

Annual Meetings:

Answers to frequently
asked questions



Important information for
owners in condominiums,
cooperatives and planned
communities



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What is an annual meeting?

An annual meeting is a meeting of the members of the association or corporation that is held once a year for the purpose of conducting the specific business of the group, such as the election of the Board of Directors, or amendments to the governing documents. This is different from the Board of Directors' meetings, which handle the day-to-day business of the association.

WHAT HAPPENS AT THE MEETING?

The primary purpose of this meeting is to receive financial reports, elect the Directors, adopt the tax resolution or possibly amend the governing documents. All members are encouraged to attend the annual meeting, and to participate in setting the direction of the organization for the coming year.

WHAT IS QUORUM?

A "quorum" is the percentage of people necessary to conduct business at a meeting. It is normally a majority of the owners or co-op members, but may be less. This requirement is listed in your bylaws.



Understanding the Proxy

WHAT IS A PROXY?

A proxy permits the member to assign his or her vote to someone else, in the event that the owner cannot be present to vote in person. The proxy holder should be someone the member trusts.

WHY IS THE PROXY IMPORTANT?

Your proxy is used to help establish quorum for the meeting. A quorum must be established for any business to be conducted.

WHAT SHOULD I DO WITH THE PROXY?

Complete the proxy and mail it back as soon as possible, even if you are planning on attending the meeting. You can always get it back if you attend the meeting. In addition, returning your proxy can save your association money by eliminating the need for additional mailings to establish quorum.

WHAT ABOUT PLANNED COMMUNITIES & CO-OPS?

Similar proxies may be used, but are not required. Check your documents or with your manager for the specific requirements for your association.



Explanation of Proxy Options

For condominiums, the standard proxy is required to have five boxes. The four boxes on the top of the page give you options on assigning your proxy. You have the option of selecting one of the boxes. If you fail to properly designate your proxy, it may, by default, go to a pre-designated representative.

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BOARD MAJORITY

If you check this box, your proxy will be voted in accordance with the wishes of a majority of the Board members present at the meeting.

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BOARD EQUAL OR SPLIT

If you check this box, your proxy will be split up equally among the directors present at the meeting.

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INDIVIDUAL PERSON

If you check this box, your proxy will be given to the person listed on the line provided on the proxy.

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QUORUM ONLY

If you check this box, your proxy is used for quorum but cannot be used for voting or for any other actions taken at the meeting.

The 5th box is for the audit:

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AUDIT

Check this box if you would like a copy of the association's annual audit. This box is generally on the bottom of the form.



Methods of Voting

MAJORITY VOTE:

This is a vote requiring a majority of members (both present or by proxy) voting at the meeting to adopt a motion or action.

MAJORITY OF OWNERS:

This is a vote requiring more than 50% in interest value of all owners for passage (see “Percentage Based Voting” below). It is used when specified by the documents or State Law.

PERCENTAGE BASED VOTING:

This refers to the percentage of common interest that is assigned to each unit by the declaration. This is not a method of voting, but rather the value of the vote.

UNANIMOUS CONSENT:

This type of vote refers to situations where a motion or action is adopted because no one objects.

CUMULATIVE VOTING:

This is only used during elections of Directors and only when required by the documents. This method of voting allows owners to cast all of their votes for a single nominee or divide their votes among the nominees. For example, if there are three vacancies, you have three votes (no fractions). You may give one vote to each nominee, all three votes to one nominee or two votes to one nominee and one vote to another nominee.



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