

The Boulders Club Bylaws

(3/10/23) (rev. 3/16/23)

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BYLAWS

AMENDED AND RESTATED MARCH __, 2023

ARTICLE 1.

Club Name and Purpose

1.1 Name. The Boulders Club (“*The Boulders*”) is wholly owned by CP Boulders, LLC, a Delaware limited liability company.

1.2 Membership. All memberships in The Boulders (“*Memberships*”) are subject to Club Documents. Certain individuals who acquired Memberships prior to the Effective Date of these Bylaws (*the “Original Members”*) may have rights and/or obligations different from or in addition to those set forth herein.

1.2.1 All Memberships are non-equity in nature, confer only the right to use The Boulders and the Club Facilities as provided in the Club Documents, and provide no ownership right for any Member in The Boulders or the Club Facilities.

1.2.2 At present, The Boulders offers three Membership classifications: Premier Golf, Premier Social, and Premier Clubhouse. There are two sub-classifications of each Membership classification, Individual and Family. A Premier Golf Membership issued on or after the Effective Date is partially refundable as set forth in the Club Documents applicable to such Membership. Premier Social Memberships and Premier Club Memberships issued on or after the Effective Date are non-refundable. Any Membership acquired prior to the Effective Date is refundable or non-refundable as set forth in the Club Documents applicable to such Membership. The rights, privileges and obligations of each Membership classification are set forth in Article 3 below. The Boulders may also offer up to one-hundred (100) Associate Racquet Sport Memberships, on an annual renewable basis, to persons who do not own Residential Lots. Prior to May 23, 2008 (“*Prior Amendment Date*”), The Boulders also offered a limited number of Regular Golf, Regular Social, Regular Clubhouse, Premier Charter and Regular Charter Memberships, which are not being offered for acquisition by new Members.

1.3 Club and Non-Club Property. No Member has the right to access or use Club Facilities or to use property(ies) owned by The Boulders except as provided in the Club Documents applicable to the Member’s Membership.

1.3.1 Responsibility for Non-Club Property. The Boulders is not responsible for damage or loss to any property belonging to Members, their spouses, their Immediate Families, their Guests or other persons.

1.3.2 Removal of Club Property. A Member may not borrow or remove property belonging to The Boulders from any Club Facilities or use such property for any purpose other than that for which it was intended except as part of the normal operation of The Boulders or as expressly permitted by The Boulders Board of Directors (*the “Board”*) from time to time.

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1.3.3 *Damage to Club Property.* A Member must pay for any theft, loss, breakage and/or damage to any property owned or leased by The Boulders caused by the Member, his or her spouse, Immediate Family, Guests (including service providers engaged by or on behalf of the Member as applicable) or tenants, as assessed by The Boulders.

1.4 *The Boulders Development.* The Boulders and the Club Facilities are part of a first-class development of approximately 1,000 acres of real estate (“*The Boulders Development*”), that currently contains The Boulders, the Club Facilities, Residential Lots, the Resort, and commercial properties. Guests of the Resort have certain rights to use the Golf Courses and those portions of the Club Facilities not reserved for the exclusive use of the Members.

1.5 *Operation and Management of The Boulders.*

1.5.1 The Boulders will be managed and operated in a manner in accordance with the standards for comparable first-class golf facilities in the Phoenix metropolitan area.

1.5.2 The Boulders will employ The Boulders Manager and all other personnel necessary to meet this obligation. The Boulders staff will maintain traditions and policies through orientation of new Members and training of all golf, spa and food service staff.

1.5.3 The Boulders will engage an agronomic expert no less than once per year to evaluate the condition of the Golf Courses and confirm that the agronomic practices are consistent with other first-class golf facilities in the Phoenix metropolitan area. The report will be made available to the Advisory Committee pursuant to Section 11.5 hereof.

1.5.4 The Boulders will maintain adequate clubhouse facilities to accommodate normal Membership functions, in addition to offering smaller rooms for private gatherings or meeting.

1.5.5 The dining facilities will include casual and semi-formal areas for Members to eat and entertain Guests unless otherwise requested by the Membership. These facilities will be located to take advantage of the vistas from the Clubhouse.

ARTICLE 2.

Definitions

Defined terms in these Bylaws shall have the following meanings unless otherwise defined:

2.1 *Advisory Committee:* Shall have the meaning defined in Section 11.5 below.

2.2 *Agreement:* An individual Member’s Membership Agreement with The Boulders.

2.3 *Annual Trail Fee:* Shall have the meaning defined in Section 8.3.

2.4 *Applicant:* An individual submitting a Membership Application to The Boulders.

2.5 *Associate Racquet Sports Member:* Any individual granted an Associate Racquet Sports Membership under Article 7.

7.1. **2.6 Associate Racquet Sports Membership:** Shall have the meaning defined in Section

2.7 Board: Shall have the meaning in Section 1.3.2.

2.8 The Boulders: Shall have the meaning in Section 1.1.

2.9 The Boulders Development: The first-class development in which The Boulders and the Club Facilities are located, together with Residential Lots, the Resort and commercial properties, all as more fully described in Section 1.4.

2.10 The Boulders Manager: The manager employed by The Boulders to maintain and direct the day-to-day operations of The Boulders, The Boulders' staff, the Club Facilities, relations between The Boulders and its Members and such other tasks as may be designated from time to time by the Board.

2.11 The Boulders Membership Plan: A document that describes the benefits attendant to Premier Memberships in The Boulders that is part of the Club Documents for Premier Members.

2.12 The Boulders Spa: A spa located within the Resort that presently offers treatment rooms, a movement studio, a fitness room, with strength equipment, free weights and cardiovascular equipment, a swimming pool, members-only day locker areas and a boutique as changed from time to time as deemed appropriate to meet the needs of its clientele.

2.13 Bylaws: These Bylaws as amended and restated on the Effective Date, and as they may be further amended and restated from time to time.

2.14 Charges: All Dues, assessments, Food and Beverage Minimums, fines and other charges and fees assessed or otherwise implemented by The Boulders.

2.15 Club Documents: Collectively, (a) the Membership Application, (b) the Membership Agreement; (c) these Bylaws; (d) the Rules and Regulations; (e) policies and procedures established by The Boulders, and (f) as to Premier Members only, The Boulders Club Membership Plan, all of the above as may be amended from time to time.

2.16 Clubhouse: The structure in which the Fitness Center, locker room facilities for both men and women ("Locker Room Facilities"), the Club Pool and certain food and beverage facilities are located.

2.17 Clubhouse Transfer List: Shall have the meaning defined in Section 9.5.1.

2.18 Club Property: Collectively, the Club Facilities and any buildings, equipment, facilities, real and personal property, rights and interests now or hereafter existing, acquired or used in the operation, management and/or maintenance of The Boulders and the Club Facilities, and all replacements thereof.

2.19 Club Facilities: The following currently existing facilities: one of the two 18 hole Golf Courses, which is made available for Member play as provided herein; the Members-only

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driving range, putting green and chipping practice area; the Golf Pro Shop; the Tennis Courts; the Racquet Sports Pro Shop; the Members-only Fitness Center; the Swimming Pool Facilities; the Locker Room Facilities, including a Members-only lounge; the Food and Beverage Facilities; other Club Facilities currently located near the Golf Pro Shop; The Boulders Spa or its replacement facilities. Certain Club Facilities may be open for use by Resort guests and others permitted by The Boulders. The Board may close (either temporarily or permanently), renovate, modify, relocate or replace any of the foregoing Club Facilities so long as, by so doing, The Boulders complies with the requirements of Section 1.5.

2.20 Disciplinary Action: Shall have the meaning defined in Section 10.1.

2.21 Dues: Monthly amounts payable by a Member established from time to time under these Bylaws including, without limitation, Section 8.2 below.

2.22 Due Date: Shall have the meaning defined in Section 8.4.

2.23 Effective Date: March 10, 2023.

2.24 Family Membership: A Membership of any classification for which the Member has elected and has paid the Dues applicable to a Family Membership in such classification so that his natural and adopted children and the natural and adopted children of his or her spouse, who have been registered with The Boulders as required under Section 3.8.1 are entitled to the rights (other than voting rights) of such Membership.

2.25 Fitness Center: An area, located within the Clubhouse that presently consists of a movement studio and fitness room, with strength equipment, free weights and cardiovascular equipment, as changed from time to time as deemed appropriate to meet the needs of the Members and The Boulders.

2.26 Food and Beverage Minimum: The annual minimum amount that each Member in a particular Membership classification must spend on purchases of food and beverages, including alcoholic beverages offered at Club Facilities only and specifically excluding catered events, as established by the Board from time to time.

2.27 Golf Courses: Two Jay Morris-designed 18 hole golf courses, with one being the Member Course and the other being the Resort Course, as designated by The Boulders Manager.

2.28 Golf Members: Those Members holding Regular Golf Memberships or Premier Golf Memberships.

2.29 Golf Membership Cap: Shall have the meaning defined in Section 4.5.

2.30 Golf Pro Shop: A retail facility at The Boulders that offers golfing equipment and attire for purchase and provides a knowledgeable staff to assist with purchases.

2.31 Golf Transfer List: Shall have the meaning defined in Section 9.3.1.

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2.32 Guests: Individuals, other than Members, Member's spouse and, for Members holding Family Memberships, Members' Immediate Family, hosted by a Member, subject to the provisions of Section 3.8.4.

2.33 Initial Report: Shall have the meaning defined in Section 10.3.1.

2.34 Initiation Fee: Shall have the meaning defined in Section 3.3.

2.35 Immediate Family: For those Members holding a Family Membership, the Member's spouse and those natural or adopted children of the Member and/or the Member's spouse, who are under the age of twenty-three (23) and who are living at home.

