

MINUTES OF THE BOULDERS MEMBERS ASSOCIATION ON APRIL 19, 2023

The meeting was called to order in the Tohono Ballroom by President Sarah Buxton at 8:30 a.m.

Sarah welcomed the members, made mention of the fact that management would not be in attendance and that the meeting was being recorded of those not there.

Sarah recognized the current board. Jeff Gillies, vice president, Matt Lobas, secretary and head of communications, Bob Marzec, treasurer, Doug Stewart, golf and greens, Mary Smart, tennis and pickleball, Jenny Murray, spa, Sandy Furman, facilities, Sheila Albon, social, Mindy Gordon, not in attendance for food and beverage, Penny Sayre for women's golf, and Steve Sanborn for mens golf. Sarah also thanked Hud Staffield, president of the south HOA and Corbin McNeill, president of the north HOA for their insights and support. She also thanked David Beck of the Mulligans and Laurie Boyer of the Divine Nines for their organizations support throughout the year.

Bob Marzec then provided the treasurer's report. The voluntary contributions fund has \$170 in our checking account and a receivable of \$27,000 from CS. We had almost 100% participation of members to the voluntary fund. The majority of the money spent was for directors liability insurance. The legal defense fund has \$265,000 in it. Gallagher and Kennedy have invoiced us for \$22,000 and \$25,000 for services rendered so far. We have \$218,000 left in the fund.

Sarah then shared some comments with the members. It has been both a challenging year and interesting year. She thanked the members for their support and efforts to date. She said that the 2008 agreement served us well. She thanked the writers of that agreement. Unfortunately, there are some elements that need to be changed. She talked about how BMA needs to be independent and have its own internet domain and ability to send out communications to members. She went on to thank the members for the survey. That survey was used to support our proposals to the owners.

Sarah then thanked Bob Marzec, Doug Stewart and Sheila Albon for their service. They are leaving the board this year.

Mark Warnquist then provided the results of the election of the new BMAC board. He discussed the nominating process, eligibility requirements, the vetting of candidates, and the results of the election. He announced that Huck Cronin, Sandy Hyde, Greg Barnum and David Johnston have been elected. Mark went on to introduce the four new BMAC members and provided their biographies.

Sarah then introduced Dominick San Angelo from Gallagher & Kennedy to discuss our work with the owners of The Boulders. In the beginning, G & K were helping BMAC understand what its rights were under the by laws. But that changed into a whole variety of issues because of the actions taken by the owners. He discussed the organization of BMA and the rights of members. He stated that Gallagher & Kennedy represented BMA, not individual members. G & K takes their direction from BMAC. BMAC can negotiate with the owners on behalf of the members. However, the members have to vote on any by law changes. Dominick reviewed the history on how we got to where we are today. He empathized that you don't want to litigate, if you can avoid it. Try to create to win, win for both the members and owners. That is what we are in the process of doing at this time. We are in negotiations. The owners asked us for a proposal on what we wanted. It is clear what they want. More revenue through dues. We provided our proposal and they have come back to us with their counter proposal. We are developing our response along the lines of what BMAC thinks the members will approve. What

are the commitments that ownership will give if we move ahead with a dues increase? Will we be in a better position after the dues increase? Will there be added value to the members? That is what we are trying to do. Dominick announced that the owners had suspended the fee for members to play pickleball until the end of May as an act of good faith. We have their attention.

Matt Lobas then reviewed the history of the issue of allowing non resident members to vote. Currently, they are prohibited from voting through the by laws. Matt noted that currently in the by laws, resident members have special rights that we want to protect. He spoke about BMAC proposing to amend the existing agreement to allow all memberships to vote, one vote per membership, except that only Residential Members may vote on any changes to the special rights of Residential Members enumerated below:

1. Resident members have priority over nonresidents for available memberships.
2. Resident members have priority over nonresident members on the waiting list to sell their membership.
3. Resident members have the right to retain membership upon the sale of their residential lot, and non resident members do not.
4. Resident members have the right to transfer their membership to the buyer upon the sale of their residence if they desire and the buyer is accepted by the Club for membership (this is accomplished through a process of Resident Member resigning and then the buyer applying and being accepted for membership ahead of anyone on the waiting list).
5. Resident members have the right to assign use of their membership to a lessee of their entire home, subject to approval by the Club and according to the rules set forth in the existing Agreement. Non resident members do not,
6. Resident members are the only members that have the right to change the maximum number of memberships and limits on number and category of memberships sold to nonresidents.

Matt discussed some of the objections that BMAC has heard to granting non resident members right to vote. BMAC is proposing giving non resident members the right to vote on all issues except those that are noted above. BMAC is asking the owners for approval to proceed with a membership vote and recognize the outcome of that vote. The plan is to have the vote in the next few weeks.

Sarah then provided an update on our work with CS. While the owners rejected our proposal they have agreed to discussions with us. If we can agree on a revised agreement, they will rescind their actions taken earlier this year, and our dues would go up 15%. They also agreed to make numerous improvements to the golf courses that were identified in the 2023 Troon report. They have also agreed to make improvements to the tennis and pickleball courts. We are in a negotiation with them. That is the good news.

Sarah then proceeded to the question and answer session. Numerous members asked questions and were answered by members of BMAC.

The meeting adjourned at 10:15 s.m.

Respectively submitted,

Matt Lobas
Secretary to BMAC