



APPROVED
GVR Board of Directors
November 29, 2016

EXHIBIT

GVR/GVR Foundation - Resource Sharing Agreement (RSA)

Overview

The GVR/GVR Foundation Joint Task Force (TF) was formed in September, 2016. The has two (2) directors of the GVR Board, two (2) directors of the GVR Foundation Board, plus the GVR Chief Executive Officer (CEO). Among other purposes, an immediate TF objective was to develop a Resource Sharing Agreement (RSA) for adoption by the GVR Board of Directors and the GVR Foundation Board of Directors. The services of attorney Randal Evans of Evans Law, PLC (Phoenix, AZ) were retained to assist the TF. Evans Law, PLC specializes in nonprofit business and tax law needs. The TF met on several occasions with attorney Evans, and with his advice and counsel, crafted a RSA. The TF also obtained input from tax and accounting and insurance professionals.

Summary of Resource Sharing Agreement

RESOLUTION OF THE
GREEN VALLEY RECREATION, INC. (GVRI) BOARD OF DIRECTORS

WHEREAS, GVRI is an Arizona nonprofit corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, GVRI's principal corporate purpose, as set forth in its Articles of Incorporation, Article III, Paragraph A, is to "promote the common good and general welfare of its members through the operation and maintenance of recreational and social facilities and the sponsorship of cultural and civic activities for its members and other persons and groups within the community of Green Valley;" and

WHEREAS, GVRI's principal purpose expressly mandates engaging in activities that benefit GVRI's members as well as other persons and groups within the community of Green Valley; and

WHEREAS, GVRI's Articles of Incorporation, Article II, Paragraph B, authorize GVRI's board of directors to "solicit, collect, receive, administer and disburse funds in such manner, in the sole discretion of the board of directors, as will most effectively further the general purpose as defined in Paragraph A of this Article;" and

WHEREAS, GVRI's Articles of Incorporation (Article II, Paragraph B) authorize GVRI's board of directors to "make contracts;" "incur liabilities;" "enter into a partnership, joint venture, trust agreement or any other business arrangement for the purposes provided in [the Articles of Incorporation];" and engage in other actions as the Board may determine to be "necessary, suitable, useful or advisable" in connection with and for the benefit of GVRI's purposes; and

WHEREAS, the GVR Foundation (the "Foundation") is an Arizona nonprofit corporation exempt from federal income tax under Code § 501(c)(3), classified as a public charity under Code § 509(a)(2); and

WHEREAS, the Foundation's 501(c)(3) corporate purposes, as set forth in its Articles of Incorporation, are to (i) engage in "charitable, educational, economic development and community development strategies and activities that benefit the community;" and (ii) pursue "charitable, educational, health and wellness, recreation and safety purposes that benefit the residents and community of greater Green Valley, Arizona;" and

WHEREAS, the Foundation is a non-staffed charitable organization whose purposes and activities are carried out by its volunteer board of directors; and

WHEREAS, GVRI's board of directors appointed certain of its directors to a joint task force with directors appointed by the Foundation's board of directors, to explore opportunities and specific issues to be addressed with respect to collaborations between the two organizations (the "Task Force"); and

WHEREAS, the Task Force has met with legal counsel, and also obtained input from tax and accounting and insurance professionals, regarding particular matters to be addressed in pursuing collaborations between the two organizations; and

WHEREAS, the GVRI directors appointed to the Task Force have recommended that GVRI's board of directors adopt a written Resource Sharing Agreement to formalize the legal relationship between GVRI and the Foundation and the sharing of resources by and between the two organizations;

NOW THEREFORE, BE IT RESOLVED THAT:

A. The board of directors finds that GVRI will benefit from collaborating with the Foundation and sharing certain resources of GVRI with the Foundation; and

B. The sharing of resources with the Foundation will serve and advance GVRI's Code § 501(c)(4) corporate purposes, as set forth in GVRI's Articles of Incorporation; and

C. The sharing of resources with the Foundation will promote the common good and general welfare of GVRI's membership by enhancing GVRI's ability to sponsor cultural and civic activities that benefit GVRI's members and other persons and groups within the community of Green Valley; and

D. The sharing of resources by and between GVRI and the Foundation will further the community benefits and public purposes of GVRI's 10-Year Strategic Master Facility Plan; and

E. Based upon the following terms, the GVRI's Chief Executive Officer is authorized and instructed to work with GVRI's staff, professional advisors, and the Foundation's board of directors; to execute all such agreements, documents, and instruments; and to take all such acts, deeds, and things as may be necessary to fully implement the Resource Sharing Agreement and the Parties desire to enter into a contractual relationship regarding the sharing of resources by and between the Parties, and addressing other aspects of the legal relationship of the Parties:

