

**AMENDED AND RESTATED BY-LAWS
OF
LEGACY COMMUNITY ASSOCIATION, INC.**



LEGACY

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AMENDED AND RESTATED BY-LAWS
OF
LEGACY COMMUNITY ASSOCIATION, INC

ARTICLE 1

NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1. Applicability.

(a) *Applicability.* These Amended and Restated By-Laws (“**Restated By-Laws**”) provide for the self-governance of the Legacy Community Association, Inc. (the “**Association**”), in accordance with the Articles of Incorporation of Legacy Community Association, Inc., filed with the Secretary of State of Idaho, as they may be amended (“**Articles**”), and the Community Charter for Legacy (the “**Original Charter**”), recorded in the Official Records of Ada County, Idaho, as it has been amended, including that certain Amended and Restated Community Charter for Legacy recorded as Ada County Instrument No. 2022-092978, records Ada County, Idaho (the “**Restated Charter**”).

(b) *Original By-Laws.* The original By-Laws of Legacy Community Association, Inc. (the “**Original By-Laws**”) were an exhibit to the Original Charter executed by Idaho Development Services, Inc., the original Founder, by Todd Santiago, its Director. The Original Charter was recorded on April 25, 2008, Ada County Instrument No. 108048693.

(c) *By-Laws Amendments.* The Original By-Laws have been amended from time to time (“**Amendments**”), which Amendments include the following:

(i) Amendment to Bylaws of Legacy Community Association, Inc., dated December 14, 2011, not recorded.

(ii) Amendment to By-Laws of Legacy Community Association, Inc., dated December 31, 2015, not recorded.

(iii) Amendment to By-Laws of Legacy Community Association, Inc., Ada County Instrument No. 2022-090988, recorded November 3, 2022.

(iv) Amendment to the By-Laws of Legacy Community Association, Inc., Ada County Instrument No. 2022-091639, recorded November 7, 2022.

(d) *Reasons for these Restated By-Laws.* Certain structural changes to the operation of the Association have occurred, including the abandonment of grouping the subject property into Neighborhoods with the election of Voting Delegates and the designation of Election Districts. These Restated By-Laws restate the Original By-Laws to document the structural changes and, by restated terms and text additions, the Restated By-Laws include the above Amendments in the body of the Restated By-Laws and create a single instrument that the user may turn to without reference to the structural changes and/or the existing standalone Amendments. Finally, the existing Board has from time to time recommended certain by-law

amendments that the current Founder has agreed to ratify.

(e) *Amendments and By-Laws Restatement.*

The Restated By-Laws are made by Red Butte, LLC, the current Founder, pursuant to its unilateral right to amend the By-Laws for any purpose, pursuant to Section 10.6(a) of the Original and Restated By-Laws. The Restated By-Laws will not be recorded, but shall be posted on the Legacy Community Association, Inc. website and executed by the Founder.

1.2. Principal Office.

The Association's principal office shall be located in Ada County, Idaho. The Association may have such other offices as the Board may determine or as the Association's affairs require.

1.3. Purpose.

The Association shall be responsible for administering the Legacy Community, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of Legacy, and

performing all of the other acts that may be required to be performed by the Association pursuant to the Idaho Nonprofit Corporation Act ("**Act**") or the Governing Documents. Except as to those matters which either the Act or the Governing Documents specifically require to be authorized by the vote of or performed by the members of the Association, the administration of the foregoing responsibilities shall be performed by the Association's board of directors ("**Board of Directors**" or "**Board**").

1.4. Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the meaning ascribed to them in the Charter. The term "**majority,**" as used in these By-Laws, means those votes, Members, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

ARTICLE 2

MEMBERSHIP AND VOTING RIGHTS

2.1. Membership.

The Association shall have two classes of membership, Owner Membership and Founder Membership (collectively, the “**Members**”), as more fully set forth in the Charter. Provisions of the Charter pertaining to membership are incorporated by this reference.

2.2. Voting Rights.

Members shall have such voting rights as are set forth in the Charter, which provisions are specifically incorporated by this reference. Members shall be entitled personally to cast the votes attributable to their respective Units on any issue as to which a Member would be entitled to vote.

2.3. Suspension of Voting Rights.

During any period in which the Owner of a Unit shall be in default for more than 60 days in the payment of any assessment or other amount due to the Association, after at least 15 days’ prior written notice to such Owner of such default and in compliance with Section 9.1, the voting rights of such Unit may be suspended by the Board until such assessment or other charge has been paid. Such rights may also be suspended for a reasonable period for a violation of any provisions of the Governing Documents after compliance with Section 9.1.

ARTICLE 3

ASSOCIATION MEETINGS, QUORUM, VOTING, PROXIES

3.1. Place of Meetings.

The Association shall hold meetings at the Association's principal office or at such other suitable place the Board may designate.

3.2. Association Meetings.

(a) *General.* Association meetings shall be of the Members. The first Association meeting, whether a regular or special meeting, shall be held within one year after the Association's incorporation.

(b) *Annual Meetings.* The Board shall schedule regular annual meetings to occur within 90 days before or after the close of the calendar year, on such date and at such time and place as the Board shall determine. At the annual meeting, the President shall report on the activities and financial condition of the Association.

