

## **MOTIONS FOR THE ANNUAL MEMBERS MEETING**

ALL members are allowed to vote on the following motions. Normally, motions are brought up at the Annual Members Meeting (still allowed), but non-residents are deprived of the opportunity to express their opinions. The following five motions were made in advance by members to be included in this election packet sent to ALL members. The first 4 motions must receive 2/3 of the votes cast to pass, and the 5<sup>th</sup> must receive a simple majority to pass. **Please respond to these motions when returning your ballot or voting electronically.**

**MOTION 1** – Change the bylaws to mandate an annual audit in December prior to our Board of Directors election and the Treasurer's final report at the Annual Meeting. Currently, audits are performed at the request of the Board. This change makes an audit part of the annual schedule of our Association. December is mandated to ensure any problems are known prior to the election and that the Treasurer presents audited results to us at the Annual Meeting. It also ensures that the records handed over to the new Treasurer are complete and accurate.

**MOTION 2** – Change the bylaws so that any Director who misses three (3) consecutive monthly meetings has resigned from the Board and must be replaced. Our community needs active Directors, each helping with all the work involved in governing our community.

**MOTION 3** – Change the bylaws so the LCA and their representatives, the Board of Directors, must settle all disputes with members and outside entities (ex. vendors) via mediation and then binding arbitration. Our community has spent hundreds of thousands of dollars on lawsuits and lawyers over the last several years. Some of these were brought by members, some by the Board in the name of the LCA. This money could have been used to improve our community, and we want this to stop. When the Board has a dispute with a member or an outside entity, this bylaw change will force the Board to first try mediation to resolve the dispute. If no resolution is reached, then both parties will submit to binding arbitration. Members will be bound to accept the results of arbitration as this is part of our bylaws. We will write this arbitration clause into our agreements with any outside vendors binding them to the results of arbitration. Lawsuits will be filed only when a party does not comply with the results of arbitration.

**MOTION 4** - Change the bylaws so that Directors are elected to a two year term. Each year we would elect half of the Board (first year 4, second year 3, then repeat) so that terms are staggered by one year. This change will foster better continuity and consistency in our Boards and make it easier to persevere on multi-year projects.

**MOTION 5** - Update our building guidelines and restrictions. (Requires a majority of votes to pass) Although we think of our community as a residential community, all lots in Leilani Estates are classified as agricultural. There have been extensive changes to the laws that govern the use of agricultural land (State Statutes 205-4.5 and 205-4.6) and changes in county building codes (last major update in 2021) that affect how we build and use land in our community. Our governing documents and state laws are very clear – state laws and county laws and rules take precedence over our documents. We need to create an updated set of community building and land use rules based on the changes in the law so that everyone in our community is clear on what can and cannot be done. This will enable the Architectural Committee to enforce a single standard set of rules. We require the 2026 Board to commission a comprehensive review of current laws and codes to develop a new set of building and land use rules for our community. This must be a line item in our budget for 2026 and used as part of calculating assessments. This process must include a legal review by the corporate counsel and a review with county authorities. The new rules must be finalized by March 31<sup>st</sup>, posted on the website prior to the April regular Board meeting, and formally presented at the April regular Board meeting.

**If you have suggestions for additional motions to be brought up at the Annual Members Meeting, please submit these directly to the Leilani office at 13-3441 Moku St., Pahoa, HI, 96778**