2.36 Indemnified Parties: Shall have the meaning defined in Section 11.4.

2.37 Individual Membership: A Membership of any classification for which the Member has elected and has paid the Dues applicable to an Individual Membership in such classification. The spouse of a Member holding an Individual Membership is entitled to the same rights as the Member except that: (a) the spouse has no voting rights under Section 3.7 or otherwise; and (b) the spouse must pay the Guest Fee applicable to accompanied Guests of Members to play golf.

2.38 Investigative Report: Shall have the meaning defined in Section 10.3.2.

2.39 Locker Room Facilities: Separate locker room for men and women located in the Clubhouse.

2.40 Member: The holder of a Membership in The Boulders.

2.41 Member Course: The Golf Course designated by The Boulders Manager for use by Members of The Boulders.

2.42 Membership: Shall have the meaning defined in Section 1.2.

2.43 Membership Application: Shall have the meaning defined in Section 3.1.

2.44 Member Conduct Committee: A Standing Committee under Section 11.6 with the responsibilities described in Article 10 that shall be comprised of at least five (5) Members, three of which are selected by the Board and two of which are Members selected by the Advisory Committee.

2.45 Membership Plan: The Boulders Club Membership Plan, Amended and Restated as of May 2008, as it may be further amended from time to time, which shall be applicable only to Premier Golf, Premier Social and Premier Clubhouse Members.

2.46 Original Members: Those Members holding Memberships in The Boulders prior to the Effective Date.

2.47 Pickleball Courts: The Boulders presently operates four (4) pickleball courts and may increase or decrease the number of pickleball courts depending upon demand and other factors. The Pickleball Courts are open to use by Members (whose Member benefits include access to the Pickleball Courts), Resort guests and others permitted by The Boulders. The pickleball courts are unavailable for use by Members who acquired their Memberships prior to the Effective Date, but are available for use by Members who acquired their Memberships after the Effective Date.

2.48 Preferred Use of the Spa: Members entitled to “Preferred Use” of the Spa are able to enter the various amenities offered through the Spa in advance of Resort guests and other Spa customers, when such advance access is available.

2.49 Premier Clubhouse Member: Shall have the meaning defined in Section 6.2.

2.50 Premier Golf Member: Shall have the meaning defined in Section 4.2.

2.51 Premier Members: The Premier Golf Members, the Premier Clubhouse Members and the Premier Social Members.

2.52 Premier Social Member: Shall have the meaning defined in Section 5.2.

2.53 Prior Amendment Date: Shall have the meaning defined in Section 1.2.2.

2.54 Prior Bylaws: The Boulders Club Membership Agreement and By-Laws Amended and Restated 5/23/08 Updated for Change in Ownership Effective April 24, 2015.

2.55 Racquet Sports Pro Shop: A retail facility at The Boulders that offers racquet sports equipment and attire for purchase and provides a knowledgeable staff to assist with purchases.

2.56 Regular Clubhouse Member: Shall have the meaning defined in Section 6.1.2.

2.57 Regular Golf Member: Shall have the meaning defined in Section 4.1.

2.58 Regular Social Member: Shall have the meaning defined in Section 5.1.2.

2.59 Residential Lot: Lots within the Boulder Development that are zoned for residential use, together with any dwelling units built thereon, including lots within that certain condominium project known as the “Casitas.” “Residential Lots” shall not be deemed to include those lots within the Boulders Development known as the “Villas.” Owners of lots within the “Villas” will not be entitled to Membership in The Boulders by virtue of their ownership of lots within the “Villas” and shall have no greater right to Membership within The Boulders than the general public owning residences that are not located within the Boulders Development.

2.60 Resort: The Boulders Resort and Spa Scottsdale.

2.61 Resort Course: The Golf Course designated by The Boulders Manager for use by Resort guests and others as allowed by The Boulders Manager .

2.62 Resort Facilities: The facilities currently offered by the Resort for the use of its guests, which presently include the hotel, parking, food and beverage areas, meeting facilities, pools, gift shops, tennis courts, pickleball courts and hiking trails. The Resort may, in its sole and absolute discretion, close (either temporarily or permanently), renovate, modify, relocate or replace any of the foregoing Resort Facilities as it deems appropriate.

2.63 Rules and Regulations: Shall have the meaning defined in Section 3.5.

2.64 Schedule of Dues and Charges: Shall have the meaning defined in Section 8.1.

2.65 Social Transfer List: Shall have the meaning defined in Section 9.4.1

2.66 Special Meeting: Shall have the meaning defined in Section 12.1.

2.67 Statement of Account: Shall have the meaning defined in Section 8.4.

2.68 Superseded Documents: Shall have the meaning defined in Section 14.6.

2.69 Swimming Pool Facilities: The swimming pool at the Clubhouse (the “Club Pool”), the swimming pool at the Resort (the “Resort Pool”) and the swimming pool at the Spa (the “Spa Pool”), together with associated amenities such as hot tubs and pool furnishings and furniture.

2.70 Tennis Courts: The Boulders presently operates seven (7) tennis courts and may increase or decrease the number of tennis courts depending upon demand and other factors.

2.71 Wait List: Shall have the meaning defined in Section 3.1.3.

2.72 Written/In Writing: Any requirement in the Bylaws for a notice or other communication to be “written” or “in writing” may be satisfied by e-mail notice or communication sent in compliance with Section 14.4.

ARTICLE 3.

Memberships and Membership Rights

3.1 Application for Membership. Any individual who is at least twenty-one (21) years of age may submit a completed application for Membership (“**Membership Application**”) to The Boulders for consideration.

3.1.1 The Board, or its designee, will evaluate all Applicants who submit a Membership Application. Evaluations will be conducted to determine whether an Applicant is financially qualified and of good character and will be made without regard to race, color, national origin, sex, sexual orientation, religious preference, creed or any disabilities of the Applicant. Upon completing its evaluation of an Applicant, the Board will determine whether to accept or decline such Applicant’s Membership Application. The Board will keep confidential its proceedings concerning the Applicant’s application. The Board’s decision regarding a Membership Application will be final.

3.1.2 Although Memberships are primarily held by owners of Residential Lots, The Boulders may offer Memberships to non-property owners as The Boulders determines from time to time.

3.1.2.1 The Boulders will not create any new classification of Membership offering access to any of the Club Facilities to persons who do not own property in The Boulders Development.

3.1.2.2 Owners of Residential Lots will have priority over non-property owners for any available Memberships.

3.1.2.3 Owners of timeshare or interval ownership units within the Boulders Development, if such units are ever developed, will be considered as non-property owners with regard to any Membership determination

3.1.3 The Board may establish a separate wait list for new Applicants in each Membership classification for which the Membership Cap has been satisfied or that otherwise contains a sufficient number of Members, as determined by the Board (*the "Wait List"*). The Board may determine the fees for inclusion on the Wait List, the prioritization of persons on the Wait List and the terms for issuing Memberships to the Applicants on the Wait List. Prior to the acceptance of any person on the Wait List for Membership, such person must pay the full amount of the Initiation Fee for the applicable Membership classification, but will be entitled to a credit against such Initiation Fee for the fee, if any, charged for inclusion on the Wait List.

3.1.4 An individual who has been expelled from The Boulders is not eligible to reapply for Membership.

3.2 *Associate Racquet Sports Membership.* If the application pertains to an Associate Racquet Sports Membership, then the application submitted to the Board shall be accompanied by a check for the then-applicable non-refundable annual fee.

3.3 *Initiation Fees and Memberships.* Upon being approved as a Member, each Member will be required to pay the applicable Initiation Fee (*the "Initiation Fee"*) as established from time to time by the Board. Thereafter, each Member is required to pay all Dues, assessments, Food and Beverage Minimums and other charges and fees assessed or otherwise implemented by The Boulders (collectively, the "*Charges*"). Memberships will be classified as provided in Section 1.2.2 and each Member will have the respective rights and obligations provided for in, and will be subject to, the Club Documents of the Member holding such Membership and terms established by the Board.

3.4 *Modification and Creation of Membership Classifications and Rights.* The Board is authorized, without any vote of the Members, but subject to the terms of Section 3.1.2, to (i) establish new classifications of Memberships (ii) modify the criteria, rights and obligations of any existing classification of Memberships consistent with the vision, mission and/or needs of The Boulders (except to the extent that such modifications are inconsistent with Section 14.6) and/or (iii) cease the issuance of Memberships in any classification of Memberships.

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3.5 Rules and Regulations. The Board may adopt, implement and publish rules and regulations from time to time concerning the operation of The Boulders and the usage of Club Facilities by the Members, their spouses, their Immediate Families and their Guests, as determined by the Board to be in the best interest of the Members and operation of The Boulders (the “**Rules and Regulations**”). All Members, their spouses, Immediate Family and Guests must comply with the Rules and Regulations.

3.6 Privileges of Membership. Members shall have the following privileges:

3.6.1 Charging privileges in connection with the use of any of the Club Facilities or Resort Facilities, including the Golf Pro Shop, the Racquet Sports Pro Shop and the Resort gift shop.

3.6.2 Charging privileges in connection with the use of the Spotted Donkey Cantina.

3.6.3 Members, other than Original Members, are entitled to discounts on: (a) charges for stays at the Resort based on seasonality and space availability; (b) the full retail price of merchandise purchased in the Golf Pro Shop, the Racquet Sports Pro Shop, the Resort gift shop, and the Spa retail shop; (c) Spa services; and (d) food, wine, alcoholic and non-alcoholic beverages purchased at dining facilities operated by The Boulders or by the Resort, excluding The Spotted Donkey. The foregoing discounts are available only for amounts charged to the Member’s account. The Board will determine the amount of each of the foregoing discounts from time to time and will include information regarding such amounts in the Schedule of Dues and Charges.

3.6.4 Use of the Resort restaurants by the Member and his or her Immediate Family, regardless of whether the Member’s Membership is a Family Membership. To utilize this privilege, the Member should make advance reservations directly with the Resort restaurant or through The Boulders’ restaurant manager.