(c) *Special Meetings.* The President or the Secretary shall call a special meeting if so directed by Board resolution or upon a written petition of Members representing at least 10% of the total votes in the Association describing the purpose or purposes for which the special meeting is demanded.

3.3. Notice of Meetings.

The President, the Secretary, or the officers or other persons calling a meeting of the Members shall deliver or cause to be delivered to each Member entitled to vote at such meeting a written notice stating the place, day, and hour of the meeting. In the case of a special meeting or when otherwise required by statute, the Charter, or these By-Laws, the purpose or purposes for which the meeting is called shall also be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

In addition, when giving notice of an annual, regular, or special meeting of the Association, the notice shall describe any matter a Member intends to raise at the meeting if:

(a) requested in writing to do so by a Person or the Persons authorized to call a special meeting; and

(b) the request is received by the Secretary or President at least 10 days before the Association gives notice of the meeting.

Such notice shall be delivered by such means as permitted under Section 10.5, at least 10 but not more than 60 days before the date of such meeting if delivered by first class or registered mail, and if delivered by means other than by first class or registered mail, at least 30 days but not more than 60 days before the date of such meeting.

3.4. Waiver of Notice.

Waiver of notice of an Association meeting shall be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any Association meeting, either before or after such meeting. A Member's attendance at a meeting shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

3.5. Adjournment of Meetings.

If any Association meeting cannot be held because a quorum is not present, the Members representing a majority of the votes present at

such meeting may adjourn the meeting to a time at least 5 but not more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Board shall provide notice to the Members of the time and place for reconvening the meeting in the manner prescribed for regular meetings. A determination of the eligible voting Members pursuant to Section 3.11 is effective for any reconvened meeting unless the Board fixes a new date for determining the right to vote.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Members to leave less than a quorum, provided at least a majority of the votes required to constitute a quorum must approve any action taken.

3.6. Voting.

The presence, in person or by proxy, or the filing of ballots of Owner Members representing at least 20% of the total votes attributable to Units shall constitute a quorum for any meeting or election.

3.7. Proxies.

A Member is entitled personally to cast the vote for his Unit on any matter, he or she may vote in person or by proxy, subject to the limitations of Idaho law and subject to any specific provision to the contrary in the Charter or these Restated By-Laws.

Every proxy shall be in writing, shall identify the Unit for which it is given, shall be signed by the Member or the Member's duly authorized attorney-in-fact, and shall be dated and filed with the Association's Secretary prior to the meeting

for which it is to be effective. Unless the proxy specifically provided otherwise, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

An appointment of a proxy is valid for 11 months from the date of the proxy unless a different period is expressly provided in the proxy; provided, no proxy shall be valid for more than three years from its date of execution. Every proxy is revocable at any time at the pleasure of the Member who executes the proxy.

3.8. Quorum.

(a) The presence of Members or their proxies entitled to cast at least 20% of the total votes in the Association shall constitute a quorum at any membership meeting, and the casting of ballots representing at least 20% of the total votes in the Association shall constitute a quorum for any membership vote conducted by means other than at a meeting; provided, if a quorum is not established at any meeting when initially called or for any membership vote when initially conducted, then the quorum for any subsequent attempt to convene such meeting or conduct such membership vote shall be reduced to 10%.

(b) Notwithstanding the quorum requirements above, unless Members holding or representing, as applicable, one-third or more of the total votes in the Association are present in person or by proxy at a meeting, or are participating in a vote by ballot in lieu of a meeting, the only matters that may be voted upon at an annual or regular Association meeting are those matters described in the meeting notice.

3.9. Conduct of Meetings.

The President or a Board-approved designee shall preside over all Association meetings. The

Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Association's books.

3.10. Action Without a Meeting.

(a) Any action required by the Charter, the Articles, or Idaho law to be taken at a membership meeting may be taken without a meeting, without prior notice, and without a vote if approved by Members representing at least 80% of the total votes in the Association. Such approval shall be evidenced by written consents specifically authorizing the proposed action, dated and signed by Members holding the requisite votes. The Association need not give prior notice before soliciting such consent; however, the Association must send written consent forms to all Members for action authorized pursuant to this subsection to be valid. Members shall sign, date, and deliver such consents to the Association within 60 days after the Association's receipt of the earliest dated consent.

The record date for determining the eligible votes represented by Members shall be the date the first Member signs a consent. The Association's Secretary shall file (or cause to be filed) such consents with the Association's minutes, and the consents shall have the same force and effect as a vote of the Members at a meeting. If there are Members who did not sign a written consent to the action, the Association shall give such Members written notice of approval of the action by written consent, and approval pursuant to this subsection (a) shall be effective 10 days after such written notice of approved action is given.

(b) Alternatively, any action that may be taken at a meeting of the Members may be taken without a meeting if: (i) the Board delivers a written ballot to every Member entitled to vote on the action setting forth each proposed action and providing an opportunity to vote for or against each proposed action; (ii) the number of votes

cast by ballot equals or exceeds the quorum required for a meeting to consider such action; and (iii) the number of votes cast in favor of the proposed action equals or exceeds the number of votes required to approve such action. Voting instructions or solicitations for any vote conducted in a manner other than at a meeting must indicate the number of responses needed to meet the quorum requirement, state the percentage of votes necessary to approve each matter other than election of directors, and specify the time by which a ballot must be received by the Board in order to be counted. A written ballot once cast may not be revoked.

