Eric Lebersfeld

President

Broken Sound Club

Dear Eric: This letter is a request, pursuant to Article III, paragraph 3 of the Amended and Restated Bylaws of Broken Sound Club, Inc., for a Special Meeting of the Members. In accordance with those provisions:

> *Special Meetings of the Members may be called by the President, a majority of the members of the Board of Governors* ***or by the written request of ten percent (10%) or more of the voting Members of the Club.*** *Such request shall be submitted to the President who shall call a special meeting within thirty (30) days of the date of receipt of such request."*

It has come to the members' attention that there are discussions being held at the board level regarding material changes to the club, particularly with regards to the budget and operational leadership, namely the General Manager position.

At the most recent Special Meeting in the Spring, the board spoke very strongly about transparency and fiscal responsibility and the members would like to make sure that this is consistent with what is currently being discussed. The decisions being considered directly affect the financial future of the club and should not be taken lightly.

In particular, at this meeting, the membership would like the Board to explain the following:

- If the board decides that it is time to move to a new General Manager, can assenting board members please describe the process of how deciding to choose a new General Manager has been conducted? The last General Manager was vetted by a reputable search firm and many

qualified candidates were interviewed and considered. Has the same process been done now? Have all candidates being considered been vetted to have the appropriate experience in **all** facets of the club such as Tennis, Aquatics, Finance, Construction, Golf, Food & Beverage, etc.

- Has the board considered all potential liability that can be incurred by the club with regards to removing senior operational staff? It has been discovered by members that certain board members have potentially been approaching Directors of the club looking for negative information about management in recent weeks. This is in direct violation of Section 1 of Broken Sound Rules and Regulations. Members would like to know why this information was only being sought out recently and explain if this might open up the potential for larger liability to the club.

- What role did the current General Manager play in creating and approving the Fiscal Year 2022/2023 budget? Are there checks and balances in place at the board level in case the club goes over budget during a fiscal year? If so, please explain these measures.

- Since there is nothing in the bylaws regarding operational staff changes, especially at the General Manager level, should board votes to make material changes be in line with removing a Board member, which requires at least two thirds of the board? Given that previous executives have been voted in unanimously, should that be considered as the voting needed to make material operational changes? Does this set a bad precedent if a decision is not made before any vote is to be held?

- Would material operational changes need the consent of the Executive Committee? These board members were voted by the board to make executive decisions so should this committee need to fully sign off on any changes?

- Are staffing changes being considered, namely the General Manager position, being done in a proactive or reactive manner? With the budget being finalized and a new, fiscally responsible plan being rolled out, is now the time for major operational changes?

For decisions of this magnitude, the membership as a whole would like to know that these decisions are being made with the utmost consideration, responsibility, and transparency.

It is our concern that the board is not currently operating under best business practices. We respectfully request that no votes or decisions be held or made which can affect the long-term future of this club before this Special Meeting takes place.

We appreciate your immediate attention in this matter and we look forward to the detailed answers from board members at the Special Meeting.

Thank you