



AGENDA

BOARD OF DIRECTORS MEETING
 Wednesday, February 26, 2020 2pm
 West Center Auditorium

Directors: Charles Sieck (President), Lynne Chalmers (Vice President), Sandra Thornton (Secretary), Carol Crothers (Treasurer), Donna Coon (Assistant Secretary), Tom Sadowski (Assistant Treasurer), Suzan Curtin, Christine Gallegos, Denise Nichols, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (non-voting)

	Agenda Topic	Member	Exhibit	Action	Time
1	Call to Order / Quorum	Sieck			2:00
2	Adopt Agenda	Sieck	X	X	2:02
3	Consent Calendar	Sieck			2:05
A	January 29th Meeting Minutes		X	X	
B	Preliminary 2019 Year End Financial Report		X	X	
C	Preliminary January 2020 Financial Report		X	X	
4	Policy Governance				
A	Ownership Linkage				
	Policy Governance at Annual meeting	Chalmers	X	X	2:10
B	Monitoring				
	1 Reschedule March Monitoring	Chalmers	X	X	2:13
	2 E.L. 2.0 - Global Executive Limitations	Blumenthal	X	X	2:15
	3 E.L. 2.2 - Treatment of Staff	Blumenthal	X	X	2:20
	4 E.L. 2.3 - Financial Planning and Budgeting	Blumenthal	X	X	2:25
	5 E.L. 2.4 - Financial Condition	Blumenthal	X	X	2:30
	6 E.L. 2.8 - Communication and Support of the Board	Blumenthal	X	X	2:35
	7 G.P. 3.9 - Board Committee Principles	Sieck	X	X	2:40
	8 G.P. 3.10 - Board Committee Structure	Sieck	X	X	2:45
	9 B.M.D. 4.3 - Delegation to the CEO	Sieck	X	X	2:50
	10 B.M.D. 4.4 - Monitoring the CEO	Sieck	X	X	2:55
C	Policy Decisions				
	1 Reorganization of CPM content to Policy Governance documents	Chalmers - Northrup	X	X	3:00
5	Committee Reports				
A	Nominations & Elections Committee	Gallegos			3:15
B	Planning & Evaluation Committee				
	1 Design of Clay Club expansion into Fiesta Rm	Nichols	X	X	3:18
	2 Pilot for Social Gathering Spot	Nichols	X	X	3:20
C	Fiscal Affairs Committee				
	1 MRR transfers for 4th Qtr 2019	Crothers	X	X	3:26
	2 Credit Card Processing Change	Blumenthal	X	X	3:29
6	New Business				
A	Event Ticketing Solution	Blumenthal	X	X	3:32
B	Springs HOA Road Maintenance	Blumenthal	X	X	3:35
C	Cost of Pickleball Complex	Sieck	X	X	3:40
D	IT Staff Relocation	Crothers	X	X	3:45

*Members and guests are expected to show respect and common courtesy and refrain from using offensive language and behavior.
 The Board may recess or adjourn into Executive Session to consider legal or personnel issues, if necessary.*

7	GVR Foundation Report	Counter			3:50
8	BMD 3.1 - Governing Style	Coon			3:55
9	Member Comments (limit to 2 minutes each)				
10	Adjournment				4:00
11	Executive Session (if needed)				

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The Board may recess or adjourn into Executive Session to consider legal or personnel issues, if necessary.*



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS held Wednesday, January 29, 2020 at West Center, the President being in the chair and the Secretary being present.

Directors Present: Charles Sieck (President), Sandra Thornton (Secretary), Carol Crothers (Treasurer), Donna Coon (Assistant Secretary), Tom Sadowski (Assistant Treasurer), Suzan Curtin, Christine Gallegos, Gail Vanderhoof, Don Weaver, Mike Zelenak, Kent Blumenthal (non-voting)

Directors Absent: Lynne Chalmers (Vice President), Denise Nichols

Staff: Cheryl Moose (CFO), Jen Morningstar (Director of Administrative Services), David Jund (Facilities Director), Kris Zubicki (Recreation Services Director), David Webster (Accounting Supervisor), Miles Waterbury (Communications Specialist), Payton Snider (System Administrator), Conal Ward (IT Technician), Karen Miars (Administrative Assistant), Marie Wilbur (Office Assistant)

Visitors: 87 (includes additional staff)

1. Call to Order / Establish Quorum

President Sieck called the meeting to order at 2:01pm MST.
Roll call by Secretary Thornton; Quorum established.

2. Adopt Agenda

MOTION: Crothers / Seconded. Adopt Agenda as amended, no report to be given on B.M.D. 3.1 – Governing Style, and President Sieck to report in Director Chalmers’ absence.

Passed: unanimous

3. Consent Calendar

A. Minutes: Board of Directors September 25, 2019 Meeting

MOTION: Crothers / Seconded. Approve September 25, 2019 Meeting Minutes as presented.

Passed: unanimous

B. Minutes: Board of Directors December 11, 2019 Meeting

MOTION: Vanderhoof / Seconded. Approve December 11, 2019 Meeting Minutes as presented.

Passed: unanimous

C. November Financial Report

MOTION: Crothers / Seconded. Approve November 2019 Financial Statements as presented.

Passed: unanimous

4. Policy Governance

A. Ownership Linkage: Jan. 30 Membership Forum – President Sieck gave the update.

B. Monitoring

1. B.M.D. 4.1 - Unity of Control

MOTION: Sieck / Seconded. GVR Board of Directors accept the monitoring report on B.M.D 4.1 - Unity of Control from the Policy Governance Manual. [see Exhibit]

Passed: 8 yes / 1 no (Weaver) / 1 abstain (Gallegos)

2. B.M.D. 4.2 - Accountability of the CEO

MOTION: Sieck / Seconded. GVR Board of Directors accept the evaluation for B.M.D. 4.2 - Accountability of the CEO from the Policy Governance Manual. [see Exhibit]

Passed: unanimous

C. Policy Decisions

1. CPM issue relative to campaigning

MOTION: Sadowski / Seconded. GVR Board of Directors approve the Legal Opinion relative to the Corporate Policy Manual issue on campaigning be released to the membership as soon as possible.

Passed: unanimous

MOTION: Coon / Seconded. GVR Board of Directors recommend to the Nominations & Elections Committee (N&E) to schedule additional member candidate forums. N&E will determine the schedule.

Passed: unanimous

MOTION: Sadowski / Seconded. GVR Board directed GVR CEO to cancel all meetings currently scheduled in GVR meeting rooms for GVR political purposes not under the auspices of the Nominations & Elections Committee, until such time as the Corporate Policy Manual (CPM) is changed.

Passed: 6 yes / 3 no (Gallegos, Weaver, Zelenak) / 1 abstain (Coon)

2. CPM update on surplus/deficit calculation

3. CPM update on timing of transfers

MOTION: Crothers / Seconded. GVR Board of Directors adopt two changes to the Corporate Policy Manual (CPM):

- **Section V. Fiscal/Accounting, Subsection 2. Reserve Policy, D. Emergency Reserve Fund: document Susan Vos' recommendation for calculating Surplus/Deficit; and**
- **Section V. Fiscal/Accounting, Subsection 2. Reserve Policy, F. Initiatives Reserve Fund: transfer previously defined Initiatives Funding from Property Acquisition Capital Fees**

(PACF) and Initial Fees within 10 business days after the end of the month rather than quarterly. [see Exhibit]
Passed: 6 yes / 4 no (Coon, Gallegos, Weaver, Zelenak)

4. CPM change "they" to "commercial vendors"
MOTION: Curtin / Seconded. GVR Board of Directors approve Corporate Policy Manual (CPM) change:

**CORPORATE POLICY MANUAL
SECTION VIII – GVR PROGRAMS/CLUBS
SUBSECTION 2. GVR CLUBS**

C. INSURANCE

1. GVR shall provide liability insurance for all GVR clubs and club activities sanctioned by GVR.
2. Club Directors and officers (D&O) insurance is not provided by GVR. Clubs desiring this coverage need to contact a commercial insurance broker. If purchased, a copy of the Binder shall be provided to the GVR Club Liaison.
3. When a club holds an Arts and Crafts Fair, festival, or any large event open to the general public, **they commercial vendors** must list GVR as an Additional Insured when completing the application for the Special Events Liability insurance policy.
4. GVR is responsible for insurance coverage and personal property taxes on GVR owned property only. It shall be the responsibility of each club to obtain necessary insurance on any equipment not owned by GVR, but located on GVR property, e.g., music instruments, computers, radios.

Passed: unanimous

5. CPM change add word "permanent" – This item withdrawn.
6. Reorganization of CPM content to Policy Governance documents
MOTION: Sieck / Seconded. I move that the existing CPM content be separated into 4 new documents:

The first new document will be controlled by the CEO/Operations and will be titled GVR Operations/Customers Manual. It will contain content from the CPM that is related to operations, customers of GVR, and how our facilities are used.

The second new document will be titled the GVR Owners/ Membership Manual and will be controlled by the Board through the Board Affairs Committee. It will contain content from the CPM that is related to ownership of GVR properties and rights and responsibilities of the membership.