3.11. Establishment of Voting Eligibility.

(a) Establishment of Eligible Voting Members. Except as specifically provided in Section 3.10(a), for purposes of determining those Members who are eligible to vote at an Association meeting, the record date for determining voting eligibility shall be five business days prior to the date of the meeting or date a written ballot is delivered to Members.

(b) Members' List for Meeting.

(i) After sending notice of any Association meeting (or sending ballots or written requests for an action without a meeting pursuant to Section 3.10), the Board shall prepare an alphabetical list of the Members showing, in alphabetical order, the name and address of each Member and the number of votes represented. The list of Members prepared pursuant to this subsection (i) must be available for inspection by any Member for the purpose of communication with other Members concerning the meeting, beginning two business days after the notice of the meeting is given and continuing through the meeting at the Association's principal office or at a reasonable place identified in the meeting notice.

(ii) After fixing the record date for determining eligible voters pursuant to subsection (a), the Board shall prepare an

alphabetical list of the Members showing, in alphabetical order, the name and address of each Member eligible to vote. The list of eligible votes prepared pursuant to this subsection (ii) must be available for inspection by any Member for the purpose of communication with other Members concerning the meeting, beginning one business

day after the record date for determining voting eligibility and continuing through the meeting.

ARTICLE 4

BOARD OF DIRECTORS: SELECTION, MEETINGS, POWERS

A. Composition and Selection.

4.1. **Governing Body; Qualifications.**

The Board shall govern the Association's affairs. Each director shall have one vote. Except with respect to directors appointed by the Founder Member, directors shall be Unit Owners.

If an Owner is not an individual, any officer, director, partner, or any trust officer of such Owner shall be eligible to serve as a director unless a written notice to the Association signed by the Owner specifies otherwise. However, no Owner may have more than one such representative on the Board at a time except in the case of directors the Founder Member appoints.

4.2. **Number of Directors.**

The Board shall consist of three to five directors, as provided in Section 4.3.

4.3. **Selection of Directors; Term of Office.**

(a) **Initial Board.** The initial Board consisted of the three directors identified in the Articles of Incorporation.

(b) **Directors During Founder Control Period.** Except as otherwise provided in this subsection, the Founder Member may appoint, remove, and replace Board members until termination of the Founder Control Period. During such period, the Members shall be entitled to elect a minority of the total number of directors according to the following schedule (directors elected by the Members are referred to as "Owner Directors"):

(i) Within 60 days after the time that Owners other than Builders own 25% of the maximum number of Units permitted by the applicable zoning for the property described in the Master Plan or whenever the Founder earlier determines, the President shall call for an election by which the Members, as a group, shall be entitled to elect one of the three directors, who shall be elected at large. The remaining directors shall be appointees of the Founder Member. The Owner Director shall be elected for a term of two years or until the happening of the event described in subsection (b)(ii) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b)(ii), a successor shall be elected for a like term.

(ii) Within 60 days after the time that Owners other than Builders own 50% of the maximum number of Units permitted by the applicable zoning for the property described in the Master Plan or whenever the Founder earlier determines, the Board shall be increased to five directors, and the President shall call for an election by which the Members, as a group, shall be entitled to elect two of the five directors, who shall be elected at large. The Founder Member shall appoint the remaining three directors. The Owner Directors shall be elected for a term of two years or until the happening of the event described in subsection (c)(i) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c)(i) below, successors shall be elected for a like term.

TRANSITION OF CONTROL OF BOARD OF DIRECTORS				
Initial Board	25% of Total Units Conveyed	50% of Total Units Conveyed	Termination of Founder Control Period	Termination of Founder Membership
Founder	Owner	Owner	Owner	Owner
Founder	Founder	Owner	Owner	Owner
Founder	Founder	Founder	Owner	Owner
		Founder	Owner	Owner
		Founder	Founder	Owner

(c) *Directors After the Founder Control Period.*

(i) Not later than termination of the Founder Control Period, the President shall call for an election by which the Members shall be entitled to elect five directors, with any remaining directorships filled at large by the votes of all Members. Two directors shall be elected to serve until the second annual meeting following their election, and two directors shall be elected to serve until the third annual meeting following their election, as such directors determine among themselves.

(ii) The Founder Member shall be entitled to appoint, remove, and replace the fifth director until termination of the Founder Membership, at which time the director appointed by the Founder Member shall resign. The remaining directors shall be entitled to appoint a successor to fill the vacancy until the next annual meeting, at which time the Members, voting at large, shall be entitled to elect a successor who shall be elected for a term of two years.

(iii) Upon expiration of the term of office of each Owner Director, the Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years. Owner Directors shall hold office until their respective successors have been elected. Directors may serve any number of consecutive terms.

The diagram above illustrates the concept of transition of control of the Board during and after the Founder Control Period.

(d) *Term Commencement.* The commencement of the term for any Owner Directors elected by the Members shall be January 1st of the year following the annual meeting in which the Owner Director was elected.

4.4. Nomination and Election Procedures.

(a) *Nomination of Candidates.*

(i) At least 30 days prior to any election of Directors by the Members, the Board shall appoint a Nominating Committee consisting of a chairman, who shall be a Board Member, and three or more Members, who may or may not be Board Members. The Nominating Committee shall serve a term of one year or until its successors are appointed. The names of the Nominating Committee Members shall be disclosed in the notice of the Annual meeting for the election of Directors.