3.6.5 Use of the Resort’s concierge services for assistance with transportation, special events and other services made available to the Resort guests.

3.6.6 Use of the Locker Room Facilities set aside for the daily use of Members and their Guests.

3.6.7 If a Member has constructed a home on a Residential Lot and has leased the entire home to an individual for a period of thirty (30) days or more, that Member may, upon receipt of written approval of The Boulders Manager, allow the lessee of the Member’s home to use the Club Facilities available under such Member’s Membership for the term of the lessee’s lease of the Member’s home.

3.6.7.1 During such time, the Member and his or her family shall have no right to use the Club Facilities and the lessee shall be obligated to pay greens fees for golf and use charges for the use of the other Club Facilities as are set forth from time to time by the Board.

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3.6.7.2 If a Member desires to allow the lessee of his or her home to so utilize the Club Facilities, the Member shall submit a written request to The Boulders Manager. This request shall set forth the name of the lessee and, if the Membership is a Family Membership, the lessee's Immediate Family who will be utilizing the Membership. In addition, this request shall note the length of lessee's lease of the Member's home.

3.6.7.3 The Boulders Manager is entitled to approve or deny any such request and to limit the total number of lessees using the Club Facilities. No lessee may use any Club Facilities without the express written approval of The Boulders Manager.

3.6.7.4 The Member shall be responsible for all Dues assessed during the lessee's use of the Club Facilities and for all unpaid charges and other obligations of the lessee and his or her family.

3.6.7.5 The use of the Resort Course and the other Club Facilities by such lessees shall be governed by the Rules and Regulations and by policies established from time to time by the Board. The Rules and Regulations and policies will, among other things, restrict the golfing privileges by a Member's lessee to the Resort Course and make such golfing privileges available to a lessee on a space-available basis.

3.6.7.6 With respect to Premier Members only, for purposes of this Section, the Boulders Spa or its replacement facilities shall be deemed part of the Club Facilities so that Premier Members' lessees will have preferred access to the Boulders Spa or its replacement facilities.

3.7 *Voting Rights of Members.*

3.7.1 Only those Members in each Membership classification who either (i) acquired their Memberships before the Prior Amendment Date, or (ii) own a Residential Lot are entitled to vote on a proposed amendment to these Bylaws that requires a Membership vote.

3.7.2 In the event the Board, in its sole and absolute discretion, conducts a vote of the Membership on a matter, which does not involve a proposed amendment of a Bylaw provision that requires a Membership vote, the Board will determine those Members and/or classification(s) of Membership entitled to vote.

3.7.3 Each Membership shall be entitled to one vote regardless of the number of persons who are Members under such Membership and all votes will be weighted equally without regard to the classification or sub-classification of Membership held by the Member casting the vote.

3.8 *Rights of Members' Families and Guests.*

3.8.1 The Member must register his or her spouse (if the spouse is not himself/herself a Member) and, if the Member has a Family Membership, all persons in his or her Immediate Family with the Boulders on such form and with such supporting documentation as may be required by The Boulders. The Member may restrict or terminate the privileges of his or her non-Member spouse and/or any one or more of his or her Immediately Family by written notice

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to The Boulders, together with any documentation required by The Boulders. No restriction, termination or reinstatement will be effective until receipt of the required documentation and written acknowledgment by The Boulders.

3.8.2 The Member's spouse will have privileges equal to those afforded by The Boulders to the Member as set forth in such Member's Club Documents except that: (a) the spouse will have no voting rights under Section 3.7 or otherwise; and (b) the spouse must pay the Guest Fee applicable to accompanied Guests of Members to play golf.

3.8.3 If the Member has a Family Membership, the Member's Immediate Family will have privileges equal to those afforded by The Boulders to the Member (excluding voting rights), as set forth in such Member's Club Documents.

3.8.4 A Member is entitled to host Guests at The Boulders in accordance with and subject to the Club Documents. A Guest may only use the Club Facilities available to the hosting Member. The Board may establish restrictions on Guest usage to protect usage and access rights of the Members.

3.8.5 The Member is at all times responsible for the conduct of, and charges and fines incurred by, his or her spouse, Immediate Family and/or Guests. The Member may be subject to Disciplinary Action under Article 11 for inappropriate conduct of his or her spouse, Immediate Family and/or Guests.

3.9 *Transfers of Membership.* Memberships may not be sold or otherwise transferred except as expressly allowed under the Bylaws. A Member who owns a Residential Lot may retain his or her Membership notwithstanding any conveyance of such Residential Lot.

3.10 *Inactive Status.* Any Member wishing to apply for inactive status may do so upon written notice to the Board and payment in full of all of his or her outstanding obligations to The Boulders. Requests for inactive status shall not be effective until the Member's receipt of the Board's notification that it has approved changing the Member's Membership to inactive status. A Member on approved inactive status does not pay Dues and shall not have any of the rights and privileges of Membership including, without limitation, the right to vote and the right to use Club Facilities except as a member of the general public or as a Guest of a Member. The Board shall have the discretion whether to grant or deny applications for inactive status and to set the term of the inactive status.

3.11 *Tax Consequences.* The Boulders makes no representations and expresses no opinions regarding the federal, state and/or local tax consequences, if any, of acquiring a Membership or with respect to the payment of any Initiation Fee, Dues or other Charges.

3.12 *Facilities Designation.*

3.12.1 The Boulders Manager will designate one of the Golf Courses as the Member Course for exclusive use by Members and the other Golf Course as the Resort Course, which may be made available to Resort guests and others permitted by The Boulders. Subject to availability and demand, the Boulders Manager will make the Resort Course available on designated days to Members who acquired their Memberships after the Effective Date, without the

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payment of any charges or fees apart from those applicable to play on the Member Course. Original Members may use the Resort Course, depending upon availability and demand, by paying a separate fee as established by The Boulders from time to time.

3.12.2 From time to time as warranted by demand and other factors, The Boulders Manager will designate the appropriate number of the Tennis Courts for the exclusive use of the Members. The remainder of the Tennis Courts may be made available for use by Resort guests and others permitted by The Boulders.

3.12.3 From time to time as warranted by demand and other factors, The Boulders Manager will designate the appropriate number of the Pickleball Courts for the exclusive use of the Members holding Memberships that entitle them to use the Pickleball Courts. The remainder of the Pickleball Courts may be made available for use by Resort guests and others permitted by The Boulders.

3.12.4 The Boulders may permit Prospective Members to use the Club Facilities on such terms determined by The Boulders Manager.

3.12.5 Private Events and functions at Club Facilities are permitted only with permission of The Boulders.

ARTICLE 4.

Golf Memberships.

4.1 Regular Golf Memberships.

4.1.1 At the time of enacting these Bylaws, The Boulders is not offering Regular Golf Memberships.

4.1.2 A existing Member with a Regular Golf Membership (a “**Regular Golf Member**”) and, if the Member has elected a Family Membership, his or her Immediate Family shall be entitled to the following use rights of the Club Facilities:

4.1.2.1 Use of the Member Course as designated by The Boulders Manager.

4.1.2.1.1 The Member will pay only a cart fee or, if applicable, an Annual Trail Fee when playing golf.

4.1.2.1.2 The Member may reserve tee times up to seven (7) days in advance without payment of additional fees and, for a fee, may use the Premium Tee Times Reservation System to reserve tee times more than seven (7), but no more than twenty-eight (28) days in advance..

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4.1.2.1.3 The Member may play golf with a Guest by paying only the Guest fee applicable to accompanied Guests of Members.

4.1.2.1.4 The Member may sponsor the use of the Resort Course by an unaccompanied Guest by paying only the Guest fee applicable to unaccompanied Guests of Members.

4.1.2.1.5 The Member may be affiliated with and enjoy all privileges offered by the United States Golf Association and the Arizona Golf Association.

4.1.2.2 Use of the Tennis Courts designated for exclusive Member use by The Boulders Manager, for which court times may be reserved up to two (2) days, but not less than two (2) hours in advance.

4.1.2.3 Use of the Pickleball Courts available for Member use as designated by The Boulders Manager, for which court times may be reserved up to two (2) days, but not less than two (2) hours in advance.

4.1.2.4 Use of the Swimming Pool Facilities (other than the Spa Pool), Fitness Center and Locker Room Facilities (the exercise room and movement studio are for Members and their Guests only).

4.1.2.5 Use of the Racquet Sports Pro Shop and Golf Pro Shop.

4.1.2.6 Use of all food and beverage facilities that are a part of the Club Facilities, including private function rooms. Use of the private function rooms must be arranged in advance with the manager of The Boulders' food and beverage operations.

4.1.2.7 Exclusive use with other Regular and Premier Golf Members and their Guests of the Locker Room Facilities designated for use by "Golf Members and Their Guests Only."

4.1.2.8 Access to The Boulders Spa or its replacement facilities to the same extent as the general public.

4.2 ***Premier Golf Memberships.*** A Member with a Premier Golf Membership (a "***Premier Golf Member***") and, if the Member has elected a Family Membership, his or her Immediate Family shall be entitled to the same use rights of the Club Facilities available to a Regular Golf Member except that: a Premier Golf Member is entitled to Preferred Use of the Boulders Spa or its replacement facilities.

4.3 ***Preservation of Golfing Experience.*** The Boulders shall conduct operations with the goal of providing a "quality golf experience" (the definition of which shall include, but not be limited to, the hereinafter set forth factors) for Members. Such efforts will focus on the availability of tee times, the speed of play, the accessibility of the golf-related practice facilities and other aspects pertinent to a golfing experience. The following factors shall be part of what makes a quality golf experience:

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4.3.1 The primary objective should be to make golf an enjoyable experience for the Members and Guests alike, to establish an atmosphere that leads to good play, good fellowship and inherent courtesy on the Golf Course.