The third new document will be titled GVR Board Practices Manual and will be controlled directly by the Board. This manual

contains detailed Board practices that are in the current CPM but not specifically called out in detail in the Policy Governance Manual.

The fourth new document will be titled GVR Board Archive and will contain the history of motions passed by the Board. The CEO/Operations will continue to maintain this archive.

The CEO will assemble these sections into the new GVR Operations/Customers Manual by the February 26, 2020 Board meeting. Any changes made to the current CPM content and all future changes to the GVR Operations/Customers Manual must be announced to the Board and the membership 30 days prior to the effective date of these changes.

The Board Affairs Committee will assemble the content of the GVR Owners/Membership Manual for approval at the February 26, 2020 Board meeting.

The President will appoint an Ad Hoc Committee to assemble the appropriate CPM content into the GVR Board Practices Manual for approval at the February 26, 2020 Board meeting.

Any changes made to the current CPM content that is being transitioned to the GVR Owners/Membership Manual or the GVR Board Practices Manual and all future changes to these manuals must be approved by the Board.

Note that changes to these documents include any insertions, deletions, updates, or modifications to the documents.

Passed: 7 yes / 3 no (Coon, Gallegos, Zelenak)

5. Committee Reports

A. Nominations & Elections Committee - Director Gallegos reported.

B. Board Affairs - GVR Cycling Club Approval

MOTION: Curtin / Seconded. GVR Board of Directors grant Club status to the proposed GVR Cycling Club.

Passed: 8 yes / 2 abstain (Crothers, Sieck)

6. New Business

A. Election Record Date (February 3, 2020)

MOTION: Sadowski / Seconded. GVR Board of Directors set the record date for the 2020 annual election as February 3, 2020.

Members who are not in good standing as of 4:00pm (MST) on February 3, 2020 will not be eligible to vote in the 2020 election.

Passed: unanimous

B. Internal Audit Proposal

MOTION: Sadowski / Seconded. GVR Board of Directors approve the GVR Audit Committee in conjunction with its annual financial

**audit engagement, review GVR's existing internal control policies and procedures. Additionally, if improvements can be made, the selected vendor will review GVR's existing policies and make recommendations to the Board for changing these policies. Finally, the selected vendor will conduct a review of transactions processed in calendar years 2018 and 2019 to determine if invoices were reasonable, appropriate, and were properly approved.
Passed: unanimous**

C. GVR Yard Sale Proceeds

MOTION: Vanderhoof / Seconded. GVR Board of Directors approve to donate any GVR Yard Sale proceeds to GVR Member Assistance Program (MAP).

Passed: unanimous

D. Administrative Offices Construction

MOTION: Weaver / Seconded. GVR Board of Directors approve \$35,000 to complete tenant improvements in the former Facilities area at the Administrative Offices from the Repurpose Board-authorized FY2020 "Non-Reserve Capital" projects funding.

Failed: 5 yes (Coon, Gallegos, Thornton, Weaver, Zelenak) / 5 no

E. Equipment Storage Room

~~Suzan Curtin left the meeting.

MOTION: Sieck / Seconded. GVR Board of Directors authorize Planning & Evaluation Committee to decide the usage of a small storage facility located behind the shuffleboard courts at West Center.

Passed: unanimous

7. GVR Foundation Report - GVRF President Jim Counter reported they have a new 3% fee structure effective February 1, 2020 on all new money coming into the Foundation. Green Valley Recreation Week in progress, endorsed by many Green Valley organizations, including GVR Board. GVR Staff Appreciation Lunch on January 30, sponsored by Longhorn Grill. Senior Games planning underway. Planning of a Donor Wall to honor GVRF donors is in progress. Javelina fundraiser is doing well. Final amount of 2020 MAP funding will be \$35,000-\$50,000 depending on donations from individual donors. GVRF working with Pima County to plan a shade ramada at Canoa Hills Trails Park. Working with outside consultants to revive/improve RetireArizona.org website. A 5-year strategic planning session scheduled in early March.

8. BMD 3.1 – Governing Style – No report.

9. Member Comments: 2

10. Adjournment

MOTION: Sieck / Seconded. Adjourn meeting at 4:27pm MST.

Passed: unanimous

4. Policy Governance / B. Monitoring / 1. B.M.D. 4.1 – Unity of Control

Policy	Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.1 – Unity of Control		
4.1 Only officially passed motions of the Board are binding on the CEO.		
4.1.1 Decisions or instructions of individual Directors, officers, or committees are not binding on the CEO except in rare instances when the Board has specifically authorized such exercise of authority.		Director gets upset by CEO decision to not do what an individual director requests.
4.1.2 In the case of Directors or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.	The CEO respectfully declines a request from an individual director.	

4. Policy Governance / B. Monitoring / 2. B.M.D. 4.2 – Accountability of the CEO

Policy	Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.2 – Accountability of the CEO		
4.2 The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.		
4.2.1 The Board must never give instructions to persons who report directly or indirectly to the CEO.	Instructions for the staff are sent to the CEO who reacts accordingly.	Committee liaisons are sometimes directed by committee chairmen
4.2.2 The Board must not evaluate, either formally or informally, any staff other than the CEO.		A director tells an employee that he did a good job.
4.2.3 The Board must view CEO performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends and avoidance of Board proscribed means must be viewed as successful CEO performance.	Board evaluates CEO performance on attaining ends and monitoring reports.	Activities, instead of results, are cited as accomplishments.

Motion to adopt CPM changes recommended by the FAC:

The FAC recommends two changes to the section of the CPM that deals with our Reserve Policy. The first is to document the Susan Vos recommendation for calculating Surplus/Deficit and the second is to transfer the previously defined Initiatives Funding from Property Acquisition Capital Fees (PACF) and Initial Fees within 10 business days after the end of the month rather than quarterly.

I move that the board adopt the following CPM changes:

SUBSECTION 2 - RESERVE POLICY - updated 10/25/2016

A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds to ensure its long term solvency and sustainability as part of the Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

B. Reserve Study Policy

C. Maintenance of GVR Financial Reserve System

1. Definitions:

2. Reserve Contributions and the Annual Budget:

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the Annual Reserve Study unless such Reserve Contribution generates a Percent Funded greater than 100% in which case the Reserve Contribution may be reduced to achieve a Percent Funded not less than 85%.

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

3. Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:

4. Priority of making contributions to Reserve Accounts:

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund
- b. Initiatives Reserve Fund
- c. Emergency Reserve Fund.

5. Rebalancing Reserve Accounts

D. Emergency Reserve Fund (previously the Operating Reserve Fund)

4. Funding Source:

At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses.

Operational Surplus or Deficit is calculated as follows: using the Audit Report (GAAP) as Net Changes in Net Assets without donor restrictions less unrealized gains/losses, plus Depreciation expense, less Purchases of Capital Assets before accumulated Depreciation, plus transfers from Reserves to Operation, less realized investment income relating to Reserve Accounts, and less Reserve Accounts (MRR, IR, ER) Funding during the year.

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) UPDATED (2/26/2019)

1. Purpose:

The fund shall be used to support new initiatives that contribute to meeting GVR Ends.

2. Target Balance:

This fund reserve shall be of sufficient size as determined by the Board of Directors to make value added investments in real property, facilities and infrastructure.

3. Funding Source:

Within 10 business after the end of each month GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (PACE) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.

At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. Authorization:

The Board of Directors shall authorize any monies spent from this fund.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

Revised

The accompanying pages are the Financial Reports for December 31, 2019. The four

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc. Statement of Financial Position

As of Date: December 31, 2019 and Dec 31, 2018

Revised

	December 31,	
	2019	Dec 31, 2018
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	2,505,270	1,099,888
Accounts Receivable	220,878	97,020
Prepaid Expenses	309,321	207,872
Designated Investments (Charles S./SBH)	10,436,687 (1)	
Undesignated Invest. (EJ/JP Morgan)	3,274,640 (2)	
Investments	13,711,327 (3)	10,995,715 (9)
Total Current Assets	16,746,797	12,400,495
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	21,469,478	19,354,268
Sub-Total	39,063,263	36,948,053
Less - Accumulated Depreciation	(21,918,638)	(20,315,542)
Net Fixed Assets	17,144,625 (4)	16,632,511 (10)
Total Assets	33,891,421	29,033,006
LIABILITIES		
Current Liabilities		
Accounts Payable	371,932	342,959
Deferred Dues & Fees	4,263,434	1,106,509
Deferred Programs	279,418	260,046
Total Current Liabilities	4,914,784	1,709,514
TOTAL NET ASSETS	28,976,637 (5)	27,323,492 (11)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	880,329 (6)	804,646 (12)
Maint - Repair - Replacement	7,055,756 (7)	5,881,453 (13)
Initiatives	2,500,602 (8)	1,996,087 (14)
Sub-Total	10,436,687 (1)	8,682,185
Unrestricted Net Assets	16,886,805	18,641,307
Net change Year-to-Date	1,653,145 (16)	-
Unrestricted Net Assets	18,539,950 (17)	18,641,307
TOTAL NET ASSETS	28,976,637	27,323,492



Green Valley Recreation, Inc.