(ii) In preparation for each election of Directors, the Nominating Committee shall meet and make as many nominations for election to the Board as the Board shall in its discretion determine, but in no event less than the number of positions to be filled by the Members at such election.

(iii) At least 30 days prior to the election of Directors, the President shall call for and

schedule a meeting of the Association for the purpose of soliciting floor nominations of Directors (the “**Nomination Meeting**”).

(iv) *Background Check for Nominees.* A nominee candidate shall submit to a background check (in form and content as determined by the Board, in its discretion) for the purpose of aiding the Board’s evaluation of the nominee candidate’s qualifications to serve and perform duties and responsibilities of Directors.

(v) *Slate of Nominee Candidates.* The Board shall create a slate of nominee candidates from the Nominating Committee’s list and those nominated from the floor at the Nomination Meeting (the “**Final Slate**”), each of whom shall have submitted to a background check in accordance with the following policies and procedures.

(b) Procedures for Selecting Nominee Candidates.

(i) Each nominee candidate shall fill out a background check consent form upon agreeing to be considered as a Board nominee.

(ii) All background checks will be submitted to a third-party vendor qualified and capable of performing the background check.

(iii) Nominee candidates declining to undergo a background check shall be disqualified from the Final Slate of candidates for the election of Directors.

(c) Background Check Scope. All background checks may encompass any sources, including, without limitation, the following:

(i) Criminal History Check.

(ii) Social Security Number Validation.

(iii) Sex & Violent Offender Registry Check.

(iv) Credit Record.

(d) Nomination Candidate’s Duty to Disclose. Except for minor traffic violations, a nominee candidate will be automatically disqualified from the Final Slate if they fail to accurately complete a Board approved background check authorization form.

(e) Confidential. Background check information secured for the purpose of evaluating the qualification of a Board nomination candidate shall be confidential. For the purposes of making decisions, report contents or portions of the content may be shared with any member of the Nominating Committee or the Board.

(f) Opportunity to be Heard and Solicit. All candidates on the Final Slate shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes, including providing a short, written description of the candidate’s qualifications and reasons for wanting to serve as a Director, and the opportunity to speak at the Annual meeting of the Members in which the election of Directors is held.

(g) Election Procedures. At each election, voting shall be by written ballot. Each Member may cast votes assigned to the Unit(s) she or he represents for each position to be filled from any slate of candidates on which such Member is entitled to vote.

In the event of a tie vote on any slate, the Members entitled to vote on such slate shall be informed of the tie vote and given the opportunity to discuss the candidates among themselves in an effort to resolve the tie before another vote is taken. If the second vote again results in a tie, then the Board shall call for election of the director(s) from such slate by the Members. Such election shall be held by mail, with ballots to be sent by first class mail to each Owner entitled to vote on such slate within 10 days after the meeting at which the original election was held.

4.5. Removal of Directors and Vacancies.

Any Owner Director may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. In addition, the notice of any meeting at which removal of an Owner Director shall be proposed must state that the purpose, or one of the purposes, of the meeting is to seek removal of the director. An Owner Director may be removed by the Members only if the number of votes cast to remove the director would be sufficient to elect the director at an election of directors. Upon removal of a director by the Members, the Members entitled to elect the removed director shall elect a successor for the remainder of the term of such director.

At any Board meeting at which a quorum is present, a majority of the directors may remove any Owner Director who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or resides in a Unit owned by an Owner who is so delinquent) in the payment of any assessment or other charge due the Association. The Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of an Owner Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Members entitled to fill such directorship shall elect a successor for the remainder of the term.

Any director whom the Board appoints shall be selected from among eligible Owners or residents. Directors appointed by the Board to fill the vacancy of a director elected by the Members may only be removed for cause, which includes, but is not limited to, missing meetings and delinquencies as provided in this section.

This section shall not apply to directors the Founder Member appoints. The Founder Member may appoint a successor to fill any vacancy on the Board resulting from the death, disability, or resignation of a director appointed by the Founder Member.

B. Meetings.

4.6. Organizational Meetings.

The Board shall hold an organizational meeting within 10 days following each annual Association meeting at such time and place as the Board shall fix.

4.7. Regular Meetings.

The Board shall hold meetings at such time and place as any Director shall request.

4.8. Special Meetings.

The President, Vice President, or any two directors may call a special meeting of the Board.

4.9. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall notify each director of meetings by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission.

All such notices shall be given at or sent to the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Association's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least five business days before the day of the meeting. The

Board shall give notices by personal delivery, telephone, or electronic communication at least 72 hours before the time set for the meeting.

(b) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

4.10. Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

4.11. Quorum of Board.

At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the Board's decision, unless Idaho law, these By-Laws, or the Charter specifically provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present may adjourn the meeting to a time not less than five nor more than 30 days from

the date of the original meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

4.12. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions and all transactions occurring at such meetings are included in the Association's records.

4.13. Open Meetings; Executive Session.

(a) Subject to the provisions of Section 4.13(b) and Section 4.14, all Board meetings shall be open to all Members, but only directors may participate in any discussion or deliberation unless a director requests that attendees be granted permission to speak. In such case, the President may limit the time any such individual may speak.