4.3.2 All competitive play must conform to the basic guideline of a 4.5 hour per round objective pace of play.

4.3.3 Unless otherwise restricted by a Membership classification, a Member will not be restricted on the number of tee times he or she can reserve in a given week, but there can be no more than one tee time reservation per day for each person with the right to use Club Facilities pursuant to the Membership.

4.3.4 The Boulders will have systems in place to assist Members looking to secure last minute tee times. This system will be managed by the Golf Pro Shop to maximize utilization of tee times on the Member Course and the ability to play the Resort Course on a space available basis as determined solely by the Golf Pro Shop staff in its sole and absolute discretion.

4.3.5 The quality of the Golf Course and practice facilities shall be no less than the current level of excellence comparable to other first-class golf facilities in the Phoenix metropolitan area.

4.3.6 Guest policies for golf will be jointly determined between The Boulders management and the Golf Members to ensure that all Members have access to the course during peak periods of play.

4.3.7 Guest fees will be competitive with other local clubs.

4.3.8 The Locker Room Facilities will be sized and equipped to permit full service to Members.

4.4 ***Resort Guest Use Rights.*** The Resort guests and others designated by The Boulders shall have the right to use the Resort Course, those Tennis Courts not designated for exclusive Member use, those Pickleball Courts not designated for exclusive Member use, and all of the other Club Facilities except those marked “For Members and Their Guests Only.”

4.5 ***Golf Membership Cap.*** The maximum number of Golf Memberships, including Regular Golf Memberships and Premier Golf Memberships, but not including the Memberships

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of Charter Members, that can be issued by the Board shall be four hundred (400) (the “*Golf Membership Cap*”).

ARTICLE 5.

Social Memberships.

5.1 *Regular Social Memberships.*

5.1.1 At the time of enacting these Bylaws, The Boulders is not offering Regular Social Memberships.

5.1.2 An existing Member with a Regular Social Membership (a “*Regular Social Member*”), his or her spouse, and, if the Member has elected a Family Membership, his or her Immediate Family, shall be entitled to the following use rights of the Club Facilities:

5.1.2.1 Use of the Tennis Courts designated for exclusive Member use by The Boulders Manager, for which reservations may be made up to one (1) day, but not less than two (2) hours in advance.

5.1.2.2 Use of the Pickleball Courts available for Member use as designated by The Boulders Manager, for which court times may be reserved up to two (1) day, but not less than two (2) hours in advance.

5.1.2.3 Use of the Member Course as designated by The Boulders Manager, for which tee times may be reserved one (1) day in advance.

5.1.2.4 The Member will pay only the Guest fee applicable to accompanied Guests of Regular and Premier Golf Members when playing golf.

5.1.2.5 The Member may play golf with a Guest by paying only the Guest fee applicable to Resort guests.

5.1.3 Use of the Swimming Pool Facilities (other than the Spa Pool), Fitness Center and Locker Room Facilities (the exercise room and movement studio are for Members and their Guests only).

5.1.4 Use of the Racquet Sports Pro Shop and Golf Pro Shop.

5.1.5 Use of all food and beverage facilities that are a part of the Club Facilities, including private function rooms. Use of the private function rooms must be arranged in advance with the manager of The Boulders’ food and beverage operations.

5.1.6 A Social Member will have access to the Boulders Spa or its replacement facilities to the same extent as the general public.

5.2 *Premier Social Memberships.* A Member with a Premier Social Membership (a “*Premier Social Member*”), his or her spouse, and, if the Premier Social Member has a Family

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Membership, his or her Immediate Family shall be entitled to the same use rights of the Club Facilities available to a Regular Social Member except that:

5.2.1 A Premier Social Member who acquired his or her Membership on or after June 24, 2000, is limited to six (6) rounds of golf, per person entitled to use Club Facilities under the Member’s Membership, during the months of October through May, unless such Premier Social Member acquired his or her Membership in connection with the purchase of a Residential Lot and the seller’s Membership allowed greater golf privileges; and

5.2.2 A Premier Social Member is entitled to Preferred Use of the Boulders Spa or its replacement facilities.

ARTICLE 6.

Clubhouse Memberships

6.1 Clubhouse Memberships.

6.1.1 At the time of enacting these Bylaws, The Boulders is not offering Regular Clubhouse Memberships.

6.1.2 An existing Member with a Regular Clubhouse Membership (a “*Regular Clubhouse Member*”), his or her spouse, and, if the Member has elected a Family Membership, his or her Immediate Family, shall be entitled to the following use rights of the Club Facilities:

6.1.3 Use of the Tennis Courts designated for exclusive Member use by The Boulders Manager, for which reservations may be made up to one (1) day, but not less than two (2) hours in advance.

6.1.4 Use of the Pickleball Courts available for Member use as designated by The Boulders Manager, for which court times may be reserved up to two (1) day, but not less than two (2) hours in advance.

6.1.5 Use of the Swimming Pool Facilities (other than the Spa Pool), Fitness Center and Locker Room Facilities (the exercise room and movement studio are for Members and their Guests only).

6.1.6 Use of the Racquet Sports Pro Shop and Golf Pro Shop.

6.1.7 Use of all food and beverage facilities that are a part of the Club Facilities, including private function rooms. Use of the private function rooms must be arranged in advance with the manager of The Boulders’ food and beverage operations.

6.1.8 A Clubhouse Member will have access to the Boulders Spa or its replacement facilities to the same extent as the general public.

6.2 Premier Clubhouse Memberships. A Member with a Premier Clubhouse Membership (a “*Premier Clubhouse Member*”), his or her spouse, and, if the Premier Clubhouse Member has a Family Membership, his or her Immediate Family shall be entitled to the same use rights of the Club Facilities available to a Regular Clubhouse Member except that: a Premier Clubhouse Member is entitled to Preferred Use of the Boulders Spa or its replacement facilities.

ARTICLE 7.

Associate Racquet Sports Memberships.

7.1 Number of Memberships. The Boulders may offer up to one-hundred (100) associate racquet sports memberships (*the “Associate Racquet Sports Memberships”*), on an annual renewable basis, to persons who do not own Residential Lots.

7.2 Annual Fee. The Board will establish the annual fee for Associate Racquet Sports Memberships and such fees shall not be subject to any provisions in the Club Documents that may be construed to restrict the amount by which Dues, fees or other charges may increase from year to year.

7.3 Renewal. The Boulders may elect not to renew any Associate Racquet Sports Membership at the end of any year.

7.4 Use Rights. An Associate Racquet Sports Member, his or her spouse, and, if the Associate Racquet Sports Member has a Family Membership, his or her Immediate Family shall be entitled to the following use rights of the Club Facilities:

7.4.1 Use of the Tennis Courts designated for exclusive Member use by The Boulders Manager each day, with the ability to reserve court times one (1) day in advance.

7.4.1 Use of the Pickleball Courts designated for exclusive Member use by The Boulders Manager each day, with the ability to reserve court times one (1) day in advance.

7.4.2 Use of the Racquet Sports Pro Shop.

7.4.3 Use of the Boulders Spa or its replacement facilities to the same extent as the general public.

ARTICLE 8.

Initiation Fees, Dues and Charges

8.1 The Initiation Fee and Charges. The Initiation Fee, Dues, Annual Trail Fees, Guest fees, and other charges, deposits and fees for which Members are responsible, and the time for payment thereof, are established by the Board subject to these Bylaws. The Boulders will maintain and publish annually a list of all Initiation Fees (including the amount of any refund to which Members holding refundable Memberships may be entitled), Dues, Annual Trail Fees, Food and Beverage Minimums, Guest fees and other charges, deposits and fees for each classification of Memberships (“*Schedule of Dues and Charges*”). All monetary transactions between a

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Member and The Boulders will be charged to the Member's account, except as specifically provided by the Membership Documents of the Member and policies established by the Board.

8.2 Dues.

8.2.1 Every Member shall pay monthly Dues in an amount determined by the Board. The amount of monthly Dues varies between the different Membership classifications and may be different within any given Membership classification depending upon the date on which the Member acquired his or her Membership.

8.2.2 The Board may establish a minimum annual amount of food and beverage purchases required of each Member ("**Food and Beverage Minimums**") and may establish different Food and Beverage Minimums for different classifications of Membership. The Board may increase the Food and Beverage Minimums from time to time.

8.2.3 The Board may increase monthly Dues from time to time by an amount that is reasonable in light of the following factors: (A) the average percentage amount by which other comparable first-class private clubs raise their monthly dues over a given period of time as determined by independent third-party research; and (B) Membership demand for new and/or upgraded Club Facilities.

8.3 Annual Trail Fees. A Member who owns a golf cart may use such cart on the Golf Courses provided that Member: (i) has registered the cart with The Boulders; (ii) has agreed to use the cart in accordance with Rules and Regulations established from time to time with regard to such use; (iii) has paid the Annual Trail Fee to The Boulders; and (iv) does not have a history of failing to operate the cart in accordance with applicable Rules and Regulations as determined by The Boulders. A Member's right to use the Member's cart on the Golf Courses may be revoked if the Member fails to comply with The Boulder's Rules and Regulations regarding cart usage and, in such event, the Member shall not be entitled to any refund of the Annual Trail Fee. The Annual Trail Fee may be increased in the same manner as an increase in the Dues as set forth in Section 8.2.3.

8.4 Statement of Account. The Boulders will render a monthly statement of account to each Member subject to procedures and charges established by The Boulders (the "**Statement of Account**"). The Monthly Statement of Account will set forth all amounts then owed by the Member to The Boulders, including but not limited to monthly Dues, Guest fees, Annual Trail Fees, food and drink charges and shop charges. Any shortfall between a Member's food and drink charges and the applicable Food and Beverage Minimum in a given calendar year will be assessed as of December 31 and will be included in the Member's Statement of Account for January of the following calendar year. All charges are due and payable on the date set forth on the Statement of Account ("**Due Date**"). A Member who fails to pay his or her Statement of Account on or before the Due Date will be considered delinquent. Payments not received by the Due Date will be subject to a late fee charge established by The Board. There also will be a charge established by The Board for checks returned for insufficient funds. Continuing nonpayment of a Statement of Account or other amounts owed to The Boulders or repeated checks returned for insufficient funds may be subject to Disciplinary Action as set forth in Article 10.