Summary Statement of Activities

12 month period ending December 31, 2019

Revised

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 6,712,673	\$ 6,701,349	0.2%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	777,911	752,640	3.4%
New Member Capital/Initial Fees	2,423,079	2,693,151	(10.0%)
Recreation Income	659,997	858,450	(23.1%)
Cell Tower Lease / Advertising Income	174,453	132,000	32.2%
Investment Income/Realized Gains	355,625	215,000	65.4%
Other Income	163,509	126,500	29.3%
Total Revenues	11,267,248	11,479,090	(1.8%)
EXPENSES:			
Facilities & Equipment	3,581,040	3,127,750	(14.5%)
Personnel	4,814,470	5,062,031	4.9%
Program	687,614	852,331	19.3%
Communications	183,470	213,833	14.2%
Operations	381,430	575,267	33.7%
Corporate Expenses	690,466	686,250	(0.6%)
Total Expenses	10,338,490	10,517,462	1.7%
Net Change in Net Assets from Operations	928,758	961,628	(3.4%)
From Investment Activity:			
Net Unrealized Market Value Change	724,387 ⁽¹⁵⁾	(18,000)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 1,653,145 ⁽¹⁶⁾	943,628	



Summary Statement of Activities

YTD Period: 12 month period ending December 31, 2019

FY Budget Period: Jan 1, 2019 - Dec 31, 2019

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2018 YTD Actual	2019 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	6,690,385	6,712,673	22,287	0%	6,712,673	6,701,349	11,324	0%	6,701,349	(11,324)
LC, Trans., Crd Fees.	746,853	777,911	31,058	4%	777,911	752,640	25,271	3%	752,640	(25,271)
Capital Revenue	2,345,508	2,423,079	77,571	3%	2,423,079	2,693,151	(270,072)	(10%)	2,693,151	270,072
Programs	360,835	251,200	(109,634)	(30%)	251,200	427,000	(175,800)	(41%)	427,000	175,800
Instructional	375,673	408,797	33,123	9%	408,797	431,450	(22,653)	(5%)	431,450	22,653
Recreational Revenue	736,508	659,997	(76,511)	(10%)	659,997	858,450	(198,453)	(23%)	858,450	198,453
Investment Income	239,173	355,625	116,452	49%	355,625	215,000	140,625	65%	215,000	(140,625)
Advertising Income	108,861	136,075	27,214	25%	136,075	75,000	61,075	81%	75,000	(61,075)
Cell Tower Lease Inc.	43,358	38,378	(4,980)	(11%)	38,378	57,000	(18,622)	(33%)	57,000	18,622
Comm. Revenue	152,220	174,453	22,233	15%	174,453	132,000	42,453	32%	132,000	(42,453)
Other Income	106,351	91,492	(14,859)	(14%)	91,492	100,500	(9,008)	(9%)	100,500	9,008
Facility Rent	25,543	72,017	46,474	182%	72,017	23,000	49,017	213%	23,000	(49,017)
Marketing Events	-	-	-	-	-	3,000	(3,000)	(100%)	3,000	3,000
Other Revenue	131,894	163,509	31,615	24%	163,509	126,500	37,009	29%	126,500	(37,009)
Total Revenue	11,042,542	11,267,248	224,706	2%	11,267,248	11,479,090	(211,842)	(2%)	11,479,090	211,842
Expenses										
Major Proj.-Rep. & Maint.	500,790	590,078	(89,288)	(18%)	590,078	237,229	(352,849)	(149%)	237,229	(352,849)
Facility Maintenance	260,507	160,960	99,547	38%	160,960	483,468	322,508	67%	483,468	322,508
Fees & Assessments	13,710	37,629	(23,919)	(174%)	37,629	34,600	(3,029)	(9%)	34,600	(3,029)
Utilities	933,502	865,901	67,601	7%	865,901	751,765	(114,136)	(15%)	751,765	(114,136)
Depreciation	1,474,941	1,603,077	(128,137)	(9%)	1,603,077	1,309,109	(293,968)	(22%)	1,309,109	(293,968)
Furniture & Equipment	239,916	255,750	(15,834)	(7%)	255,750	230,975	(24,775)	(11%)	230,975	(24,775)
Vehicles	59,869	67,644	(7,775)	(13%)	67,644	80,604	12,960	16%	80,604	12,960
Facilities & Equipment	3,483,235	3,581,040	(97,805)	(3%)	3,581,040	3,127,750	(453,290)	(14%)	3,127,750	(453,290)
Wages, Benfs., PR Exp.	4,601,298	4,776,152	(174,854)	(4%)	4,776,152	5,004,031	227,879	5%	5,004,031	227,879
Conferences & Training	58,098	38,318	19,780	34%	38,318	58,000	19,682	34%	58,000	19,682
Personnel	4,659,396	4,814,470	(155,074)	(3%)	4,814,470	5,062,031	247,561	5%	5,062,031	247,561
Food & Catering	44,018	37,374	6,644	15%	37,374	51,600	14,226	28%	51,600	14,226
Recreation Contracts	622,585	556,121	66,464	11%	556,121	700,731	144,610	21%	700,731	144,610
Bank & Credit Card Fees	70,539	94,119	(23,580)	(33%)	94,119	100,000	5,881	6%	100,000	5,881
Program	737,143	687,614	49,529	7%	687,614	852,331	164,717	19%	852,331	164,717
Communications	93,552	94,690	(1,137)	(1%)	94,690	102,480	7,790	8%	102,480	7,790
Printing	93,288	88,781	4,508	5%	88,781	96,353	7,572	8%	96,353	7,572
Advertising	3,734	-	3,734	100%	-	15,000	15,000	100%	15,000	15,000
Communications	190,575	183,470	7,104	4%	183,470	213,833	30,363	14%	213,833	30,363
Supplies	260,274	251,979	8,295	3%	251,979	445,923	193,944	43%	445,923	193,944
Postage	19,120	15,965	3,155	17%	15,965	37,240	21,275	57%	37,240	21,275
Dues & Subscriptions	11,084	12,820	(1,736)	(16%)	12,820	6,550	(6,270)	(96%)	6,550	(6,270)
Travel & Entertainment	5,220	8,065	(2,845)	(54%)	8,065	23,400	15,335	66%	23,400	15,335
Other Operating Expense	31,981	92,601	(60,620)	(190%)	92,601	62,154	(30,447)	(49%)	62,154	(30,447)
Operations	327,679	381,430	(53,751)	(16%)	381,430	575,267	193,837	34%	575,267	193,837
Information Technology	360,325	64,849	295,477	82%	64,849	141,150	76,301	54%	141,150	76,301
Professional Fees	225,219	293,818	(68,599)	(30%)	293,818	291,400	(2,418)	(1%)	291,400	(2,418)
Commercial Insurance	196,848	277,508	(80,659)	(41%)	277,508	215,000	(62,508)	(29%)	215,000	(62,508)
Taxes	20,750	20,367	383	2%	20,367	14,700	(5,667)	(39%)	14,700	(5,667)
Provision for Bad Debt	80,744	33,925	46,819	58%	33,925	24,000	(9,925)	(41%)	24,000	(9,925)
Corporate Expenses	883,887	690,466	193,421	22%	690,466	686,250	(4,216)	(1%)	686,250	(4,216)
Expenses	10,281,914	10,338,490	(56,576)	(0.6%)	10,338,490	10,517,462	178,972	1.7%	10,517,462	178,972
Gross surplus(Rev-Exp)	760,628	928,758	168,131	22%	928,758	961,628	(32,870)	(3%)	961,628	32,870
Unrea. Gain/Loss on Invest.	(265,464)	724,387	989,851		724,387	(18,000)	742,387		(18,000)	(742,387)
Net from Operations	495,164	1,653,145	1,157,981	70%	1,653,145	943,628	709,517	75%	943,628	(709,517)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: December 31, 2019 and Dec 31, 2018

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	\$ 1,653,145 ⁽¹⁶⁾	1,653,145	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	(1,566,323)	-	-	1,566,323	-
Principal Transfers	0	(354,792)	-	-	(288,400)	643,191
Depreciation	0	1,603,077	(1,603,077)	-	-	-
Purchase of Fixed Assets	0	(2,115,209)	2,115,209	-	-	-
Withdrawals	0	1,063,496	-	(84,764)	(702,591)	(276,141)
Allocations of Net Change components:						
Investment income	0	(232,891)	-	17,192	161,489	54,209
Investment Expenses	0	53,216	-	(6,339)	(34,817)	(12,060)
Unrealized Gains (Losses) on Market	0	(717,207)	-	149,594	472,297	95,316
Repairs and replacements	0	-	-	-	-	-
Net Change to December 31, 2019	1,653,145 ⁽¹⁶⁾	(613,488)	512,132	75,684	1,174,302	504,516
Net Assets at, Dec 31, 2018	27,323,492 ⁽¹¹⁾	2,008,795	16,632,511 ⁽¹⁰⁾	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087 ⁽¹⁴⁾
Net Assets as at, December 31, 2019	\$ 28,976,637 ⁽⁵⁾	1,395,307	17,144,643	880,329 ⁽⁶⁾	7,055,756 ⁽⁷⁾	2,500,602 ⁽⁸⁾

18,539,950 ⁽¹⁷⁾

10,436,687 ⁽¹⁾

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GREEN VALLEY RECREATION, INC.

Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Current Month End

Revised

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2018 (at Market)	\$ 10,995,715 ⁽⁹⁾	2,313,529	804,646 ⁽¹²⁾	5,881,453 ⁽¹³⁾	1,996,087 ⁽¹⁴⁾
Changes since Jan 1, 2018:					
Principal additions	7,584,625	5,375,111	-	1,566,323	643,191
Investment income	306,138	73,248	17,192	161,489	54,209
Withdrawals	(5,846,071)	(4,494,175)	(84,764)	(990,991)	(276,141)
Investment Expenses	(53,467)	(252)	(6,339)	(34,817)	(12,060)
Net Change for 12 Months	1,991,226	953,932	(73,910)	702,005	409,199
Balance before Market Change at December 31, 2019	12,986,940	3,267,461	730,735	6,583,458	2,405,286
12 months Change in Unrealized Gain/(Loss)	724,387 ⁽¹⁵⁾	7,179	149,594	472,297	95,316
Balance at December 31, 2019 (at Market)	\$ 13,711,327 ⁽³⁾	3,274,640 ⁽²⁾	880,329 ⁽⁶⁾	7,055,756 ⁽⁷⁾	2,500,602 ⁽⁸⁾

10,436,687 ⁽¹⁾

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Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for January 31, 2020. The four statements

Statement of Financial Position.

This is also known as a Balance Sheet or the Statement of Net Assets.

Statement of Activities

Also known as an Income and Expense statement. This report shows the types of Income, the categories of expense and the unrealized Investment Market changes for the year to date. The bottom line in this report is the net for all the reserve accounts maintained by GVR.

Statement of Changes in Net Assets

This report displays the financial activity of the four reserves that make up the Net Assets of Green Valley Recreation. These reserves are:

Unrestricted - These net assets include the Fixed Assets (land, buildings and equipment), undesignated current assets less the current liabilities and deferred revenue items.

Emergency - Designated by the Board of Directors, this reserve is held to provide liquidity when needed for operational emergencies.

Maint - Repair - Replacement - designated by the Board of Directors, this reserve is the accumulation of assets in support of the Reserve Study which is mandated for Common Interest Realty Associations like Green Valley Recreation. Annual amounts are budgeted and transferred into this reserve for the purposes of the name of this reserve.

Initiatives - This reserve is designated by the Board of Directors to help with the funding for new programs that evolve from member interests and demands. Innovation in programming enables GVR to respond to member expectations.

Investment Portfolios

This report displays the market values of investments at the beginning of the year, the dollar amounts of changes that occurred from January 1st to the date of the financial statements. The unrealized gain or loss on market value changes is shown on a separate line to result in the market value of investments as of the reporting month end. The investments related to each of the Reserves (Unrestricted and Designated) are included in separate columns.



Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: January 31, 2020 and Dec 31, 2019

	January 31, 2020	Dec 31, 2019
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	1,418,405	2,505,270
Accounts Receivable	795,878	220,878
Prepaid Expenses	321,213	309,321
Designated Investments (Charles S./SBH)		
Emergency - Fund	871,808 (1)	880,329 (15)
MRR - Fund	8,067,107 (2)	7,055,756 (16)
Initiatives - Fund	2,359,696 (3)	2,500,602 (17)
Total Designated Investments (CS/SBK)	11,298,611 (4)	10,436,687 (18)
Undesignated Invest. (JP Morgan)	4,780,249 (5)	3,274,640 (19)
Investments	16,078,860 (6)	13,711,327 (20)
Total Current Assets	18,614,357	16,746,797
Fixed Assets		
Contributed Fixed Assets	17,593,785	17,593,785
Purchased fixed Assets	21,693,577	21,469,478
Sub-Total	39,287,362	39,063,263
Less - Accumulated Depreciation	(22,056,517)	(21,918,638)
Net Fixed Assets	17,230,844 (7)	17,144,625 (21)
Total Assets	35,845,201	33,891,421
LIABILITIES		
Current Liabilities		
Accounts Payable	156,422	371,932
Deferred Dues & Fees	6,100,807	4,263,434
Deferred Programs	233,482	279,418
Total Current Liabilities	6,490,710	4,914,784
TOTAL NET ASSETS	29,354,491 (8)	28,976,637 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	871,808 (9)	880,329 (23)
Maint - Repair - Replacement	8,067,107 (10)	7,055,756 (24)
Initiatives	2,359,696 (11)	2,500,602 (25)
Sub-Total	11,298,611 (12)	10,436,687
Unrestricted Net Assets	17,678,026	18,539,950
Net change Year-to-Date	377,854 (13)	-
Unrestricted Net Assets	18,055,880 (14)	18,539,950
TOTAL NET ASSETS	29,354,491	28,976,637



Green Valley Recreation, Inc. Summary Statement of Activities

1 month period ending January 31, 2020

	Actual	Budget to Date	%
REVENUES:			
Member Dues	\$ 563,634	\$ 559,760	0.7%
Life Care, Guest Cards, Transfer, Tenant & Add'l Card Fees	149,185	147,633	1.1%
New Member Capital/Initial Fees	195,444	187,691	4.1%
Recreation Income	126,880	144,827	(12.4%)
Cell Tower Lease / Advertising Income	18,043	14,220	26.9%
Investment Income/Realized Gains	26,675	8,606	209.9%
Other Income	23,116	18,223	26.9%
Total Revenues	1,102,978	1,080,961	2.0%
EXPENSES:			
Facilities & Equipment	262,212	311,430	15.8%
Personnel	289,091	356,794	19.0%
Program	102,528	157,890	35.1%
Communications	14,353	13,614	(5.4%)
Operations	46,307	46,570	0.6%
Corporate Expenses	42,049	57,051	26.3%
Total Expenses	756,540	943,349	19.8%
Net Change in Net Assets from Operations	346,438	137,612	151.8%
From Investment Activity:			
Net Unrealized Market Value Change	57,657	(26)	
Net Excess (Deficiency) GVR (All Reserves)	\$ 404,095	(27)	137,612



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 1 month period ending January 31, 2020