(b) Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss matters of a sensitive nature, such as proposed, pending, or threatened litigation, or other matters specified by law.

(c) Notwithstanding the above neither the Board nor its officers or any agents are required to provide any written, verbal or other notice to the Members of any Board meeting.

4.14. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all of the directors sign a written consent, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote. Action taken under this section is effective when the last director signs the

consent, unless the consent specifies a different effective date.

C. Powers and Duties.

4.15. Powers.

The Board shall have the power to administer the Association's affairs, perform the Association's responsibilities, and exercise the Association's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Governing Documents or Idaho law require to be done and exercised exclusively by the Members.

4.16. Duties.

The Board's duties shall include, without limitation:

(a) preparing and adopting, in accordance with the Charter, an annual budget establishing each Owner's share of the Common Expenses and any Service Area Expenses;

(b) levying and collecting assessments from the Members;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility consistent with the Community-Wide Standard;

(d) designating, hiring, and dismissing personnel necessary to carry out the Association's rights and responsibilities and where appropriate, providing for compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) opening bank accounts on the Association's behalf and designating the signatories required;

(f) depositing all funds received on the Association's behalf in a bank depository which

it shall approve and using such funds to operate the Association; however, in the Board's business judgment any reserve funds may be deposited in depositories other than banks;

(g) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Governing Documents;

(h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Association; however, the Association's obligation in this regard shall be conditioned in the manner provided in the Charter;

(i) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Charter, paying the cost thereof, and filing and adjusting claims, as appropriate;

(j) paying the cost of all services rendered to the Association;

(k) keeping a detailed accounting of the Association's receipts and expenditures;

(l) making available to any prospective purchaser of a Unit, any Member, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 10.4; and

(m) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Idaho law, the Articles, or these By-Laws.

4.17. Conflicts of interest.

Unless otherwise approved by a majority of the other directors, no Owner Director may transact business with the Association or any

Association contractor during his or her term as director or within two years after the term expires. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members.

Notwithstanding the above, directors appointed by the Founder Member may be employed by or otherwise transact business with the Founder or its affiliate, and the Founder may transact business with the Association or its contractors.

4.18. Transition From Founder to Owner Control.

Transition is a process by which control of the Board gradually shifts from the Founder to the Owners. The process concludes upon termination of the Founder Control Period, when the Members will elect the entire Board. At that time, the Owners, through their newly elected Board, will take responsibility for fulfilling the Association's responsibilities and exercising the Association's authority under the Governing Documents without the direct guidance or involvement of the Founder or Founder appointed directors.

In anticipation of termination of the Founder Control Period, the Founder Member shall communicate with the Members regarding the transition process, the anticipated timeline for transition, what to expect during and after the transition, and opportunities for Member participation. Such communication may be in writing or through one or more "town hall" meetings at which Members have the opportunity to ask and obtain answers to questions in order to gain a better understanding of the transition process.

The Founder Member may, but shall not be required to, establish a transition committee comprised of Members for the purpose of involving the Members in facilitating a smooth transition of control of the Board from directors appointed by the Founder Member to directors elected by the Members and to help prepare the Board and the Members to assume responsibility for carrying on Association operations once the Founder and its representatives are no longer directly involved.

The Board may, as a Common Expense, retain industry professionals, including association managers, attorneys, engineers, and accountants, as it deems necessary or appropriate to assist the Board in preparing for transition and to assist any transition committee in performing the responsibilities delegated to it.

ARTICLE 5

OFFICERS

5.1. Officers.

The Association's officers shall be a President, Vice President, Secretary, and Treasurer. The President and Secretary shall be elected from among the Board members; other officers may, but need not, be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

5.2. Election and Term of Office.

The Board shall elect the Association's officers at the first Board meeting following each annual meeting of the Association, to serve until their successors are elected.

5.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Association's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

5.4. Powers and Duties.

The Association's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Association's chief executive officer. The Treasurer shall have primary responsibility for preparing the Association's budgets as provided for in the Charter, and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall have responsibility for preparing minutes of the Board and the Association and for authenticating the Association's records.

5.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 6

COMMITTEES

6.1. General.

In compliance with Section 30-3-79 of the Act, the Board may appoint any committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. The Board may delegate such powers as are necessary to perform the committees' assigned duties, but, except as otherwise provided in these By-Laws or the Charter, the Board shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 4.16. Each committee member shall serve at the pleasure of the Board, and only the Board shall have the authority to appoint or remove committee members or fill any vacancies on the committee.

Each committee shall operate in accordance with the terms of such Board resolution. In the conduct of its duties and responsibilities, each committee shall abide by the notice and quorum requirements applicable to the Board under Sections 4.9, 4.10, and 4.11. Except as otherwise provided by Board resolution or the Governing Documents, members of a committee may act by unanimous written consent in lieu of a meeting.

6.2. Covenants Committee.

In addition to any other committees that the Board may establish pursuant to Section 6.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members acting in accordance with the provisions of the Charter, these By-Laws and any resolutions the Board may adopt. The Board may delegate to the Covenants Committee the duty of reviewing potential violations of the Governing Documents, correspondence with the Owner of the Unit in connection with any alleged violation, and serving as a hearing tribunal of the Board; provided however if the hearing is for the purpose

of imposing a fine on a Member for a violation of any covenants and restrictions, the hearing shall be conducted by the Board of the Association. The Covenants Committee, if established, shall refer to the Board any violation of the covenants and conditions in which the Covenants Committee recommends the imposition of a fine. In such cases, the Covenants Committee shall remit to the Board a written report that provides the Board with copies of any Compliance correspondence previously delivered to the Member and the response, if any, from the Member and/or a description of actions taken or actions failed to be taken by the Member after the Member's receipt of the Compliance violations.