1. Foundation Use of GVRI Employees. Upon request from the Foundation's board of directors, and pursuant to the general authority granted by GVRI's board of directors, GVRI's Chief Executive Officer may, from time to time, allocate GVRI staff resources for the benefit of the Foundation and instruct GVRI employees to perform services on behalf of the Foundation. The Foundation shall not be required to reimburse GVRI for such services.
2. Status of GVRI Employees. In performing services on behalf of or for the benefit of the Foundation, GVRI's employees shall at all times remain employees of GVRI, and will report to GVRI's Chief Executive Officer, in his or her capacity as the Chief Executive Officer of GVRI (and/or his or her designee(s)), acting under the general authority of GVRI's board of directors.
3. Periodic Reporting. GVRI shall provide periodic reports to the Foundation's board of directors regarding services performed by GVRI staff on behalf of the Foundation.
4. Dedicated Space. GVRI may, upon written request from the Foundation, designate office space or facilities, or both, for the Foundation's direct and exclusive use ("Dedicated Space").
5. Shared Space. In addition to its use of Dedicated Space, the Foundation also may make use of common spaces within the Premises ("Shared Space"), provided that such use of Shared Space does not interfere with the use of Shared Space by GVRI or its members.
6. Rent and Cost Accounting for Dedicated Space and Shared Space. The Foundation's use of Dedicated Space and Shared Space shall be rent-free.
7. Rent or License Fees for Additional Space. GVRI may, but need not, charge rent or a license fee for the Foundation's use of any Additional Space, provided that such rent or fee is at or below fair market value as established on an objective independent basis.

8. Joint Development of New Facilities or Improvements to Existing Facilities. Any joint development of new facilities, and any joint efforts to make improvements to existing facilities, must be set forth in a separate written agreement, approved by the board of directors of each organization, and structured in such manner that protects the tax-exempt status of each organization and addresses the specific rules governing the operations of 501(c)(3) organizations.
9. Utilities, Real Property Insurance, and Similar Items of Facility Overhead. The Foundation shall not be required to reimburse GVRI for its share of GVRI's utilities, real property insurance, and similar items of facility overhead arising from the Foundation's use of the Premises.
10. General Liability, Directors and Officers, and Other Insurance. GVRI shall be responsible for obtaining and paying for all necessary and customary insurance policies, to include general liability, directors and officers, umbrella, and other such policies as GVRI may deem necessary and prudent. The Foundation generally shall not be required to reimburse GVRI for such insurance expenses, except that the Foundation shall be wholly responsible for paying additional insurance premiums as may be required for special Foundation events.
11. Furniture and Equipment. The Foundation shall not be required to reimburse GVRI for use of office furniture and equipment (including chairs, desks, phones, computers, printers, fax machines, copiers and the like) in connection with the Foundation's use of the Premises.
12. Software. The Foundation shall not be required to reimburse GVRI for use of basic office productivity software (including Microsoft Office and Microsoft Outlook) owned by or licensed to GVRI.
13. Supplies and Miscellaneous Goods and Services. The Foundation shall bear its own expenses for creating and distributing specialized marketing materials, mass mailings, and messenger and express delivery services, unless otherwise provided for in a separate supplemental agreement.
14. Travel and Transportation. Each party shall separately bear its own travel and transportation expenses, unless otherwise provided for in a separate supplemental agreement.
15. Telecommunications. The Foundation shall not be required to reimburse GVRI for use of network and telecommunications equipment and facilities licensed or owned by GVRI.
16. Professional Services; Annual Audit; Annual Information Returns. GVRI shall be responsible for engaging and paying for legal, accounting, tax, and other professional services that may be required from time to time. The Foundation shall not be required to reimburse GVRI for such professional services.
17. Grant of License of GVRI & Foundation Marks. GVRI and the Foundation grants to each other the non-exclusive, non-transferable, royalty-free license for the duration of this Agreement to duplicate and use GVRI and Foundation Marks, respectively, in connection with the Foundation's tax-exempt purposes.

18. Mailing Lists. GVRI shall make its full mailing list available to the Foundation for the Foundation's use, subject to the restrictions contained within this Agreement. In consideration for the use of GVRI's mailing list, the Foundation shall provide GVRI unlimited use of all unique names added to GVRI's mailing list in the course of the Foundation's mailing list development.
19. Fundraising. Any joint fundraising efforts shall be conducted pursuant to one or more separate written agreements.
20. Contributions. Contributions to the Foundation shall be used in such a manner that is consistent with (1) the Foundation's 501(c)(3) status; (2) the Foundation's specific charitable, educational, economic development, and community development purposes; (3) the intent of the donor; and (4) the Foundation's gift acceptance policy (if any) and other such policies and procedures as may be applicable.
21. Grants. Any transfer of funds or other assets from the Foundation to or for the benefit of GVRI shall be made in the form of a grant
22. Term and Termination. This Agreement shall continue until terminated by either party with ninety (90) days prior written notice.

Recommendation

Approve terms of the Green Valley Recreation, Inc.-GVR Foundation Resource Sharing Agreement (RSA) as expressed herein, and further:

- A. Authorize the GVR President and Corporate Secretary to sign the RESOLUTION and RSA, and**
- B. Following mutual ratification of the RSA by the GVR Foundation Board of Directors, add the Agreement to the Corporate Policy Manual (CPM) in an appropriate location as determined by the Board Affairs Committee.**