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Date: October 9, 2025 at 12:39:36 PM EDT

To: TeShauna Hamilton <[REDACTED]@ornlaw.com>, Josh Treasurer Board Member Haugh <[REDACTED]@ornlaw.com>, Leslee-HOA <[REDACTED]@ornlaw.com>, EJ Kelly <[REDACTED]@ornlaw.com>

Subject: FW: Questions regarding the BTMA

To address Mr. Griffin's questions, I provide the following information:

1. The property does not belong to the homeowners. The homeowners are simply granted an easement to use the facilities.
2. While there is some support in BTMA's corporate documents authorizing the sale of property, selling the entirety of the common areas and removing the recreational facilities from the use of the homeowners is likely not what was intended by the language as BTMA was created as a not-for-profit corporation primarily to own, operate and maintain the property for recreational use by the homeowners. This is reinforced by the requirement that upon any dissolution, the property be transferred to a public agency or non-profit which would operate the property as BTMA did for the benefit of the homeowners. BTMA cannot unilaterally act against its mandate.
3. Any sale without court order will likely be problematic and not be able to be closed because BTMA cannot get the consent of its members to a sale. Typically, buyers, lenders and title insurers require a Certificate of Action from the members authorizing the sale. Given number 1 above, those entities are not likely to be convinced to waive any such requirement. Because the five HOA's that are BTMA's members are functionally inactive, there is no one to execute that Certificate on their behalf.
4. Even if BTMA went ahead and sold the property before its expiration, BTMA could not distribute any proceeds to the individual homeowners because the homeowners are not members of BTMA. BTMA would have to interplead the money into court and allow the court to decide what to do with it. The same is true in the case of the proposed court proceeding. The court will determine the requirements for distribution of the proceeds. I note that the By-Laws of BTMA provide that its member HOA's are not allowed to distribute any revenues they might receive from BTMA to the homeowners. See By-Laws, Article XII(1)(b). The court will have to figure out what to do about this. BTMA does not have the authority to do so.

5. I have been advised that the City has been contacted and does not want to accept and maintain the property for the benefit of the Burning Tree residents or the public in general. I have also been advised that there are no known non-profit organizations that would accept the property and run it like BTMA. This makes sense as such non-profits would not have the ability to assess dues or maintenance fees to maintain it. Such a non-profit would only be able to sell memberships and take the risk that enough would sign up to keep the dues affordable.
6. A non-profit should not be interested in flipping the property for profit (Concern No. 2, below). If such an entity could be found, prohibition on re-sale would be addressed in the agreements transferring the property as the Articles contemplate such a donation essentially only to continue the use of the common areas by the Burning Tree residents. Nothing authorizes anyone to give the property away freely and no one has suggested that.
7. As to whether a court will agree BTMA can sell the property as opposed to following the Articles of Incorporation, there is no way to be certain what a court will decide. Courts usually do not require parties to do something that is impossible, however. If the Court believes that BTMA cannot accomplish what the Articles of Incorporation require, then it is reasonable to think that the Court will allow an alternative.
8. I provide no advice as to the tax ramification of any sale of the property by BTMA either before or after its expiration. BTMA and any recipient of any proceeds should consult with their accountants about that issue.
9. The property being sold will still be subject to any restrictions or burdens put in place on it by the deeds of dedication and the PUD. Its marketability remains to be seen. I have not investigated the restrictions or burdens on the property that might affect its ability to be developed and marketability. Also, while any landowner can apply to get a property re-zoned, whether they are successful depends on several factors and is not a given. I cannot speak to whether a developer can be found that will be willing to retain the pool for BTMA's benefit in perpetuity; however, I would not expect that to be the likely result (Concern No 3, below).
10. As to homeowners recovering the dues paid for the past 50 years (Concern Number 1, below), that is unlikely to occur. If the estimated value of \$1MM is correct, then after the costs of the sale, it seems to me that, at best, the individual homeowners could receive somewhere around \$2700 each. Depending on the costs of the sale, the determination of the court, any tax ramifications, etc. it could be substantially less.

What the homeowners received in exchange for their dues was the right to use the facilities.

11. By statute, the corporation did not begin to exist until the Certificate of Incorporation was filed. The corporation had a specified existence of 50 years. The December 1st date is correct based on the statute and the file stamp.

12. All of this could be simplified if the five Burning Tree subdivisions whose HOA's are members of BTMA would call a meeting and take action to appoint new board members for the HOA's. With active boards, those HOA's could vote to extend BTMA's duration and then vote to direct and authorize BTMA to take whatever action the homeowners ultimately desire to take. The homeowners' failure to keep their HOA's operational is why all of this is necessary.

Please feel free to let me know if you have any questions.

Sincerely,

Heath E. Hardcastle

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QUESTIONS FROM HOMEOWNERS

From: Joseph [REDACTED] <[REDACTED]>
Date: Wednesday, October 8, 2025 at 9:00 PM
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Subject: Questions regarding the BTMA

Good Evening Mr. Hardcastle and BTMA Board,

I'm writing you and the Board for clarification of some unanswered "whys?"

I have printed off all of the documents of your legal work off submitted to the BTMA website for closer examination, but I and several others still don't see a specific answer to our question.

I hope the Board will allow you to answer and post a response to this email to our website so that we can all fully understand certain concerns. We, the 330 households of Burning Tree, are actually paying for your services and we would like some answers please.

Several of us went to the BTMA board meeting on Monday to try and get some answers on why we can't sell our property now, before the November 26th AOI expiration date.

Our question is: Why are we waiting to file for judicial relief in regards to selling our property, when we have a fast approaching deadline to actually sell and not donate?

The Bylaws and the AOI's both state that we have the ability to sell during the term of the corporation, but after it expires, our AOI's and Bylaws both state that we have to donate our common areas to a non-profit, or give to some other type of entity/business with a similar recreational type use.

We understand that you recommended this go before a judge for an expert legal decision, however, if this petition is heard AFTER our expiration deadline to actually sell, as outlined in our docs, what

evidence do you have that the judge will go against our dissolution clause, which clearly states that we have to donate our real estate and all of our assets? Why are you advising the Board to give it away? That is the burning question.

Our concerns:

Number 1: We want recover as much of our monies that we as a collective neighborhood have paid into this corporation for the last 50 years.

Number 2: What makes anyone think that whoever we donate our land to will not turn around and sell it for it's estimated \$1 million dollars worth? Anyone can get a property rezoned. We don't feel that it is in the best interest of the people of this neighborhood to donate. Why are we risking this?

Number 3: You stated in one of your correspondences that it might be difficult to actually get an entity to agree to take on the responsibility of the 6.5 acre pool amenity. If the word gets out that we are giving away 6.5 acres of prime real estate within the "golden corridor" area, we feel people will be lining up in droves to take on that responsibility because there is no oversight as to whether or not they can resell it or change the zoning. A complete stranger that has no skin in the game with Burning Tree neighborhood will reap all of the benefits of our loss. It's just not right.

I look to forward to your speedy response.

(Note: You might want to check some of the verbiage in one of your docs where it says we have until a Dec 1 expiration, which is the filing date, not the corporation expiration date of Nov 26, in my opinion.)

Sincerely,

[Redacted]
Ed and Claudia [Redacted]
Richard [Redacted]
Don and Melissa [Redacted]
Gall [Redacted]
Lisa [Redacted]