6.3. Service Area Committees.

The Owners within any Service Area which has no formal organizational structure or association may elect a Service Area Committee to determine the nature and extent of services, if any, which it desires to have the Association provide to the Service Area, over and above those services which the Association provides to all Units in Legacy. A Service Area Committee, if elected, shall consist of three Members in the Service Area; however, if approved by the vote of at least 51% of the Members within the Service Area, the number may be increased to five.

Elections of Service Area Committees may be held by written ballot sent to all Owners of Units within the Service Area, or at a meeting of the Members within the Service Area, as the Board determines. The Board or any Member in the Service Area may nominate candidates for election to the Service Area Committee. That number of candidates equal to the number of positions to be filled receiving the most votes shall be elected. Service Area Committee members shall be elected for a term of one year or until their successors are elected. Any director

elected to the Board from a Service Area shall be an ex officio member of the Service Area Committee. The members of the committee shall elect a chairperson from among themselves, who shall preside at its meetings and shall be

responsible for transmitting any and all communications to the Board.

Meetings of a Service Area Committee shall be open to all Members in the Service Area and their representatives.

ARTICLE 7

STANDARDS OF CONDUCT, LIABILITY, AND INDEMNIFICATION

7.1. Standards for Directors and Officers.

The Board shall exercise its powers in a reasonable, fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

In performing their duties, directors and officers shall discharge such duties in good faith, and shall be insulated from liability as provided for directors of corporations under Idaho law and as otherwise provided by the Governing Documents. Directors and officers shall discharge their duties as directors or officers, and as members of any committee to which they are appointed, in a manner that the director or officer believes in good faith to be in the best interest of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under Idaho law.

7.2. Liability.

(a) A director or officer shall not be personally liable to the Association, any Member, or any other Person for any action taken or not taken as a director or officer if he or she has acted in accordance with Section 7. 1.

(b) To the extent consistent with Idaho law, a director also shall not be personally liable for any action taken or not taken as a director if the director:

(i) acts within the expressed or implied scope of the Governing Documents and his or her actions are not *ultra vires*;

(ii) affirmatively undertakes to make decisions which the director reasonably believes are necessary for the Association's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he has a conflict of interest (beyond that which all directors have by virtue of their ownership or occupancy of a Unit); and

(iv) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs.

(c) The Association's officers, directors, and committee members of shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on the Association's behalf (except to the extent that such officers or directors may also be Members).

7.3. Indemnification.

Subject to the limitations of Idaho law and the Governing Documents, the Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that the Association shall have no obligation to indemnify any individual against

liability or expenses incurred in connection with a proceeding:

(a) brought by or in the right of the Association, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under Idaho law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

(i) appropriation, in violation of his or her duties, of any business opportunity of the Association; or

(ii) intentional misconduct or knowing violation of the law; or

(iii) an unlawful distribution to members, directors or officers; or

(iv) receipt of an improper personal benefit.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.4. Advancement of Expenses.

In accordance with the procedures and subject to the conditions and limitations set forth in Idaho law, the Board may authorize the Association to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, director or committee member in any proceeding to which he or she may be a party by reason of being or having been

an officer, director, or committee member of the Association.

7.5. Report of indemnification to Members.

If the Association indemnifies or advances expenses to a director or officer under Section 30-3-88 of the Act or these By-Laws, in connection with a proceeding by or in the right of the Association, the Association shall report the indemnification or advance in writing to the Members, as applicable, with or before the notice of the next meeting of the Members.

7.6. Board and Officer Training.

The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable Idaho corporate and non-profit corporate law principles, other issues relating to administering community affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. Each newly elected officer and director shall be encouraged to complete a training seminar within the first six months of assuming such position. The seminar may be live, video or audiotape, or in other format. The cost of such seminar shall be a Common Expense.

The Board also may provide, or provide for, Member and resident education designed to foster a better understanding of Idaho's governance and operations, and leadership training classes designed to educate Members of the nomination, election, and voting processes and the duties and responsibilities of directors and officers.

ARTICLE 8

ARTICLES MANAGEMENT AND ACCOUNTING

8.1. Compensation of Directors and Officers.

The Association shall not compensate directors and officers for acting as such unless Members representing a majority of the total votes in the Association approve such compensation at an Association meeting. The Association may reimburse any director or officer for expenses he or she incurs on the Association's behalf upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director or officer, or any entity with which a director or officer is affiliated, for services or supplies he or she furnishes to the Association in a capacity other than as a director or officer pursuant to a contract or agreement with the Association. However, such director must make known his or her interest to the Board prior to entering into such contract, and a majority of the Board, excluding any interested director, must approve such contract.

8.2. Right of Founder Member to Disapprove Actions.

So long as there is a Founder Membership, the Founder Member shall have a right to disapprove any action, policy, or program of the Association, the Board and any committee which, in the Founder Member's sole judgment, would tend to impair rights of the Founder or Builders under the Charter or these By-Laws, interfere with development or construction of any portion of Legacy, or diminish the level of services the Association provides. The Board shall not implement any action, policy, or program subject to the right of disapproval set forth herein until and unless the requirements of this section have been met.

