

**FIRST AMENDMENT  
TO THE BY-LAWS OF THE LEGENDS HOMEOWNERS ASSOCIATION, INC**

THIS FIRST AMENDMENT TO BY-LAWS is made as of March 10, 2010, to the By-Laws of the Legends Homeowner's Association, Inc. an Idaho Non-Profit Corporation (hereafter called the "Association").

**WITNESSETH:**

WHEREAS, under the date of March 10, 2010, the Board of Directors of the Association approved and adopted the By-Laws of the Association, which By-Laws are in force and effect; and

WHEREAS, the Board of Directors of the Association has determined it would be in the best interests of the Association to update the By-Laws as they pertain to the process of electing Board members. The By-Laws were written and adopted when the developer controlled a majority of all votes. As a result, the By-Laws contain inconsistencies and absences of clarity that hinder the Association now that voting rights are distributed equally among all Members.

NOW, THEREFORE, the By-Laws of the Association are hereby amended in the following particulars:

1. Article XI – Amendments. Pursuant to Article XI of the By-Laws, the By-Laws are hereby amended to hereafter provide as follows:

Article III – Meeting of Members; Section 3.2 – Annual Meeting. An annual membership meeting is required to be held within the first three months of each calendar year. The day, time and location of the annual meeting will be determined by the Board of Directors. The Board can reschedule the meeting up to six months into the calendar year if deemed necessary.

Article IV – Board of Directors: Selection, Term of Office; Section 4.1 – Number. The affairs of this Association shall be managed by a Board of Directors, referred to as the "Board", consisting of five (5) Directors who must be Members of the Association. Any one Member can occupy only one Director seat on the Board during their time on the Board. All Director seats on the Board do not have to be occupied for the Board to conduct its affairs. Should the Board of Directors be populated by only one person, the Board is authorized to only take actions necessary to sustain on-going Association operations or respond to dire emergencies. The lone Director shall immediately seek and appoint one additional Director within 60 days.

Article IV – Board of Directors: Selection, Term of Office; Section 4.2 – Term of Office. The term of a Director starts upon their election to the Board at an annual meeting and ends when elections are held at the subsequent annual meeting. The position of Director is not subject to any term limits.

Article V – Nomination and Election of Directors; Section 5.1 – Nominations. Nomination for election to the Board shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board, and two Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting and be dissolved after the election is completed. The Nominating Committee shall solicit nominees from all Members no sooner than ten (10) days before the annual meeting. The Nominating Committee submits for election to the Board as many nominees as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All nominees and members submitting nominations must be determined by the Nominating Committee to be members in good standing. Nominations to the Board will not be taken from the floor during the annual meeting.

Article V – Nomination and Election of Directors; Section 5.2 – Election. Election to the Board shall be conducted by secret ballot by the presence of a quorum of all Lots represented by the Members in attendance and by proxy at the annual meeting. The person receiving the largest number of votes for each Director seat on the Board shall be elected. In the event a quorum is not present, the election will be rescheduled to occur at the next annual meeting and each current Board member can, by their own choosing, decide to resign or retain their seat on the Board for any period of time until the next scheduled election.

Article V – Nomination and Election of Directors; Section 5.3 – Confirmation of Election Results. An unsuccessful candidate can contest the result of an election for Director in writing submitted to the Board within three (3) days after the date the election is held. The Board will use Association general funds to select and pay, at reasonable cost, an independent organization to conduct a review or recount, the results of which will be final and binding.

2. Effective Date. The First Amendment to the By-Laws of the Legends Homeowners Association, Inc. shall become effective upon passage as per the process documented in the By-Laws dated February 17, 1996.

Approved by the BOARD OF DIRECTORS - Dated as of the 10<sup>th</sup> day of March, 2010

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Dana Wardein, President

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Kelley McGrath, Vice President

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Steve Berch, Secretary