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8.5 Interest and Late Fees. All Dues and other charges that are not paid within thirty (30) days after receipt of a Statement of Account setting forth such charges therefor shall be subject to: (a) a late fee charge determined by the Board in an amount that does not exceed ten percent (10%) of the total outstanding balance; and (b) compounded interest at the rate of eighteen percent (18%) per annum. Such interest shall be a part of and shall be paid with the payment of the Dues and other charges and shall be calculated on the basis of the Member's total outstanding indebtedness to The Boulders.

8.6 Retention of Receipts. A Member should keep his or her receipts evidencing their purchases at the Club Facilities because the invoices for such purchases will not contain copies of such receipts.

8.7 Other Charges. The Board may establish fines or other appropriate charges for infractions of these Bylaws, Rules and Regulations, or other policies established by The Boulders.

8.8 Facilities Unavailable; Other Uses. In the event Club Facilities are unavailable for Member use due to certain conditions, as determined by the Board or the Boulders Manager, the Member will continue to be obligated to pay all Charges with respect to their accounts. These conditions include, but are not limited to: (i) inclement and/or hazardous weather or other conditions including, but not limited to wind, rain, snow, ice, hurricane, flooding, lightning or fire; (ii) health-related conditions or public health concerns including, but not limited to, a virus, flu, infection or other disease, contaminant, epidemic or pandemic; (iii) renovation, capital improvements, maintenance, seasonal or other closures; (iv) tournaments and special events; and (v) other conditions or events that warrant the closure of particular Club Facilities as determined by The Boulders.

8.9 Collection. In the event of any default or breach by a Member in of the terms of the Club Documents, including but not limited to the obligation to pay any amounts owed to The Boulders, The Boulders will be entitled to recover, in addition to any other amounts owed to The Boulders, all reasonable costs of collection/suit (including attorneys' fees), whether or not taxable under applicable statutes and court rules, and to obtain any and all other remedies allowed by applicable law

ARTICLE 9.

TRANSFER AND TERMINATION OF MEMBERSHIP; CONVERSION OF CLASSIFICATION; INACTIVE STATUS.

9.1 Termination of Memberships. If a Member desires to terminate his or her Membership, such Member shall so notify the Board in writing. On the thirtieth day after the Board of Directors' receipt of such notice and the Member's payment in full of all of his or her outstanding obligations to The Boulders, the Member's Membership shall be deemed terminated and the Member shall have no further rights or obligations (including the obligation to pay Dues) under these Bylaws. No Member will not be entitled to a refund or payment of the Initiation Fee under any circumstances, whether after termination or resignation by the Member or the Board, death or otherwise, except as set forth in these Bylaws. Notwithstanding the foregoing, a Member

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holding a refundable Membership shall have the right to receive remuneration for The Boulders' sale of his or her Membership as provided in Sections 9.3, 9.4 and 9.5 below.

9.2 Transfers of Memberships. Except as expressly provided in these Bylaws and the Membership Plan, no Membership may be transferred, assigned or conveyed. Any "transfer" of a Membership allowed under these Bylaws shall be accomplished by the conveyance of such Membership to The Boulders, the termination of such Membership and the issuance of a new Membership to the "transferee."

9.3 Transfer of Regular Golf Memberships and Premier Golf Memberships. With regard to a refundable Membership transferred by a Member:

9.3.1 The Boulders shall maintain a list of all Members with refundable Regular Golf Memberships and Premier Golf Memberships that have been terminated with the approval of the Board as provided above (the "**Golf Transfer List**"). At such time as a Member properly terminates his or her refundable Regular Golf Membership or Premier Golf Membership, his or her name shall be added to the end of the Golf Transfer List.

9.3.2 When a Regular Golf Membership or Premier Golf Membership application is approved by the Board and the approved applicant pays his or her Initiation Fee:

9.3.2.1 If the person whose name is at the top of the Golf Transfer List held a Regular Golf Membership, that person will be paid as follows: (a) if such person was an Original Member, he or she will receive the refund to which such Member is entitled under such Member's Club Documents, with The Boulders retaining the balance of the Initiation Fee paid by the Applicant; (b) if such person was not an Original Member, he or she will receive twenty-thousand dollars (\$20,000), with The Boulders retaining the balance of the Initiation Fee paid by the Applicant.

9.3.2.2 If the person whose name is at the top of the Golf Transfer List held a Premier Golf Membership, that person will be paid as follows: (a) if such person was an Original Member, he or she will receive the refund to which such Member is entitled under such Member's Club Documents, with The Boulders retaining the balance of the Initiation Fee paid by the Applicant; (b) if such person was not an Original Member, he or she will receive twenty-thousand dollars (\$20,000), with The Boulders retaining the balance of the Initiation Fee paid by the Applicant.

9.3.2.3 If there are no Members on the Golf Transfer List at the time an Applicant for a Regular Golf Membership or Premier Golf Membership is approved by the Board and the number of Regular Golf Members and Premier Golf Members is less than 400, and the approved Applicant pays his or her Initiation Fee, The Boulders shall retain 100% of the Initiation Fee paid.

9.3.3 Upon the receipt of the payment provided above, the ex-Member's name shall be immediately removed from the Golf Transfer List.

9.3.4 Nothing in these Bylaws shall obligate The Boulders to purchase any Membership.

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9.4 *Transfer of Regular Social Memberships and Premier Social Memberships.*

9.4.1 The Boulders shall maintain a list of all Members with refundable Regular Social Membership and Premier Social Memberships that have been terminated with the approval of the Board as provided above (the “*Social Transfer List*”). At such time as a Member properly terminates his or her refundable Regular Social Membership or Premier Social Membership, his or her name shall be added to the end of the Social Transfer List.

9.4.2 When a Premier Social Membership application is approved by the Board and the approved Applicant pays his or her Initiation Fee:

9.4.2.1 If the person whose name is at the top of the Social Transfer List held a Regular Social Membership, if such person was an Original Member, he or she will receive the refund to which such Member is entitled under such Member’s Club Documents, with The Boulders retaining the balance of the Initiation Fee, if any, paid by the Applicant shall be retained by The Boulders.

9.4.2.2 If the person whose name is at the top of the Social Transfer List was an Original Member who held a Premier Social Membership, he or she will receive the refund to which such Member is entitled under such Member’s Club Documents, with The Boulders retaining the balance of the Initiation Fee, if any, paid by the Applicant shall be retained by The Boulders.

9.4.2.3 If there are no Members on the Social Transfer List at the time an Applicant for a Premier Social Membership is approved by the Board and the approved Applicant pays his or her Initiation Fee, The Boulders shall retain 100% of the Initiation Fee paid.

9.4.3 Upon the receipt of the payment provided above, the ex-Member’s name shall be immediately removed from the Social Transfer List.

9.4.4 Nothing in these Bylaws shall obligate The Boulders to purchase any Membership.

9.5 *Transfer of Regular Clubhouse Memberships and Premier Clubhouse Memberships.*

9.5.1 The Boulders shall maintain a list of all Members with refundable Regular Clubhouse Memberships and Premier Clubhouse Memberships that have been terminated with the approval of the Board as provided above (the “*Clubhouse Transfer List*”). At such time as a refundable Regular Clubhouse Membership or Premier Clubhouse Member terminates his or her Membership, the Member’s name will be added to the end of the Clubhouse Transfer List.

9.5.2 When a Premier Clubhouse Membership application is approved by the Board and the approved Applicant pays his or her Initiation Fee:

9.5.2.1 If the person whose name is at the top of the Clubhouse Transfer List was an Original Member who held a Regular Clubhouse Membership, he or she will receive the refund to which such Member is entitled under such Member’s Club Documents, with

The Boulders retaining the balance of the Initiation Fee paid by the and the balance of the Initiation Fee, if any, paid by the Applicant shall be retained by The Boulders.

9.5.2.2 If the person whose name is at the top of the Clubhouse Transfer List was an Original Member who held a Premium Clubhouse Membership, he or she will receive the refund to which such Member is entitled under such Member's Club Documents, with The Boulders retaining the balance of the Initiation Fee, if any, paid by the Applicant shall be retained by The Boulders.

9.5.2.3 If there are no Members on the Clubhouse Transfer List at the time an Applicant for a Premier Clubhouse Membership is approved by the Board and the approved Applicant pays his or her Initiation Fee, The Boulders shall retain 100% of the Initiation Fee paid.

9.5.3 Upon the receipt of the payment provided above, the ex-Member's name shall be immediately removed from the Clubhouse Transfer List.

9.5.4 Nothing in these Bylaws shall obligate The Boulders to purchase any Membership.

9.6 *Transfers of Memberships in Connection with Residential Lot Sale.*

9.6.1 When a Member sells his or her Residential Lot and desires to transfer his or her Membership to the purchaser of the Residential Lot, then the Member shall so notify the Board. A Member's ability to transfer his or her Membership to the purchaser of the Residential Lot is contingent upon the Board's approval of such purchaser for Membership.

9.6.2 The proposed transferee shall complete and submit to the Board an application for the transferring Member's category of Membership (either Premier or Regular, as desired by the proposed transferee), in a form approved by the Board, together with a check in the amount of the then applicable Initiation Fee.

9.6.3 The Board will review the application, investigate the Applicant and decide whether the Applicant will be admitted as a Member of The Boulders. The Board will keep confidential its proceedings concerning the Applicant's application. Upon the Board's approval of the Applicant, the Board will so notify the Applicant and the transferring Member. The transferee's Membership will be activated and the termination of the transferor's Membership will be effective simultaneously upon the closing of the Applicant's purchase of the Member's Residential Lot. The transferor will not be subject to the transfer list for his or her category of Membership and, if the transferor's Membership was refundable, may be entitled to receive a refund in the amount that would be due to the Member upon termination of Membership as provided in Sections 9.3, 9.4 and 9.5 hereof.