(a) Notice. The Association shall give the Founder Member written notice of all meetings of

the membership, the Board, and committees and any actions which any of them propose to take by written consent in lieu of a meeting. The Association shall give such notice by certified mail, return receipt requested, or by personal delivery at the address the Founder Member has registered with the Association. Such notice shall comply as to Board meetings with Section 4.9, and shall, except in the case of regular Board meetings pursuant to these By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting.

(b) Opportunity to be Heard. At any such meeting, the Association shall give the Founder Member the opportunity to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

The Founder Member, its representatives, or its agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Founder Member, acting through any officer or director, agent, or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action.

The Founder Member may use this right to disapprove to block proposed actions but shall not use it to require any action or counteraction of any committee, the Board, or the Association. The Founder Member shall not use its right to disapprove to reduce the level of services the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

8.3. Managing Agent.

The Board may employ for the Association professional management agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 4.16. The Board may employ the Founder or its affiliate as managing agent or manager.

The Board may delegate to one of its members the authority to act on its behalf on all matters relating to the duties of the managing agent or manager which might arise between Board meetings.

The Association shall not be bound, either directly or indirectly, by any management contract with a third party management company or with an Association hired employee that extends beyond three years following the termination of the Founder Control Period, unless such contract contains a right of termination, which may be exercised by the Association, with or without cause, and without penalty, at any time after termination of the three year anniversary of the termination of the Founder Control Period.

The managing agent shall not accept remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association. The managing agent shall promptly disclose to the Board any financial or other interest that it may have in any firm providing goods or services to the Association.

8.4. Accounts and Reports.

(a) The Board shall follow the following accounting standards unless the Board by resolution specifically determines otherwise:

(i) accounting and controls should conform to OCBOA; and

(ii) the Association's cash accounts shall not be commingled with any other accounts, and during the Founder Control Period, operating accounts shall not be commingled with reserve accounts;

(b) Commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association within 60 days after the end of each quarter:

(i) an income statement reflecting all income and expense activity for the preceding period;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Members who are delinquent in paying any assessments at the time of the report (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless the Board specifies otherwise by resolution). A copy of the quarterly financial report shall be made available at no charge to any Member requesting a copy.

(c) An annual report consisting of at least the following shall be made available for Members' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating

(income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines. If the annual report is reported upon by a public accountant, the accountant's report must accompany the annual report. If the annual report is not reported upon by a public accountant, the report must be accompanied by the statement of the President or the person responsible for the Association's financial records:

(i) stating the President's or other person's reasonable belief as to whether the statements were prepared on the basis of OCBOA, and if not, describing the basis of preparation; and

(ii) describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

8.5. Borrowing.

The Association shall have the power to borrow money for any legal purpose. However, the Board shall obtain Member approval in the

same manner provided in the Charter for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 20% of the Association's budgeted gross expenses for that fiscal year.

8.6. Right to Contract.

The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, any Neighborhood Association, and other owners or residents associations within and outside Legacy.

8.7. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Association agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

ARTICLE 9

ENFORCEMENT PROCEDURES

The Association shall have the power, as provided in the Charter, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Charter, the Board shall comply with the following procedures prior to imposition of sanctions:

9.1. Notice and Response.

The Board or its delegate shall serve the alleged violator with written notice describing (a) the nature of the alleged violation; and (b) the proposed sanction to be imposed. Unless the proposed sanction to be imposed is a fine, the written notice shall also set forth: (a) that the alleged violator shall have 30 days to present a written request for a hearing; and (b) a statement that a proposed sanction may be imposed as contained in the notice unless a hearing is requested within 30 days of the notice.

If the proposed sanction is a fine, then the written notice shall (a) provide the alleged violator with the place and time for a hearing by the Board of the Association at least 30 days prior to the meeting during which a vote is to be taken by the Board on whether to impose a fine on the Member. The notices required in this Section 9.1 shall be by personal service or certified mail to the last known address of the violator shown on the Association's records.

The alleged violator may respond to the notice of the alleged violation in writing prior to the meeting, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing prior to the meeting, the Board may, but shall not be obligated to, waive the hearing to consider the imposition of a sanction. Such waiver shall not constitute a waiver of the right to

sanction future violations of the same or other provisions and rules.

Prior to the effectiveness of sanctions imposed pursuant to this Article, proof of proper notice shall be placed in the minutes of the Board or Covenants Committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator, or its representative, appears at the hearing.

9.2. Hearing.

A hearing shall be held before the imposition of any sanction. If the proposed sanction is the imposition of a monetary fine, the hearing shall be held before the Board. Otherwise, the Board may delegate the hearing to a Covenants Committee, if it has been created. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting of the Covenants Committee or the Board, as applicable, shall contain a written statement of the results of the hearing (i.e., the Board's or Covenants Committee's decision) and the sanction, if any, to be imposed.

9.3. Appeal.

Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To exercise this right, the violator must deliver a written notice of appeal to the Association's manager, President, or Secretary within 10 days after the hearing date.

