Lee, Chair  
Honorable Rep. Joy A San Buenaventura, Vice Chair  
Committee on Judiciary  
Hawaii State Capitol, Room  
415 South Beretania Street  
Honolulu, Hawaii 96813

RE: Testimony in SUPPORT of HB347 HD1; Amends the requirements for a condominium association's standard proxy form by deleting the option for a condominium owner to give the proxy to the board as a whole.

Hearing Date: February 22, 2019 at 2:05 p.m. in House conference room 325; sent via Internet

Dear Rep Chris Lee, Chair; Rep. Joy A San Buenaventura, Vice Chair; Committee Members

Thank you for the opportunity to provide testimony on this bill.

Based on my experiences and documents, proxies are a problem because they reward and encourage Condo board absences, indifference, and lack of education. They inflate the power of a small minority to decide for all residents, often with significant negative financial impacts on those with limited incomes. You don't allow proxies in the Legislature, or on the City Council, or in general voting for good reason. Proxies dilute and compromise democracy, and disenfranchise the public.

#### Condominium Non-Profit Corporation

Internet: Robert's Rules doesn't allow for proxy voting for non-profit organizations. Robert's Rules states, "...proxy voting is incompatible with the essential characteristics of a deliberative assembly in which membership is individual, personal, and nontransferable...." Non-profits that want to allow proxy voting need to overrule Robert's Rules by writing the exception into their bylaws.

Legislation supported proxy voting with HRS514A, 1985, ACT 184 514A.83.2 Proxies: (c) Proxies may be given to the board of directors as an entity. From 1997 to August of 2005, my proxy document showed: the proxy box (D) to those directors present at the meeting with the vote to be shared with each director receiving an equal percentage. After 2005, the proxy to the board as a whole was added in my condominium documents without introducing the resolution to the annual meeting of the membership and without educating the owners. This resolution was not entered into the minutes of the Annual Owner's meeting for 2005 or 2006 or changes to the By-Laws.

The opposition to HB 347 writes: 'Owners ought to be able to give their proxies to the board as a whole (and that vote is to be made on the basis of the preference of the majority of the directors as a whole)'

Testimony opposing HB347 writes, *if the proponent of this bill is concerned about owners selecting the option designating the proxy to the board as a whole, then that person or persons need to educate owners not to select that option since some owners may want to select that option.*

#### EDUCATION

While that may be a simple solution, education at the directors level is not mandatory in HRS 514B. This is the responsibility of the educational fund collected from each condominium owner. How can the board teach their members when they haven't learned themselves. The board in some cases practice the management methodology by assigning the authority to the management company to decide the maintenance, repair and replacement of the common area and limited common creates a second level of governance. This creates confusion in leadership.

I support the testimony of Stuart Donachie because I have supporting documents that supports these opinion as described in his testimony:

I fully support HB347. I believe that assigning a proxy to a Board simply provides the Board a mechanism to vote for itself, or for the Board to vote to re-elect current members, such as those that historically vote with the Board. A Board in possession of large blocks of proxies can even vote for new Board members they believe will conform to only the current Board members' 'mission'. There is simply too much scope for abuse of this power. Thus, a Board is able to abuse the current arrangement and perpetuate its members' conflicts of interest.

This is a universal problem.

Thank-you,  
Lourdes Scheibert  
Condominium Owner

**HB-347-HD-1**

Submitted on: 2/20/2019 8:20:29 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Marcia Kimura	Individual	Support	No

Comments:

I support this, **but not with the 2050 effective date.**



**HB-347-HD-1**

Submitted on: 2/20/2019 8:33:46 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Morris	Individual	Support	No

Comments:

Name is John Morris and I am testifying against House Bill 347, HD 1. For no clear reason, the bill proposes to delete a provision in the condominium law that has been there for decades. Once again, a change is proposed to the law with no clear purpose and no clear benefit.

The bill also overlooks the fact that a large number of owners in the condominium project only know their boards of directors, not the individual members of the boards. Board action is taken by a majority of the board, not by individual directors, so the proposed change in HB 347 will prevent owners from voting for their board as a whole, rather than individual board members. In other words, if owners like what the board as a whole is doing, there seems to be no reason to prohibit them from voting for the board as a whole.

Thank you for this opportunity to testify.