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9.7 *Conversion of One Classification of Membership for Another.* Subject to the review and approval of the Board, a Member holding a refundable Membership may convert his or her Membership as follows:

9.7.1 Social to Golf. If The Boulders determines, at a future date, to reinstate Regular Golf Memberships, a Regular Social Member in good standing may convert his or her Membership into a Regular Golf Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Regular Golf Membership. The converting Member shall be entitled to receive a credit against the Regular Golf Membership Initiation Fee in the amount of the Initiation Fee he or she paid for his or her Social Membership.

9.7.2 Clubhouse to Social. If The Boulders determines, at a future date, to reinstate Regular Social Memberships, a Clubhouse Member in good standing may convert his or her Membership into a Social Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Social Membership. The converting Member shall be entitled to receive a credit against the Social Membership Initiation Fee in the amount the Member originally paid for his or her Clubhouse Membership.

9.7.3 Clubhouse to Golf. If The Boulders determines, at a future date, to reinstate Regular Clubhouse Memberships, a Regular Clubhouse Member in good standing may convert his or her Membership into a Regular Golf Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Regular Golf Membership. The converting Member shall be entitled to receive a credit against the Regular Golf Membership Initiation Fee in the amount of the Initiation Fee the Member originally paid for his or her Clubhouse Membership.

9.7.4 Golf to Social or Clubhouse; Social to Clubhouse. If The Boulders determines, at a future date, to reinstate Regular Social Memberships and/or Regular Clubhouse Memberships, a Regular Golf Member in good standing who desires to convert his or her Membership to a Regular Social or Clubhouse Membership, if one is available, must terminate the Regular Golf Membership as provided above and apply for the Regular Social or Clubhouse Membership. A Regular Social Member in good standing who desires to convert his or her Membership to a Regular Clubhouse Membership, if one is available, must terminate the Social Membership as provided above and apply for the Regular Clubhouse Membership. The converting Member shall be entitled to a credit against the amount of the Initiation Fee required for the lower category of Membership in the amount of the refund that would then be due the converting Member based on termination of his or her Membership. Upon being eligible for the refund, The Boulders shall deduct therefrom the amount of the credit given for the purchase of the lower category of Membership and any balance shall be paid to the Member.

9.7.5 Premier Social to Premier Golf. If a Premier Golf Membership is available, a Premier Social Member in good standing may convert his or her Membership into a Premier Golf Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Premier Golf Membership. The converting Member shall be entitled to receive a credit against the Premier Golf Membership Initiation Fee in the amount of the Premier Social Membership Initiation Fee previously paid by the Member.

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9.7.6 Premier Clubhouse to Premier Social. If a Premier Social Membership is available, a Premier Clubhouse Member in good standing may convert his or her Membership into a Premier Social Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Premier Social Membership. The converting Member shall be entitled to receive a credit against the Premier Social Membership Initiation Fee in the amount of the Premier Clubhouse Membership Initiation Fee previously paid by the Member.

9.7.7 Premier Clubhouse to Premier Golf. If a Premier Golf Membership is available, a Premier Clubhouse Member in good standing may convert his or her Membership into a Premier Golf Membership upon the application to and approval by the Board and the payment to The Boulders of the then applicable Initiation Fee for a Premier Golf Membership. The converting Member shall be entitled to receive a credit against the Premier Golf Membership Initiation Fee in the amount of the Premier Clubhouse Membership Initiation Fee previously paid by the Member.

9.7.8 Premier Golf to Premier Social or Premier Clubhouse; Premier Social to Premier Clubhouse. If a Premier Golf Member in good standing desires to convert his or her Membership to a Premier Social or Premier Clubhouse Membership, he or she must terminate the Premier Golf Membership as provided above and apply for the Premier Social Membership or Premier Clubhouse Membership. If a Premier Social Member in good standing desires to convert his or her Membership to a Premier Clubhouse Membership, he or she must terminate the Premier Social Membership as provided above and apply for the Premier Clubhouse Membership. The converting Member shall be entitled to a credit against the amount of the Initiation Fee required for the lower category of Membership in the amount of the refund that would then be due the converting Member based on termination of his or her Membership. Upon being eligible for the refund, The Boulders shall deduct therefrom the amount of the credit given for the purchase of the lower category of Membership and any balance shall be paid to the Member.

9.7.9 A Member with a refundable Membership may only convert his or her Membership to a refundable Membership of another classification or sub-classification. A Member with a non-refundable Membership may not convert his or her Membership to another classification.

9.8 *Conversion of One Sub-Classification of Membership for Another.* Subject to the review and approval of the Board, a Member holding either refundable or non-refundable Memberships may convert the Sub-Classification (Individual/Family) of his or her Memberships as follows:

9.8.1 Any Individual Member in good standing, may convert his or her Individual Membership to a Family Membership by sending written notice of his or her desired conversion to the Board. The conversion shall be effective on the first day of the first calendar month after the Board's receipt of such notice. Upon such conversion, the Member shall pay the Dues applicable to the Family Membership and will have the rights attendant thereto.

9.8.2 Any Member in good standing with a Family Membership may convert his or her Family Membership to an Individual Membership by sending written notice of his or

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her desired conversion to the Board. The conversion shall be effective on the first day of the first calendar month after the Board's receipt of such notice. Upon such conversion, the Member shall pay the Dues applicable to the Individual Membership and will have the rights attendant thereto.

9.9 *Legal Separation or Divorce.* In the event of the divorce or separation of spouses, the Membership, including all of its rights and benefits, will vest in the spouse awarded the Membership by an agreement of separation or a decree of divorce so long as the spouse to whom the Membership is awarded either has passed or does pass the Applicant evaluation described in Section 3.1.1. If the spouse to whom the Membership awarded has not passed and does not pass the such evaluation, the Membership will terminate. Until the award of the Membership and written notice thereof is provided to The Boulders, both spouses will be jointly and severally liable for all Dues and charges and both may continue to enjoy Membership privileges so long as such amounts are timely paid. The Boulders reserves the right not to transfer the Membership to either spouse if The Boulders is unable to determine the person who is lawfully entitled to receive the Membership.

9.10 *Transfer Upon Death of a Member.* Upon the death of a Member and by giving written notice to The Boulders, the surviving spouse, if any, may elect to: (i) continue the Membership privileges without having to pay any additional Initiation Fee; or (ii) terminate the Membership. The surviving spouse may elect to continue the Membership privileges only if the surviving spouse either has passed or does pass the Applicant evaluation described in Section 3.1.1. If the spouse to whom the Membership awarded has not passed and does not pass such evaluation, the Membership will terminate. Failure of the surviving spouse to elect one of said alternatives shall be deemed an election to terminate the Membership. In the event there is no surviving spouse, the death of the Member shall result in the automatic termination of the Membership. Memberships that are terminated based on the death of the Member shall be treated in the same manner as any other similar Membership in The Boulders that is terminated for reasons other than death.

9.11 *Discretion of the Board.* All decisions concerning the issuance and transfer of Memberships shall be made by the Board.

9.12 *Inactive Status.* Any Member wishing to apply for inactive status may do so upon written notice to the Board and payment in full of all of his or her outstanding obligations to The Boulders. Requests for inactive status shall not be effective until the Member's receipt of the Board's notification that it has approved changing the Member's Membership from active to inactive status. A Member on approved inactive status does not pay Dues and shall not have any of the rights and privileges of Membership including, without limitation, the right to use The Boulders or the Club Facilities. Subject to the provisions below, the Board shall have the discretion on whether to grant applications for inactive status and to set the term of the inactive status.

ARTICLE 10.

Member Conduct and Financial Obligations to The Boulders; Disciplinary Action

10.1 *Disciplinary Action.* The Boulders may take disciplinary action ("***Disciplinary Action***") against any Member on the basis of either Non-Payment (as defined in Section 10.2) or

Cause (as defined in Section 10.3). Disciplinary Action may include, but is not limited to, censures and reprimands, limitations on the use of Club Facilities, fines, suspension and expulsion, as determined by the Board. Disciplinary Action may be taken on the basis of conduct by the Member(s), the Member's Immediate Family and/or the Member's Guests and, unless expressly declared by The Board to the contrary, will extend to all persons whose ability to be present at The Boulders or to use Club Facilities derives from the Membership. A Member must comply with any Disciplinary Action imposed under this Article including, but not limited to, the payment of any fines or monetary sanctions, without regard to whether the Member personally engaged in the conduct upon which the Disciplinary Action is based.

10.2 Non-Payment. Any failure to pay an outstanding indebtedness to The Boulders within ninety (90) days after the date of the monthly Statement of Account setting forth such indebtedness, as determined by the Board, shall be deemed "Non-Payment."

10.2.1 The Board shall have the right immediately to suspend any Member for Non-Payment. In the event of a suspension, the Board will promptly provide written notice of the suspension to the affected Member, setting forth the full amount of the outstanding indebtedness, the date(s) upon which the underlying amounts became due and the effective date of the suspension. Any such suspension shall remain in effect until the Member has paid in full his or her then-outstanding indebtedness to The Boulders.

10.2.2 The Board shall have the right immediately to terminate the Membership and to expel any Member: (a) who is under suspension for Non-Payment and who has failed to pay in full his or her then-outstanding indebtedness to The Boulders within thirty (30) days of the effective date of the suspension; or (b) who has been under suspension for Non-Payment more than two (2) times in any five-year period. In the event of any termination/expulsion, the Board will promptly provide written notice of the termination/expulsion to the affected Member, setting forth the full amount of the then-outstanding indebtedness and the effective date of the termination/expulsion.