ARTICLE 10

MISCELLANEOUS

10.1. Fiscal Year.

The Association's fiscal year shall be the calendar year unless the Board establishes a different fiscal year by resolution.

10.2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Idaho law or the Governing Documents.

10.3. Conflicts.

If there are conflicts among the provisions of Idaho law, the Articles of Incorporation, the Charter, and these By-Laws, the provisions of Idaho law, the Charter, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

10.4. Books and Records.

(a) Maintenance of Books and Records. The Association shall maintain the following books and records, in addition to any additional records required to be maintained by Idaho law, either in written form or in a form capable of conversion into written form within a reasonable time:

(i) the Governing Documents; resolutions adopted by the Board relating to the rights, limitations, and obligations of Members; minutes of all Association meetings and records of all actions approved by the Members for the past three years; all written communications to Members within the past seven years, including financial statements furnished for the past seven years; a list of the names and business or home address of the current directors and officers; and

the Association's most recent annual report delivered to the Secretary of State; and

(ii) appropriate accounting records; minutes of all Board meetings; a record of all actions taken by Members or the Board without a meeting; a record of all actions taken by a committee appointed by the Board; and a membership roster reflecting the name and mailing address of all Members, in alphabetical order, along with the address of each Unit owned by the Member.

(b) Turnover of Books and Records. Within 90 days after termination of the Founder Control Period, the Founder shall deliver to the Association all property, books and records of the Association.

(c) Inspection by Members and Mortgagees. Within 15 days after receipt of a written request to inspect the Association's books and records, the Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and location as the Board may specify any of the books and records described in subsection (a) and any other records as required by Idaho law specified in the request; provided, such Persons shall only be entitled to inspect and copy the books and records enumerated in subsection (a)(ii) if the request is made in good faith and for a proper purpose reasonably related to his or her interest in a Unit, the Person describes with reasonable particularity the purpose, and the records the Person desires to inspect are directly connected with this purpose. Notwithstanding the foregoing, the Board may restrict or deny inspection of confidential information in accordance with Idaho law.

(d) Rules for Inspection. The Board shall establish rules with respect to:

(i) the frequency and manner of inspection;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing documents requested.

(e) Limitations on Use of Membership List. Notwithstanding any other provision of this Section 10.4, no membership list or any part thereof, however obtained, may be used by any Person for any purpose unrelated to a Member's interest as a Member without the Board's consent.

Without limiting the generality of the foregoing, without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property unless such money or property will be used to solicit the votes of the Members in an election held by the Association, used for any commercial purpose, or sold to or purchased by any Person.

(f) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties owned or controlled by the Association. A director's right of inspection includes the right to make a copy of relevant documents at the Association's expense.

(g) Form of Records. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

10.5. Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in the Charter or these By-Laws or by Idaho law, all notices,

demands, bills, statements, or other communications under the Charter or these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

(b) Delivery Address. Notices shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, telephone facsimile number, or email address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member;

(ii) if to the Association, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of the Association or its managing agent, or at such other address as the Association shall designate by notice in writing to the Members pursuant to this section; or

(iii) if to the Founder, at the Founder's principal address as it appears on the Secretary of State's records, or at such other address as the Founder shall designate by notice in writing to the Association pursuant to this section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States mail, five days after its deposit with the U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) if sent by telephone facsimile or electronic mail, upon transmission in a manner authorized by the recipient, as evidenced by a printed confirmation of transmission.

10.6. Amendment.

(a) **By Founder Member.** Prior to termination of the Founder Control Period, the Founder Member may unilaterally amend these By-Laws for any purpose. Thereafter, the Founder Member or the Board may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; or (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Units.

Notwithstanding the above, any amendment to these By-Laws to increase or decrease the vote required for any action of the Members shall require the approval of the Members, as applicable, as provided in subsection (b).

(b) **By Members Generally.** Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 67% of the total votes in the Association, and the consent of the Founder Member, if such exists. In addition, the approval requirements set forth in Chapter 15 of the Charter shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

If a proposed amendment to these By-Laws is to be considered at an Association meeting, the notice must state that the purpose or one of the purposes of the meeting is to consider the proposed amendment, and the notice must contain or be accompanied by a copy or summary of the proposed amendment. If the Board seeks to have an amendment approved by Members by written consent or ballot in lieu of a meeting, the material soliciting the approval shall contain or be accompanied by a copy or summary of the amendment.

(c) **Validity and Effective Date of Amendments.** Amendments to these By-Laws shall become effective upon the later of the date the amendment is posted on the Legacy Community Association website or the date of execution by the authorized agent unless a later effective date is specified therein (“**Effective Date**”). Any procedural challenge to an amendment must be made within one month of its Effective Date, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of Founder or the Founder Member without the written consent of Founder, the Founder Member, or the assignee of such right or privilege.

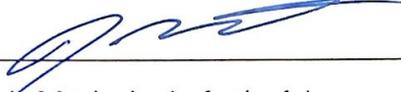
10.7 Security.

The Board shall have the authority to engage any security personnel should the Board in its discretion consider security advisable for any Association meeting or Board meeting.

The above Amended and Restated By-Laws of Legacy Community Association have been made by the undersigned, Red Butte, LLC, an Idaho limited liability company, the current Founder, by its authorized agent this 14th day of November 2022.

RED BUTTE, LLC,

By



Justin Martin, its Authorized Agent