FY Budget Period: Jan 1, 2020 - Dec 31, 2020

	PRIOR YEAR COMPARISON				BUDGET COMPARISON				Fiscal Year Budget	Remaining FY Budget
	2019 YTD Actual	2020 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%		
Revenue										
Member Dues	559,562	563,634	4,072	1%	563,634	559,760	3,873	1%	6,717,125	6,153,491
LC, Trans., Crd Fees.	178,871	149,185	(29,686)	(17%)	149,185	147,633	1,552	1%	618,000	468,815
Capital Revenue	166,766	195,444	28,678	17%	195,444	187,691	7,753	4%	2,535,200	2,339,756
Programs	38,373	26,448	(11,925)	(31%)	26,448	49,455	(23,007)	(47%)	336,000	309,552
Instructional	84,947	100,432	15,485	18%	100,432	95,372	5,060	5%	460,000	359,568
Recreational Revenue	123,320	126,880	3,560	3%	126,880	144,827	(17,947)	(12%)	796,000	669,120
Investment Income	7,499	26,675	19,176	256%	26,675	8,606	18,069	210%	377,651	350,975
Advertising Income	11,920	14,640	2,720	23%	14,640	11,057	3,583	32%	110,000	95,360
Cell Tower Lease Inc.	3,360	3,403	43	1%	3,403	3,163	240	8%	36,000	32,597
Comm. Revenue	15,280	18,043	2,763	18%	18,043	14,220	3,823	27%	146,000	127,957
Other Income	14,260	13,762	(498)	(3%)	13,762	15,801	(2,039)	(13%)	100,500	86,738
Facility Rent	2,015	9,354	7,339	364%	9,354	2,422	6,932	286%	100,000	90,646
Marketing Events	-	-	-	-	-	-	-	0%	3,000	3,000
Other Revenue	16,275	23,116	6,842	42%	23,116	18,223	4,893	27%	203,500	180,384
Total Revenue	1,067,573	1,102,978	35,405	3%	1,102,978	1,080,961	22,017	2%	11,393,476	10,290,498
Expenses										
Major Proj.-Rep. & Maint.	48,682	22,372	26,310	54%	22,372	22,482	110	0%	265,148	242,776
Facility Maintenance	2,118	11,162	(9,044)	(427%)	11,162	24,451	13,290	54%	704,554	693,392
Fees & Assessments	843	669	175	21%	669	56	(613)	(1,096%)	78,716	78,047
Utilities	94,691	75,914	18,776	20%	75,914	98,508	22,594	23%	892,031	816,116
Depreciation	131,429	137,880	(6,450)	(5%)	137,880	143,883	6,003	4%	1,869,644	1,731,764
Furniture & Equipment	21,491	7,791	13,700	64%	7,791	17,495	9,704	55%	264,764	256,973
Vehicles	5,748	6,425	(678)	(12%)	6,425	4,555	(1,871)	(41%)	73,624	67,199
Facilities & Equipment	305,002	262,212	42,789	14%	262,212	311,430	49,217	16%	4,148,481	3,886,268
Wages, Benfs., PR Exp.	295,793	287,631	8,162	3%	287,631	355,117	67,486	19%	4,616,520	4,328,889
Conferences & Training	1,400	1,460	(60)	(4%)	1,460	1,677	217	13%	88,000	86,540
Personnel	297,193	289,091	8,102	3%	289,091	356,794	67,703	19%	4,704,520	4,415,429
Food & Catering	3,349	2,429	920	27%	2,429	5,802	3,373	58%	45,031	42,603
Recreation Contracts	105,873	70,982	34,891	33%	70,982	132,333	61,351	46%	632,750	561,768
Bank & Credit Card Fees	15,957	29,117	(13,160)	(82%)	29,117	19,755	(9,362)	(47%)	96,146	67,029
Program	125,179	102,528	22,652	18%	102,528	157,890	55,362	35%	773,927	671,399
Communications	10,609	8,047	2,562	24%	8,047	10,405	2,358	23%	104,149	96,103
Printing	4,148	6,306	(2,158)	(52%)	6,306	3,209	(3,097)	(97%)	94,497	88,191
Advertising	-	-	-	0%	-	-	-	0%	5,000	5,000
Communications	14,756	14,353	404	3%	14,353	13,614	(739)	(5%)	203,646	189,294
Supplies	28,248	18,815	9,433	33%	18,815	32,970	14,155	43%	344,127	325,312
Postage	491	253	238	49%	253	230	(23)	(10%)	18,500	18,247
Dues & Subscriptions	1,577	1,735	(158)	(10%)	1,735	1,879	144	8%	8,102	6,367
Travel & Entertainment	-	-	-	0%	-	-	-	0%	16,580	16,580
Other Operating Expense	(841)	25,504	(26,345)	3,131%	25,504	11,492	(14,012)	(122%)	178,260	152,756
Operations	29,475	46,307	(16,832)	(57%)	46,307	46,570	263	1%	565,568	519,261
Information Technology	9,069	902	8,167	90%	902	8,400	7,498	89%	114,900	113,998
Professional Fees	21,281	13,880	7,401	35%	13,880	19,482	5,602	29%	311,749	297,869
Commercial Insurance	25,728	25,266	462	2%	25,266	27,169	1,902	7%	280,000	254,734
Taxes	-	-	-	0%	-	-	-	0%	18,000	18,000
Provision for Bad Debt	2,000	2,000	-	0%	2,000	2,000	-	0%	24,000	22,000
Corporate Expenses	58,079	42,049	16,030	28%	42,049	57,051	15,003	26%	748,649	706,600
Expenses	829,684	756,540	73,144	9%	756,540	943,349	186,809	20%	11,144,791	10,388,251
Gross surplus(Rev-Exp)	237,889	346,438	108,549	46%	346,438	137,612	208,826	152%	248,685	(97,753)
Unrea. Gain/Loss on Invest.	109,016	57,657	(51,359)	-	57,657	-	57,657	-	-	(57,657)
Net from Operations	346,905	404,095	57,190	16%	404,095	137,612	266,483	194%	248,685	(155,411)



Green Valley Recreation, Inc.
Cash Basis Statement by Fund
YTD Period: 1 month period ending January 31, 2020
FY Budget Period: Jan 31, 2020 - Dec 31, 2020

	Operations	Initiatives	MRR	Emergency	Consolidated	YTD Budget	YTD Variance	%
	2020	2020	2020	2020	2020	2020		
Revenue								
Member Dues	563,634	-	-	-	563,634	559,760	3,873	1%
LC, Trans., Crd Fees.	149,185	-	-	-	149,185	147,633	1,552	1%
Capital Revenue	195,444	-	-	-	195,444	187,691	7,753	4%
Membership Revenue	908,263	-	-	-	908,263	895,085	13,178	1%
Programs	26,448	-	-	-	26,448	49,455	(23,007)	(47%)
Instructional	100,432	-	-	-	100,432	95,372	5,060	5%
Recreational Revenue	126,880	-	-	-	126,880	144,827	(17,947)	(12%)
Investment Income	4,888	3,116	3,474	764	12,242	8,606	3,635	42%
Advertising Income	14,640	-	-	-	14,640	11,057	3,583	32%
Cell Tower Lease Inc.	3,403	-	-	-	3,403	3,163	240	8%
Comm. Revenue	18,043	-	-	-	18,043	14,220	3,823	27%
Other Income	13,762	-	-	-	13,762	15,801	(2,039)	(13%)
Facility Rent/Leases	9,354	-	-	-	9,354	2,422	6,932	288%
Marketing Events	-	-	-	-	-	-	-	0%
Other Revenue	23,116	-	-	-	23,116	18,223	4,893	27%
Total Operating Revenue	1,081,190	3,116	3,474	764	1,088,544	1,080,961	7,583	1%
Transfer to Initiatives	-	-	-	-	-	-	-	-
Transfer to MRR	(1,005,942)	-	1,005,942	-	-	-	-	-
Transfer to Emergency	-	-	-	-	-	-	-	-
Total Transfers to Reserves	(1,005,942)	-	1,005,942	-	-	-	-	-
Total Revenue Available	75,248	3,116	1,009,416	764	1,088,544	1,080,961	7,583	1%
Expenses								
Major Proj.-Rep. & Maint.	22,372	-	-	-	22,372	22,482	110	0%
Facility Maintenance	11,162	-	-	-	11,162	24,451	13,290	54%
Fees & Assessments	669	-	-	-	669	56	(613)	(1.096%)
Utilities	75,914	-	-	-	75,914	98,508	22,594	23%
Depreciation	-	-	-	-	-	-	-	0%
Furniture & Equipment	7,791	-	-	-	7,791	17,495	9,704	55%
Vehicles	6,425	-	-	-	6,425	4,555	(1,871)	(41%)
Facilities & Equipment	124,333	-	-	-	124,333	167,547	43,214	28%
Wages, Benfts., PR Exp.	398,659	-	-	-	398,659	355,117	(43,542)	(12%)
Conferences & Training	1,460	-	-	-	1,460	1,677	217	13%
Personnel	400,119	-	-	-	400,119	356,794	(43,325)	(12%)
Food & Catering	2,429	-	-	-	2,429	5,802	3,373	58%
Recreation Contracts	70,982	-	-	-	70,982	132,333	61,351	46%
Bank & Credit Card Fees	29,117	-	-	-	29,117	19,755	(9,362)	(47%)
Program	102,528	-	-	-	102,528	157,890	55,362	35%
Communications	8,047	-	-	-	8,047	10,405	2,358	23%
Printing	6,306	-	-	-	6,306	3,209	(3,097)	(97%)
Advertising	-	-	-	-	-	-	-	0%
Communications	14,353	-	-	-	14,353	13,614	(739)	(5%)
Supplies	18,815	-	-	-	18,815	32,970	14,155	43%
Postage	253	-	-	-	253	230	(23)	(10%)
Dues & Subscriptions	1,735	-	-	-	1,735	1,879	144	8%
Travel & Entertainment	-	-	-	-	-	-	-	0%
Other Operating Expense	25,504	-	-	-	25,504	11,492	(14,012)	(122%)
Operations	46,307	-	-	-	46,307	46,570	263	1%
Information Technology	902	-	-	-	902	8,400	7,498	89%
Professional Fees	13,880	-	-	-	13,880	19,482	5,602	29%
Commercial Insurance	25,266	-	-	-	25,266	27,169	1,902	7%
Taxes	-	-	-	-	-	-	-	0%
Provision for Bad Debt	-	-	-	-	-	-	-	0%
Corporate Expenses	40,049	-	-	-	40,049	55,051	15,003	27%
Total Operating Expenses	727,688	-	-	-	727,688	797,466	69,778	9%
Construction in Progress	-	163,085	44,249	-	207,334	-	-	-
Clubs Capital Projects	-	-	-	-	-	7,167	7,167	100%
Non-Reserve Capital Projects	16,765	-	-	-	16,765	25,450	8,685	34%
Initiatives	-	-	-	-	-	60,417	60,417	100%
MRR	-	-	-	-	-	64,012	64,012	100%
Emergency	-	-	-	-	-	-	-	0%
Total Capital Expenditures	16,765	163,085	44,249	-	224,099	157,045	(67,054)	(43%)
Total All Cash Outflows	744,453	163,085	44,249	-	951,787	954,511	2,724	0%
Net Cash Flow	(669,204)	(159,970)	965,167	764	136,757	126,450	(10,307)	(8%)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets

As of Date: January 31, 2020 and Dec 31, 2019

	Totals	Unrestricted		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund
		Unrestricted	Fixed Assets			
Net change in net assets-GVR	\$ 377,854 ⁽¹³⁾	377,854	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	0	-	-	-	-	-
Principal Transfers	0	(1,005,942)	-	-	1,005,942	-
Depreciation	0	137,880	(137,880)	-	-	-
Purchase of Fixed Assets	207,334	(224,099)	224,099	-	44,249	163,085
Withdrawals	0	208,308	-	-	(44,249)	(164,059)
Allocations of Net Change components:						
Investment income	0	(7,354)	-	764	3,474	3,116
Investment Expenses	0	-	-	-	-	-
Unrealized Gains (Losses) on Market	0	(56,937)	-	(9,284)	46,183	20,038
Repairs and replacements	0	-	-	-	-	-
Net Change to January 1, 2020	585,188 ⁽¹³⁾	(570,290)	86,220	(8,521)	1,055,600	22,179
Net Assets at, Dec 31, 2019	15,265,310 ⁽²²⁾	(12,316,002)	17,144,625 ⁽²¹⁾	880,329 ⁽¹⁵⁾	7,055,756 ⁽¹⁶⁾	2,500,602 ⁽¹⁷⁾
Net Assets as at, January 1, 2020	\$ 15,850,498 ⁽⁸⁾	(12,886,292)	17,230,844 ⁽⁷⁾	871,808 ⁽¹⁾	8,067,107 ⁽²⁾	2,359,696 ⁽³⁾

4,344,553 ⁽¹⁴⁾

11,298,611 ⁽⁴⁾

Footnotes refer to Statement of Financial Position and Statement of Activities



Green Valley Recreation, Inc.
Investment Portfolios
Changes and Market Values
Beginning of Year and Curent Month End

	Totals	Unrestricted	Emergency Reserve Fund	Maint - Repair - Replace Reserve Fund	Initiatives Reserve Fund
Balance Dec 31, 2019 (at Market)	\$ 13,711,327 ⁽²⁰⁾	3,274,640 ⁽¹⁹⁾	880,329 ⁽¹⁵⁾	7,055,756 ⁽¹⁶⁾	2,500,602 ⁽¹⁷⁾
Changes since Jan¹, 2019:					
Principal additions	2,505,942	1,500,000	-	1,005,942	-
Investment income	12,242	4,888	764	3,474	3,116
Withdrawals	(208,308)	-	-	(44,249)	(164,059)
Investment Expenses	-	-	-	-	-
Net Change for 1 Months	2,309,876	1,504,888	764	965,167	(160,944)
Balance before Market Change at January 1, 2020	16,021,203	4,779,529	881,093	8,020,923	2,339,659
1 months Change in Unrealized Gain/(Loss)	57,657 ⁽²⁶⁾	721	(9,284)	46,183	20,038
Balance at January 31, 2020 (at Market)	\$ 16,078,860 ⁽⁶⁾	4,780,249 ⁽⁵⁾	871,808 ⁽¹⁾	8,067,107 ⁽²⁾	2,359,696 ⁽³⁾

11,298,611 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

POLICY GOVERNANCE AT ANNUAL MEETING

PG On-Site Consultation/Coaching: **Approve on-site consultation and coaching from Susan Mogensen March 25th (annual meeting and ½ day Board workshop) and March 26th (½ day staff coaching)**. At the annual meeting, Susan will provide a brief overview of PG and GVR's implementation, as well as conduct an ownership linkage activity. The Board workshop will address development of the 2020-21 governing year annual agenda. The staff coaching session will focus on the Ends monitoring report. The projected cost for 1½ days is a maximum of \$6500 (all inclusive).

RESCHEDULE ENDS MONITORING REPORT

Ends Monitoring Report: **Approve a change in the due date for the Ends monitoring report from the March Board meeting to the April Board meeting.**
The March Board meeting is earlier than usual and thus gives the CEO little time to prepare the report.



EXHIBIT

Board of Directors Meeting

February 26, 2020

POLICY GOVERNANCE: MONITORING REPORT

EXECUTIVE LIMITATIONS POLICY

Policy E.L. – 2.0: Global Executive Limitations

Policy E.L. – 2.0 (Global Executive Limitations): “The CEO must not cause or allow any organizational practice, activity, decision, or circumstance which is unlawful, impudent or in violation of commonly accepted business and professional ethics and practices, GVR governing documents, or Arizona statutes.”

Interpretation

Each monitoring report submitted throughout the year and accepted by the Board as a reasonable interpretation of the incorporation’s executive limitations policies are evidence of the Chief Executive Officer’s compliance with the Global Executive Limitations. As a whole, the approved monitoring reports illustrate the impact of the Corporation’s activities to its ownership, and offers evidence that GVR practices, activities, decisions, and circumstances are not unlawful, or imprudent.

Rationale

With the Board’s acceptance of the collective monitoring reports, compliance with executive limitations ensures that the Corporation is not operating in conflict with GVR governing documents and Arizona statutes, specifically *Arizona Revised Statutes, Title 10, Chapters 24-35*.

All executive limitations safeguard the Corporation. However, a share of executive limitations focuses specifically on protecting the Corporation and its resources, ensuring continuity of leadership, compliance with laws and state statutes and the Corporation’s responsibility as a non-profit.

Only officially passed and accepted monitoring reports by the Board are binding on the CEO.

Compliance with this policy will be achieved when:

1. Lower-level reports are complete with terms of compliance and sufficiency of data/evidence.
2. All lower-level monitoring reports are submitted on time and accepted by the Board.

This interpretation is reasonable and based upon **generally accepted practices** as noted in the following published article and benchmark template:

- 1) “The Monitoring Process”, *Partners in Policy Governance, 2006-2020*.
- 2) Monitoring Report I: Global Executive Constraint, adopted by *The Association for Institutional Research, 10/29/2018*.

Evidence:

Below are the monitoring reports with a summary of the board's acceptance, including specific date, for the Global Executive Limitations report and each lower-level report.

Observable Condition	Data
Policy	
Executive Limitations 2.0	
E.L. 2.0 – Global Executive Limitation	
E.L. 2.1 - Treatment of Members	
E.L. 2.2 - Treatment of Staff	
E.L. 2.3 - Financial Planning and Budgeting	
E.L. 2.4 - Financial Condition and Activities	
E.L. 2.5 - Emergency CEO Succession	Board accepted on 12/11/2019
E.L. 2.6 - Asset Protection	
E.L. 2.7 - Compensation and Benefits	
E.L. 2.8 - Communication and Support to the Board	
E.L. 2.9 - Ends Focus of Grants or Contracts	

Kent J. Blumenthal, Ph.D., CAE

Date: _____

Chief Executive Officer



EXHIBIT

**BOARD OF DIRECTORS MEETING
February 26, 2020**

**POLICY GOVERNANCE: MONITORING REPORT
EXECUTIVE LIMITATIONS POLICY
Policy E.L. 2.2 – Treatment of Staff**

Policy E.L. – 2.2 (Treatment of Staff): “With respect to the treatment of paid and volunteer staff, the CEO must not cause or allow conditions that are unsafe, unfair, undignified, discriminatory, disorganized, or unclear.”

The CEO shall not:

2.2.1 – Operate without sufficient, written personnel rules that are clear and readily available.

2.2.2 – Fail to provide staff without an effective and unbiased method to deal with grievances.

2.2.3 – Subject staff to wrongful conditions, nepotism, or preferential treatment based on personal reasons.

2.2.4 – Retaliate against any staff member for non-disruptive expression of dissent, or reporting of unethical or illegal activity or behavior.

2.2.5 – Allow staff to be unprepared to deal with emergency situations.

2.2.6 – Fail to provide timely, candid and constructive feedback and positive reinforcement.

2.2.7 – Establish compensation and benefits that are inequitable.

Interpretation

GVR’s CEO interprets this policy to mean that:

For employees to perform at their optimal levels, GVR needs to provide an understandable and easily accessible Employee Handbook that includes personnel policies and procedures that set clear expectations regarding employment with GVR and provides an environment that is safe, fair, dignified, non-discriminatory, organized and clear that conform to all current Employment, Federal and State laws and standard HR best practices.

As such:

- All employees are provided a clear and concise Employee Handbook which is also easily accessible on THE GVR Employee Intranet.

- GVR’s Employee Handbook is regularly reviewed, updated to include new Federal, State and Employment Laws as needed, ensuring required compliances and HR best practices.
- GVR employees acknowledge receiving and reading GVR’s Employee Handbook.