10.2.3 The express references to suspension and expulsion for Non-Payment in Sections 10.2.1 and 10.2.2 above are not intended and may not be construed to foreclose The Boulders from taking other alternative or additional Disciplinary Actions on the basis of Non-Payment.

10.2.4 The hearing and appeal procedures set forth in Sections 10.3.4 and 10.3.5 below shall be inapplicable to any Disciplinary Action taken on the basis of Non-Payment.

10.3 Cause. All persons present at The Boulders or using Club Facilities must behave in a civil manner, appropriate for a first-class private club and must refrain from conduct that could expose The Boulders to liability or that could have a detrimental effect on the Boulders, employees of The Boulders or other Members of The Boulders (including their Immediate Family and/or Guests). A Member is required, at all times present at The Boulders or when using Club Facilities, to comply with all requirements set forth in the Club Documents. A Member is also responsible to ensure that his or her Immediate Family and Guests are aware of the requirements set forth in the Club Documents and that they comply with such requirements to the extent applicable. Any

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failure by a Member, his or her Immediate Family or Guest shall be “Cause” for Disciplinary Action.

10.3.1 A Member, employee of The Boulders or anyone else who witnesses conduct by a Member, his or her Immediate Family or Guest(s) that he or she believes may constitute Cause may make a written report directed to The Boulders Manager or to the Board, setting forth the time, nature and location of such conduct (the “*Initial Report*”).

10.3.2 Upon receipt of any information, whether or not contained in an Initial Report, that the Board determines may indicate Cause, The Board will, through The Boulders Manager, conduct the investigation, if any, that it deems appropriate into the conduct that may be deemed to constitute Cause and The Boulders Manager will prepare a report setting forth the results of the investigation to the Board and to the Member Conduct Committee (the “*Investigative Report*”).

10.3.3 If, upon receipt of information, whether through receipt of an Initial Report, an Investigative Report or otherwise, the Board determines that conduct by a Member, a Member’s Immediate Family or Guests (a) involves abusive treatment of either employees of The Boulders or other Club Members, their Immediate Family or Guests, (b) creates a potential liability exposure for The Boulders, or (c) is otherwise sufficiently egregious, the Board may immediately suspend the Member, but in such event must schedule the Member Conduct Committee hearing under Section 10.3.4 within twenty-one (21) calendar days following the effective date of the suspension. In the event of an immediate suspension under this Section 10.3.3, the Board will promptly provide written notice of the immediate suspension to the affected Member, setting forth the date, location and nature of the conduct on which such suspension is based, the effective date of the suspension and the date of the Member Conduct Committee hearing under Section 10.3.4.

10.3.4 Promptly upon receipt of an investigative report under Section 10.3.2, the Member Conduct Committee will determine whether the conduct is sufficient to warrant Disciplinary Action. If the Member Conduct Committee determines that Disciplinary Action may be warranted, it shall promptly provide written notice to the affected Member of the date, time and location of the hearing and shall include in such notice the date, location and nature of the conduct in question. No Disciplinary Action, other than an Immediate Suspension under Section 10.3.3, may be taken prior to a Member Conduct Committee hearing, unless the affected Member has waived, in writing, his or her right to such a hearing.

10.3.4.1 The Member Conduct Committee will schedule a hearing to determine Cause and to determine the appropriate Disciplinary Action, if any, no less than fifteen (15) calendar days after the written notice to the affected Member required under Section 10.3.4.

10.3.4.2 All hearings shall be conducted exclusively between the affected Member and the Member Conduct Committee, without the participation of attorneys or other legal representatives on either side. The purpose of the hearing is to afford the affected Member an opportunity to explain his or her recollection of the events and/or conduct described in the written notice provided under Section 10.3.4. The Member Conduct Committee will not allow Members, employees of The Boulders or others who may have witnessed the pertinent events and/or conduct to be present at the hearing without giving prior written notice to the affected

Member. The affected Member will not be allowed to have Members, employees of The Boulders or others who may have witnessed the pertinent events and/or conduct present at the hearing without requesting and obtaining written permission from the Member Conduct Committee in advance of the hearing allowing such persons to be present.

10.3.4.3 Promptly following the conclusion of the hearing, the Member Conduct Committee will provide written notice to the affected Member of the Disciplinary Action, if any, that it has determined to impose.

10.3.5 A Member against whom Disciplinary Action has been taken for Cause may appeal any such Disciplinary Action, other than an Immediate Suspension under Section 10.3.3, to the Board by sending a written notice of appeal to the Board pursuant to the Notice provision under Section 14.4, below. A Member who appeals has the right to appear before the Board and to present facts either in writing or orally. The participation of attorneys or other legal representatives on either side is not permitted for the appeal. In considering an appeal, the Board will review the Disciplinary Action taken and whatever facts or circumstances may be presented the affected Member in the appeal. The Board has the discretion to confirm, reverse or modify, either by decreasing or increasing, the Disciplinary Action. The Board will promptly provide written notice to the affected Member of the Disciplinary Action implemented by the Board following the appeal. There is no further right of appeal. The effective date of any Disciplinary Action (except for an Immediate Suspension under Section 10.3.3) will be stayed pending appeal, except as otherwise determined by the Board.

10.4 Confidentiality of the Disciplinary Process. The Boulders will undertake reasonable efforts to preserve and maintain the confidentiality of all potential Disciplinary Actions, including the receipt and contents of Initial Reports and Investigative Reports, communications between and among the Board, the Member Conduct Committee, persons who provide Initial Reports and the affected Member, the hearing and appeal process and the substance of any Disciplinary Action taken against a Member. Nothing contained herein, however, shall prevent The Boulders from communicating the fact of any Disciplinary Action to such persons as may be necessary to implement such Disciplinary Action or from providing information generally that a Member who has been expelled is no longer a Member of The Boulders.

10.5 Member Obligations in the Event of Suspension. During any period in which a Member is suspended: (a) the Member shall remain obligated to pay all monthly Dues, charges and/or other indebtedness that may become due to The Boulders; (b) Neither the Member nor his or her Immediate Family (if the Member has a Family Membership) will have any right to be present at The Boulders, to utilize any Club Facilities or to take advantage of any privileges, including but not limited to discounts, that may be otherwise available to Club Members; (c) the Member shall have no right to host Guests at The Boulders or at any Club Facilities.

10.6 Member Obligations in the Event of Expulsion. Except as noted in Section 10.6.1, upon expulsion, all of the Member's rights under the Club Documents, including but not limited to the right to be present at The Boulders, to use Club Facilities, to allow his or her Immediate Family to be present at The Boulders or to use Club Facilities or to host Guests at The Boulders, shall immediately terminate.

10.6.1 If the expelled Member held a refundable Membership, the expelled Member's name will be added to the end of the Transfer List applicable to the category of refundable Membership held by the expelled Member as set forth in Sections 9.3.1, 9.4.1 and 9.5.1.

10.6.2 The Board may determine that the expelled Member and his or her Immediate Family may not be present at The Boulders or any Club Facilities either as a Guest of another Member or as a member of the general public. If the Board so determines, it will advise the expelled Member of its determination in providing the written notice specified under Sections 10.2.2, 10.3.4 or 10.3.5.

10.6.3 Notwithstanding the foregoing, expulsion shall not relieve the Member of his or her outstanding financial obligations to The Boulders at the time of expulsion.

ARTICLE 11.

THE BOULDERS CLUB ORGANIZATION.

11.1 *Ownership.* The Boulders, the Club Facilities and all rights and privileges appurtenant to such property are held by The Boulders. No Member has any interest in The Boulders or the Club Facilities.

11.2 *Control.*

11.2.1 The Boulders is managed by a Board which comprises individuals selected from time to time by The Boulders.

11.3 Non-Liability. To the fullest extent permitted by applicable law, the Board, committee members and Officers while acting in their applicable capacity, will not be individually liable to any Member or owner of any Membership or to anyone else for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act (including resignation), inaction, omission, error, negligence or the like made in good faith in connection with The Boulders, Club Facilities, Club Property, Bylaws, Rules and Regulations, or the negotiation, execution or performance of any agreement entered into by The Boulders. With respect to Board, committee members and Officers, all conduct will be presumed to be in good faith.

11.4 Indemnification. To the fullest extent permitted by applicable law, The Boulders will defend, indemnify and hold harmless (i) the Board and the members thereof, (ii) any committee of The Boulders and members thereof and (iii) any Officer (collectively, the "*Indemnified Parties*"), for, from and against any claim or liability for any damage, loss, or prejudice suffered or claimed on account of any decision, approval or disapproval, course of action, act (including resignation), inaction, omission, error, negligence or the like made in good faith in connection with The Boulders, Club Facilities, Club Property, Bylaws, Rules and Regulations, or the negotiation, execution or performance of any agreement entered into by The Boulders arising out of any actions undertaken by the Indemnified Parties in their applicable capacities. Such indemnification will include all costs and expenses incurred in connection with the defense and/or resolution of such claims, including without limitation, all court costs and reasonable attorneys' fees, all of which The Boulders will pay as and when due (as opposed to reimbursing following

payment by any Indemnified Party). In the event that claims covered by the foregoing indemnity are asserted, The Boulders' choice of counsel to defend against such claims will be subject to approval by the Indemnified Parties against whom such claims have been asserted, such approval not to be unreasonably withheld, conditioned or delayed.

11.5 *Advisory Committee.* The Members shall be entitled to establish an advisory committee (the "*Advisory Committee*"), composed of Members owning each of the different Membership classifications, to offer their opinions, advice and input to The Boulders Manager. The Boulders Manager will regularly meet with the Advisory Committee to help foster The Boulders Manager's and the Board's awareness of the Members' concerns and ideas. The Advisory Committee shall be chosen in accordance with rules and procedures including election by the Members as established by the Advisory Committee from time to time, subject to the approval of The Boulders, which shall not be unreasonably withheld. The Boulders may only withhold approval of such procedures if it determines that such procedures are not fair to Members.