**HB-347-HD-1**

Submitted on: 2/20/2019 11:27:46 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stuart Donachie	Individual	Support	No

Comments:

I own a condo and have participated in a range of association meetings. I have also talked over the years with management companies my building has dealt with. I have developed the opinion that a Board does not always operate or 'govern' with the best interests of the owners in mind; rather, they operate to support their individual or combined interests, often without full disclosure to non-Board members. Such practices are difficult for 'regular' owners to counter, and become impossible to counter if the Board is able to secure proxies of owners who do not attend meetings and don't stay in touch with what boils down sometimes to shenanigans! Such owners merely believe the Board is representing their interests, and thus providing the Board a proxy simply seems a 'normal' thing to do. I know, because I did that when I first moved into my building. Upon attending various meetings and witnessing both Shakespearean tragedy and comedy, sometimes simultaneously, I realized the Board should not control any reasonable person's proxy! Proxies should either be given to specific individuals the owner wants to support, or it should be given for quorum purposes only. There should be no 'default' choice for the Board to use as it sees fit; that 'fit' is not always consistent with good management practices or procedures. In my own experience I have also found the management company unlikely to support homeowners in seeking redress for issues with house rules rewritten by the Board and in favor of the Board! And why would a management company bite the hand that feeds it? For that reason alone, neither management companies nor attorneys should not be providing testimony for this bill. Free speech is fine, but these parties have conflicts of interest which must be acknowledged. I have no conflict of interest, but simply wish to see democracy and democratic principles prevail in my building and many others whose residents you will hear from, too. In the interests of fairness to individual homeowners and those who have been and may yet be hurt by some Boards' practices, I implore you to pass this bill.

**HB-347-HD-1**

Submitted on: 2/21/2019 10:27:40 AM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jacqueline Casmero	Individual	Support	No

Comments:

I support the elimination of the phase in the condominium proxy "the Board as a Whole" due to the fact that I have lived, in the past condominium I owned, where this phase is abused by members of the board and subsequently had to sell and move. In a perfect world, many great BOD members do the right thing for the owners and our combined vested interest. However, since this elimination wouldn't hurt the vote of individual owners and can retain the best representation for our combined vested interest -- , it may be time to eliminate this in today's complex workings of HOAs, not because of the great BOD condo members, but because of the horrible BOD members whose owners are held hostage.

**HB-347-HD-1**

Submitted on: 2/21/2019 11:24:40 AM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Sharon Belmont	Individual	Support	No

Comments:

**HB-347-HD-1**

Submitted on: 2/21/2019 1:12:02 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Colleen Shishido	Individual	Support	No

Comments:

I support HB347. Each board member should be voted in based on their performance, NOT on owners who give the proxy to the board as a whole.

**HB-347-HD-1**

Submitted on: 2/20/2019 3:31:29 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
R Laree McGuire	Individual	Oppose	No

Comments:

**HB-347-HD-1**

Submitted on: 2/20/2019 9:17:52 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Oppose	No

Comments:

As both a condominium owner and board member I must strogly object to this bill. I do not know what purpose it serves. Deleting the board as a whole as a proxy option is a bad idea. We could well end up with fewer proxies, prohibiting us from doing certain business. Some owners will feel comfortable with the board as a whole option and none of the others. If they are not comfortable they will not submit a proxy. There are years where we have quorum but not enough votes to do certain business at the annual meeting.

Several years ago there was a failed attempt to remove the quorum only option.

The proxy system works well as is. Please do not tinker with something that has longevity and is proven to work.

Please vote no.

Lynne Matusow

**HB-347-HD-1**

Submitted on: 2/21/2019 11:08:34 AM

Testimony for JUD on 2/22/2019 2:05:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Martin	Individual	Oppose	No

Comments:

From my experience as a board member, I fear that the result of this bill, if adopted, will result in more owners sending proxies for 'quorum' purposes, only, rather than providing for any vote on their behalf. They may actually prefer to trust the board as a whole, rather than allowing their voting percentage to be split between board members who might actually disagree --- remember, voting at annual meetings are not limited to the election of board members --- let the owners have the option between "as a whole" or the the "percentage" proposed.



**LATE**

**HB-347-HD-1**

Submitted on: 2/21/2019 6:42:04 PM

Testimony for JUD on 2/22/2019 2:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Anne Anderson	Individual	Oppose	No

Comments:

Dear Representative Lee, Chair, Representative San Buenaventura, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 347, H.D.1 for the following reasons:

Condominium associations are legal entities that act by and through their boards of directors. Condominium boards are comprised of individual directors who are members of their associations and elected by the owners. These individual directors act collectively as a body (i.e., the board) to oversee the administration and operation of the condominium project. It is the board, as a whole, that owners rely upon and trust to manage the affairs of their associations. It therefore follows that many owners give their proxies to the "board as a whole," because that is the entity in which they faith and have confidence. For those owners who do not have confidence in their association's board of directors or prefer to give their proxies to an individual, they are free check one of the other boxes on the standard proxy form and to give their proxies to an individual of their choosing. The four boxes on the proxy are intended to give owners the freedom of choice in selecting a person or entity to act as their proxy at association meetings.

The law has allowed owners to give their proxies to the board as an entity since 1984. Without any stated explanation, H.B. 347, H.D.1 would serve to eliminate the box on standard proxy forms allowing owners to give their proxies to the board as a whole. There is no good reason for this change. Owners ought to be able to give their proxies to the board as a whole if they wish to do so and the Legislature should not interfere with that process.

For the reasons stated herein I OPPOSE H.B. 347, H.D.1.

Respectfully submitted,

M. Anne Anderson