This interpretation for Policy E.L. 2.2 and its subsections, 2.2.1 - 2.2.7 are reasonable because they are consistent with commonly held HR best practices as defined by current Employment, Federal and State laws. GVR continues to abide by these laws and HR best practices as evidenced herein according to SHRM, CBIZ and many other recognized employer/ employment resources, including:

1) *“The Importance of Having an Employee Handbook,”* by Harrison Barnes, Law Crossing (2019).
<https://lawcrossing.com>

2) *“What is the importance of an employee handbook? 13 experts weigh in,”* by Patty Hilger (June 8, 2018).
<https://genesishrsolutions.com/>

Evidence of compliance	
Observable Condition	Evidence
1. GVR provides a clear and concise Employee Handbook to every staff member and that is easily accessible on GVR’s Employee Intranet.	<ul style="list-style-type: none"> • All Staff are aware of and have access to the Employee Handbook located on GVR’s Employee Intranet. • Added and/or updated policies are posted on ADP that require every employee to acknowledge reading updates to the Employee Handbook.
2. GVR regularly reviews its policies and procedures to ensure that it adheres to the ever-changing Employment, Federal and State laws. When changes are made, they are reviewed by an independent firm to ensure any changes adhere to the current Employment Laws as well as HR best practices.	<ul style="list-style-type: none"> • GVR’s Employee Handbook was last updated on advice of CBIZ in 2/2018. • CBIZ advised GVR in 2/2018 that the Employee Handbook was up-to-date and conformed with all applicable laws and best practices. • GVR is planning for external review and updates to Employee Handbook in 2020.
3. GVR provides a multi-level reporting process without any fear of retaliation for non-disruptive expression or dissent of reporting unethical or illegal activity or behavior.	<ul style="list-style-type: none"> • GVR’s reporting process is available in the Employee Handbook on the intranet and on ADP’s website where employees sign having read the reporting policy and procedure. • GVR’s Employee Handbook contains a Whistleblower Protection policy which protects employees who allege any unethical, illegal activity or behavior.
4. GVR prohibits wrongful conditions, nepotism and preferential treatment of any kind.	<ul style="list-style-type: none"> • GVR regularly reviews departments to ensure preferential treatment does not occur, therefore, wrongful conditions are proactively stopped. • GVR’s Employee Handbook contains policies that prohibit family members from being in the same department where direct reporting could cause a conflict of interest.
5. GVR provides regular safety training for all employees in preparing for emergency situations.	<ul style="list-style-type: none"> • GVR provides regular on the job safety trainings such as ‘Active Shooter’ training every 2 years, last completed 9/2018. • GVR conducts weekly Management Team meetings; Leadership Team meetings; and monthly Safety and Risk meetings to review any unsafe conditions and provided training, as needed.

6. GVR understands that timely, candid and constructive feedback is critical to every employee's success.

- GVR completes 90-day introductory and annual reviews for employees.
- GVR Management maintains regular and up-to date feedback, not waiting until a review to address issues or provide commendation.

Compliance: I report compliance with this policy.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Date: _____



EXHIBIT

BOARD OF DIRECTORS MEETING

February 26, 2020

POLICY GOVERNANCE: MONITORING REPORT

EXECUTIVE LIMITATIONS POLICY

Policy E.L. 2.3 – Financial Planning and Budgeting

Policy E.L. – 2.3 Financial Planning and Budgeting “Financial planning and budgeting must not deviate materially from Boards’ Ends priorities, nor risk the financial health of the organization or non-compliance with policies established by the Board.”

2.3.1 “The CEO must not allow budgeting or financial planning that risks incurring those situations or conditions described as unacceptable in Board policy.”

2.3.2 “The CEO must not allow budgeting or financial planning that omits credible projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and assumptions.

Interpretations

- I interpret “not to deviate materially” to mean that fiscal year financial results be within 3% of the Board approved budget unless an explanation is provided to and approved by the Board earlier in that fiscal year.
- I interpret the “financial health” of the organization to mean that reserves are funded at an amount recommended by the reserve study provider, that there is enough cash on hand for operations, and that an unqualified opinion has been obtained from the independent financial auditing firm.
- I interpret “risks incurring those situations or conditions as unacceptable” to mean that the CEO is to ensure that the fiscal health of the organization is maintained as required by Board Policy E.L. 2.3. The annual budget provides for accomplishing the Board Ends policies, reserves are funded appropriately, there is sufficient cash on hand for operations of the organization, and that accounting regulations are being adhered to as evidenced by obtaining an unqualified audit opinion.
- I interpret “credible projections of revenue and expenses” to mean that the CEO is to ensure that projections made in budgeting and planning are based on reasonable and known numbers and assumptions.

- I interpret “separation of capital and operational items” to mean that capital items should not be combined into the operations budget, but instead should be listed separately in a capital items only budget.
- I interpret a “cash flow” as part of the budget package, maintaining and updating it throughout the year, and providing any assumptions that were used in creating projections for revenue and expenses.

Compliance with this policy will be achieved when:

1. The CEO presents a budget or planning document to the Board of Directors that reflects the use of credible projections.
2. The CEO presents a budget package that includes separate operating and capital budgets.
3. The CEO includes a statement of cash flows as part of the budget package.
4. The assumptions used in preparing the annual budget are included as part of the budget package.
5. The Board approves and agrees that the budget presented by staff provides for meeting Boards Ends policies.
6. The budget contains achievable and measurable goals accomplished within 3% of the projected revenue and expense totals for that year.
7. Reserves are funded at an appropriate level as recommended by the reserve study provider.
8. At the end of the fiscal year, it is demonstrated that Ends have been accomplished by collecting revenue within 3% of the budget revenue goal.
9. At the end of the fiscal year, it is demonstrated that Ends have been accomplished by keeping expenses within 3% of the budget expense goal.
10. At the end of the fiscal year an unqualified opinion is received from the independent financial auditor and reflected in the audit report and in the management letter.
11. Any potential risks violating Board Ends policies are reported to the Board and mitigated or corrected.

The interpretation of E.L. 2.3 and its subsections 2.3.1-2.3.2 are reasonable because they reflect best practices for budgeting and planning as described:

1) www.accountingcoach.com

2) “The Law of Tax-Exempt Organizations, Fourth Edition” by Bruce R. Hopkins

Evidence:

Observable Condition	Data
1. The annual budget provides for accomplishing the Boards Ends policies.	Fiscal budget document approved by the Board.
2. The annual budget includes separate operating and capital budgets.	Capital and Operating budgets are presented on separate pages of the budget.

3. A Statement of Cash Flows are part of the budget package.	A statement of cash flows is presented as a separate page of the budget.
4. The assumptions used in budget preparation are included in budget package.	A narrative delineating assumptions used in the budget are part of the budget package.
5. The Board agrees that the annual budget provides for meeting the Board’s Ends policies.	The Board package includes all Board requirements for meeting Ends policies.
6. The budget contains measurable goals for revenue and expenses.	The budget assumptions include obtaining revenue and expense goals within 3% of the budget.
7. The budget calls for funding the Maintenance, Repair, Replacement (MRR) reserve account appropriately.	The budget will include MRR funding according to the most recent reserve study update.
8. At the end of the fiscal year the budget revenue goals will have been met.	The statement of activities shows revenue is within 3% of budget.
9. At the end of the fiscal year Ends policies will be met.	The statement of activities will show expense goals within 3% of budget.
10. At the end of the fiscal year the auditor’s report will include an unqualified opinion.	The audit report shows unqualified opinion.
11. Any potential risks are reported to the Board for mitigation and correction.	Monitoring reports will be used to inform the Board of any risks of not meeting Board Ends policies.

Compliance: I report that we are in compliance with this policy as evidenced by the monthly financial statements, the FY 2020 budget package, and anticipated unqualified audit opinion for FY 2019.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Date: _____



EXHIBIT

BOARD OF DIRECTORS MEETING

February 26, 2020

POLICY GOVERNANCE: MONITORING REPORT

EXECUTIVE LIMITATIONS POLICY

Policy E.L. 2.4 – Financial Conditions and Activities

Policy E.L. – 2.4 Financial Conditions and Activities “With respect to the actual, ongoing financial condition and activities, the CEO must not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies and funding agreement provisions.”

2.4.1 “The CEO must not incur debt other than payables or other reasonable and customary liabilities occurred in the normal course of doing business, without prior Board approval.”

2.4.2 “The CEO must not use or move any reserves unless approved by the Board.”

2.4.3 “The CEO must not allow late payment of contracts, payroll, loans or other financial obligations.”

2.4.4 “The CEO must not allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.”

2.4.5 “The CEO must not acquire, encumber or dispose of real estate without approval of the Board.”

2.4.6 “The CEO must not allow receivables to be unpursued after a reasonable grace period.”

2.4.7 “The CEO must not allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).”

Interpretations

- I interpret Board Policy E.L. 2.4 Financial Conditions and Activities, “allow the development of fiscal jeopardy or material deviation” to mean that the CEO will have recurring meetings with staff to review financial statements to keep apprised of the financial health of the organization and to ensure Board Ends policies are met.
- I interpret Board Policy E.L. 2.4.1 to mean that the CEO must not incur any new or unusual debt unless requested and approved by the Board.

- I interpret Board Policy E.L. 2.4.2 to mean that the CEO use the recommended funding amount for the reserve study and any withdrawals are Board approved.
- I interpret Board Policy E.L. 2.4.3 to mean the CEO will ensure that staff pay debt obligations on or before the date due.
- I interpret Board Policy E.L. 2.4.4 to mean the CEO will not allow staff to file tax or other government filings that are incorrect or late.
- I interpret Board Policy E.L. 2.4.5 to mean that any real estate transactions must be pre-approved by the Board.
- I interpret Board Policy E.L. 2.4.6 to mean that the CEO shall pursue all accounts receivables following a reasonable grace period.
- I interpret Board Policy E.L. 2.4.7 to mean that the CEO must maintain a financial record keeping systems, including appropriate accounting software that allows conformance with Generally Accepted Accounting Principles (GAAP).