11.6 *Standing Committees.* The Boulders will establish standing committees composed of Members, such as spa, golf, tennis, communications, and house (including food and beverage). The Boulders will also establish the Member Conduct Committee, comprised of individuals selected by the Board to fulfill the functions set forth in Article 10, as a standing committee. The members of the Board directing activities and services within the purview of a standing committee will work with the appropriate standing committee to address problems, solicit suggestions and work to improve services. Members of each standing committee, other than the Member Conduct Committee, shall be appointed by the Advisory Committee, subject to The Boulders' approval, which shall not be unreasonably withheld. The Boulders may establish additional standing committees without further amendment of these Bylaws. A committee established pursuant to this Section 11.6 shall be referred to as a "*Standing Committee*".

11.7 Rights and Obligations of The Boulders.

11.7.1 The Boulders shall have the right at all times to designate which of the Golf Courses will function as the Member Course and which will function as the Resort Course.

11.7.2 These Bylaws shall not restrict in any way The Boulders' right to sell, lease or finance all or any portion of The Boulders, the Golf Courses, the Tennis Courts or the other Club Facilities. If The Boulders sells or leases all or any portion of The Boulders, the Golf Courses, the Tennis Courts or the other Club Facilities, then any successor owner or lessee must assume The Boulders' obligations under these Bylaws related to the Club Facilities or other portion of The Boulders that is sold or leased.

11.7.3 The Board shall make all decisions regarding the operation and maintenance of the Club Facilities, including but not limited to decisions to close individual Club Facilities on either a temporary or permanent basis. In connection with these decisions, the Board shall be entitled to close down the Golf Courses, the Tennis Courts and any of the other Club Facilities for repair, restoration, relocation, expansion or remodeling. In addition and not by means of limitation, the Golf Courses may be closed because of water shortages, grass fungi, grass-affecting diseases and other matters which require a cessation or reduction in play (e.g. the closure

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of one of the Golf Courses and the consolidation of play onto the remaining Golf Course during the summer months of June, July and August).

11.7.4 So long as the Board acts reasonably and in good faith, all Board decisions shall be final on all questions involving the interpretation or construction of these Bylaws, the rights and privileges of the Members under these Bylaws, the Membership Plan and the Rules and Regulations. The interpretation of these Bylaws will rest solely with the Board unless and until superseded by a two-thirds (2/3) majority vote of the Members eligible to vote under Section 3.7.1.

ARTICLE 12.

Membership Meetings and Voting Procedures.

12.1 Meetings of Members. The Board may convene a meeting the Members for any purpose.

12.1.1 If the Board elects to convene such a meeting, the Board will provide written notice to all Members, stating the place, day, hour and purpose(s) of the meeting.

12.1.2 If one purpose of the meeting is to take a vote, the written notice from the Board shall also include a roster of Members who are eligible to vote and, in the notices to Members listed on such roster, an absentee ballot, with instructions on the procedures and deadlines for the return of the absentee ballot. A Member eligible to vote who does not attend a meeting at which a vote will be taken will have the right to vote by absentee ballot.

12.1.3 The conduct of all Membership meetings will be governed by Roberts Rules of Order except as they may conflict with these Bylaws, in which case the terms of these Bylaws will prevail.

12.2 Voting Protocols. The Board may conduct an in-person vote of the Members at any meeting convened under Section 12.1. Alternatively, the Board may conduct a remote vote of the Members (through mail, electronic or internet voting, or a combination of the foregoing methods, pursuant to procedures established by the Board) by providing written notice to the Members entitled to vote that sets forth the proposal for which the vote is being taken, the procedure that the Members must follow to cast their votes and the deadline by which votes must be cast. The notice may also include whatever materials regarding the proposal for which the vote is being taken that the Board deems appropriate.

12.3 Quorum. For any vote, whether conducted in-person at a meeting or remotely, a quorum will consist of twenty-five percent (25%) of the Members entitled to vote. With regard to an in-person vote, the total number of Members in attendance will be counted to determine the existence of a quorum. With regard to a remote vote, the total number of ballots received by The Boulders will be counted to determine the existence of a quorum.

ARTICLE 13.

THE BOULDERS RESORT

13.1 Acknowledgments. The Resort is an integral part of The Boulders Development and adds great value to The Boulders, the Members and the Memberships.

ARTICLE 14.

MISCELLANEOUS

14.1 Gender and Number. All pronouns in these Bylaws will be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

14.2 Captions. Captions and headings contained in these Bylaws are included as a matter of convenience. In no way should they be construed to define, limit or extend the scope, intent, or any provision of these Bylaws.

14.3 Club and Board Decisions. To the fullest extent permitted by applicable law, all matters and decisions authorized to be taken or otherwise to be determined or established by the Board, The Boulders or The Boulders Manager, will be committed to the sole and absolute discretion of the Board, The Boulders and/or The Boulders Manager as applicable, unless expressly stated in these Bylaws to be subject to a different standard.

14.4 Notices. No notice, consent, approval or other communication provided for herein or given in connection herewith shall be validly given, made, delivered or served unless it is in writing and delivered personally, sent by overnight courier, or sent by registered or certified United States mail, postage prepaid, with return receipt requested. Any notice to The Boulders shall be addressed as follows:

The Boulders
34631 North Tom Darlington Drive
Carefree, AZ 85377
Attn: The Boulders Manager
[Email: bouldersmanager@Boulders-golf.net](mailto:bouldersmanager@Boulders-golf.net)

Any notice to a Member shall be addressed to the individual Member's current physical street address and/or email address on file with The Boulders. It shall be the Member's responsibility to provide address updates for both the Member's physical street address and e-mail address, as appropriate, to The Boulders. Notices, consents, approvals, and communications given by mail shall be deemed delivered upon the earlier of forty-eight (48) hours after deposit in the United States mail in the manner provided above or upon delivery as set forth above if delivered personally or sent by overnight courier. Notices, consents, approvals, and communications given by e-mail shall be deemed delivered at the time that the e-mail is sent, as reflected in The Boulders' records.

14.5 Time of Essence. Time is of the essence of these Bylaws.

14.6 Bylaws Supersedes Prior Bylaws. These Bylaws expressly supersede the Prior Bylaws and any other Membership Agreement and By-Laws in effect prior to the Effective Date (collectively, "*Superseded Documents*"). In the event of any inconsistency between the terms and

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provisions of the Bylaws and the terms and provisions of any of the Superseded Documents, the terms of the Bylaws shall govern and control, except as follows:

14.6.1 Memberships purchased on or before December 31, 1986, may have been subject to terms which provided for rights upon the transfer or cancellation and resale of the Membership which are different than are set forth in Article 9. If so, the transfer or cancellation and resale rights and obligations under the terms of the Club Documents applicable to such Memberships shall control over any inconsistent terms contained in Article 9. A Member holding Memberships purchased on or before December 31, 1986 should contact The Boulders Manager to determine his or her transfer and cancellation rights and obligations.

14.6.2 Memberships purchased on or before August 31, 1986, may have been subject to terms which provided for rights upon the transfer or cancellation and resale of the Membership which are different than are set forth in Article 9. If so, the transfer or cancellation and resale rights and obligations under the terms of the Club Documents applicable to such Memberships shall control over any inconsistent terms contained in Article 9. A Member holding Memberships purchased on or before August 31, 1986 should contact The Boulders Manager to determine his or her transfer and cancellation rights and obligations.

14.6.3 To the extent that any of the provisions of the Bylaws contravene any of the rights guaranteed to Premier Charter Members or Charter Members in the Club Documents applicable to such Memberships, the provisions in the Club Documents applicable to such Memberships shall control.

14.6.4 To the extent that any of the provisions of the Bylaws materially and adversely affect the rights of the Original Members under Sections 1.8, 2.1, 2.2, 2.3, 2.4, 4.3, 5.2 B, 5.3, 6.1, 6.3, 6.4, 6.5, 6.7, 7.2B, 7.2C, 7.3 A, 7.3 C and 9.5 of the Prior Bylaws, or the right of Original Members with refundable Memberships (upon conversion to a higher Membership category) to 100% credit of the Initiation Fee they previously paid toward the Initiation Fee of the new Membership category pursuant to Section 6.8 of the Prior Bylaws, Original Members shall have the rights set forth in the referenced provisions of the Prior Bylaws unless these Bylaws have been adopted or ratified by a vote of those Members eligible to vote on Bylaw amendments.

14.7 Amendment. The Board may, by majority vote, make any amendment to the Bylaws that does not expressly require a vote of the Members. The Board will promptly notify the Members of any such amendments.

14.8 Membership Plan. Notwithstanding anything to the contrary contained herein, the Membership Plan shall not apply to Regular Golf, Social and Clubhouse Members, but shall apply only to Premier Members.

14.9 No Partnership, Third Person. It is not intended by these Bylaws to, and nothing contained in these Bylaws shall, create any partnership, joint venture or other similar arrangement between a Member and The Boulders. No term or provision of these Bylaws is intended to, or shall, be for the benefit of any person, firm, corporation or other entity not a party hereto, and no such party shall have any right or cause of action hereunder.

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14.10 *Entire Agreement.* These Bylaws, together with the other Club Documents, contain and constitute the entire agreement between and reflects the reasonable expectations of the Member and The Boulders pertaining to the subject matter hereof. Except as provided in Section 14.6, all prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein. Neither these Bylaws nor any memorandum thereof shall be recorded in the public records without the prior written approval of The Boulders.

14.11 *Conflicts.* In the event of any conflict between the terms of these Bylaws, the Membership Agreement, the Membership Plan and/or the Rules and Regulations, the terms of these Bylaws shall control.

14.12 *Arizona Law.* These Bylaws shall be governed by the internal laws of the State of Arizona, without regard to any choice-of-law provisions.