This interpretation for Policy E.L. 2.4 and its subsections E.L. 2.4.1-2.4.7 are reasonable because they are based on accounting best practices as described on:

- 1) www.accountinginstitute.com/resources
- 2) www.board.com/en/financial-planning

Compliance with this policy will be achieved when:

1. The CEO presents monthly financial statements to the Fiscal Affairs Committee that show the fiscal health of the organization and reasonable compliance (within 3%) with budget revenue and expenditures.
2. The CEO presents monthly financial statements that includes all debt payments.
3. The CEO includes reporting on reserve funds with all inflows and outflows shown.
4. The CEO meets with accounting administrative staff to ensure that all obligations are paid on time.
5. The CEO meets with accounting staff to ensure tax and government filings are accurate and on time.
6. The CEO reviews ‘Accounts Receivable Aging’ and communicates with real estate attorney for collection of overdue accounts following reasonable grace period.
7. The CEO ensures *FundEZ* (current accounting software) is compliant with GAAP.

Evidence:

Observable Condition	Data
1. Financial statements are presented to Fiscal Affairs and to the Board.	Monthly financial statements.

<p>2. Financial statements include all debt payments.</p>	<p>The Statement of Financial Position shows all debt payments.</p>
<p>3. A Statement of Cash Flows and reserve reports are presented monthly.</p>	<p>The statements show cash flow and any movement of cash reserves.</p>
<p>4. The Statement of Financial Position shows all obligations paid on time.</p>	<p>The CEO meets with staff to review the financial statements before distribution and seeks information on timeliness of paying debts.</p>
<p>5. Tax reports and other government filings are submitted on time.</p>	<p>The CEO meets with staff to review any government filings are made on a timely basis (e.g., Form 990).</p>
<p>6. Any real estate transactions are approved by the Board.</p>	<p>Fixed assets are reported to the Board on a monthly basis including real estate.</p>
<p>7. The accounting software is GAAP compliant in recording transactions and producing financial statements.</p>	<p>Independent financial auditors review current software system as part of the annual audit.</p>

Compliance: I report that we are in compliance with this policy as evidenced by the monthly financial statements and reports, the FY 2020 budget package, and anticipated unqualified audit opinion for FY 2019.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Date: _____



EXHIBIT

BOARD OF DIRECTORS MEETING

February 26, 2020

POLICY GOVERNANCE: MONITORING REPORT

EXECUTIVE LIMITATIONS POLICY

Policy E.L 2.8 – Communication and Support to the Board

Policy E.L. – 2.8 – Communication and Support to the Board the CEO must not cause or allow the Board to be uninformed or unsupported in its work.

2.8.1 – Communication and Support to the Board the CEO must not withhold, impede or confound information relevant to the Board’s informed accomplishment of its job.

Policy E.L. 2.8.1.1 – Communication and Support to the Board the CEO must not submit monitoring reports that are untimely or inaccurate, or that lack operational definitions/interpretations and verifiable data directly related to each section of the policy.

Policy E.L. 2.8.1.2 – Communication and Support to the Board the CEO must not allow the Board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, including an indication of when compliance will be achieved, regardless of the Board’s monitoring schedule.

Policy E.L. 2.8.1.3 – Communication and Support to the Board the CEO must not allow the Board to be without documentation required by the Board or let the Board be unaware of relevant trends, legal actions, media coverage, or facility utilization.

Policy E.L. – 2.8.1.4 – Communication and Support to the Board the CEO must not present information in unnecessarily complex or lengthy form or in a form that fails to clarify the issue.

Policy E.L. – 2.8.1.5 – Communication and Support to the Board the CEO must not let the Board be unaware if, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO.

Policy E.L. 2.8.1.6 – Communication and Support to the Board the CEO must not deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.

Policy E.L. – 2.8.2 – Communication and Support to the Board the CEO must not withhold from the Board and its processes logistical and clerical assistance.

Policy E.L. – 2.8.2.1 – Communication and Support to the Board the CEO must not allow the Board to be deprived of a workable, user-friendly mechanism for official Board, officer, or committee communications.

Policy E.L. – 2.8.2.2 – Communication and Support to the Board the CEO must not allow the Board to be deprived of pleasant and efficient settings and arrangements for Board and committee meetings.

Policy E.L. – 2.8.2.3 – Communication and Support to the Board the CEO must not delay in providing information and notice to the Board and/or members concerning Board actions, meetings, activities and events.

Interpretations

- I interpret this policy to mean that the CEO is to provide the Board with whatever data, context, background, or other information it may need in order to meet its duties as identified in section GP 3.2 of the Policy Governance Manual.
 - Information the full Board requests or requires.
 - Information I perceive would be helpful to them in their work.
- This policy refers to the full Board, although the CEO can and will assist individual Board members as much as possible.
- The CEO will provide accurate, honest, timely information that provides the context necessary for the Board to understand the fundamental issues at hand.
- The CEO will not knowingly allow omission or obstruction of important information. Should the Board wish to directly gather information, for example by direct inspection, the CEO will ensure complete support for the Board.
- The CEO will provide the Board with clerical and logistical assistance.
- The CEO will provide the Board user-friendly means of communication.
- The CEO will provide appropriate meeting space for board and committee meetings.
- The CEO will promptly provide notice and information to the Board.

This interpretation is reasonable and based upon **generally accepted practices** as noted in the following publications:

- 1) “*Nonprofit Corporations, Organizations and Associations*” (6th Edition), by Howard L. Oleck (1995).
- 2) “*Handbook of Professional Practices in Association Management,*” by John B. Cox and Susan S. Radway (2015).

Compliance with this policy will be achieved through direct inspection.

Kent J. Blumenthal, Ph.D., CAE
Chief Executive Officer

Date: _____

Policy		Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
G.P. 3.9 – Board Committee Principles			
3.9	Board committees must be assigned for reinforcing the wholeness of the Board’s job. Board committees must not interfere with delegation from Board to CEO.		
3.9.1	Board committees are to help the Board do its job, not to help or advise the staff. Committees ordinarily must assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board’s broader focus, Board committees normally will not have direct dealings with current staff operations.	Committees provide options and recommendations to the Board.	Committees make request to the staff without going through the Board
3.9.2	Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority must be carefully stated in order not to conflict with authority delegated to the CEO.	Clear directions are provided to the committees by the Board.	Committees act based on definitions in the CPM.
3.9.3	Board committees cannot exercise authority over staff. Since the CEO works for the full Board, he or she must not be required to obtain approval of a Board committee before an executive action.	The CEO is given the authority to do his job without interference.	Committees make requests to the staff without going through the Board.
3.9.4	This policy applies to any group which is formed by Board action, whether it is called a committee and regardless whether the group includes Directors. It does not apply to committees formed under the authority of the CEO.		Some Board committees should be optional committees.

Policy		Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
G.P. 3.10 – Board Committee Structure			
3.10	A committee is a Board committee only if its existence and charge come from the Board, regardless whether Directors sit on the committee. The only Board committees are those which are set forth in this policy. Unless otherwise stated, an ad hoc committee ceases to exist as soon as its task is complete.		
3.10.1	The Fiscal Affairs Committee assists the Board in financial matters by reviewing, understanding and recommending for Board approval financial reports, return on financial assets, money transfers and budgets.	Approval of monthly financial statements and recommending reserve transfers	
3.10.2	The Board Affairs Committee assists the Board in the governance of organizational policies and governing documents.	Makes recommendations to address issues with the CPM.	
3.10.3	The Planning and Evaluation Committee assists the Board regarding decisions on capital projects by reviewing, evaluating, prioritizing, and recommending capital projects.	Makes recommendations on capital projects.	
3.10.4	The Audit Committee assists the Board in overseeing the financial structure and internal controls of the Corporation with access to the books and records and the activities of Management and Staff personnel.	Hired the auditor and reviews the audit results.	
3.10.5	The Nominations and Election committee assists the Board with all activities related to nomination, election, and training of directors.	Manages the elections and train new directors.	
3.10.6	The Investment Committee is a committee of the Board whose responsibility is to review, understand, approve and forward to the Board the evidence that the investments are being managed in a fiscally responsible way.	Move the reserves to professionally managed accounts.	

Policy		Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.3 – Delegation to the CEO			
4.3	The Board must instruct the CEO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.		
4.3.1	The Board must develop policies instructing the CEO to achieve specified results, for specified recipients at a specified relationship between cost and results. These policies must be developed systematically from the broadest, most general level to more defined levels, and must be called Ends policies. All issues that are not Ends issues as defined above are Means issues.	Ends policies were defined and published.	
4.3.2	The Board must develop policies that limit the latitude the CEO may exercise in choosing the organizational Means. These limiting policies must describe those practices, activities, decisions and circumstances that would be unacceptable to the Board, even if they were to be effective. These policies must be developed systematically from the broadest, most general level to more defined levels; they must be called Executive Limitations policies. The Board must never prescribe organizational Means of the CEO.	Executive Limitations have been defined and are being monitored.	

Policy		Examples of Acting Consistently with This Policy	Examples of Acting Inconsistently with This Policy
B.M.D. 4.4 – Monitoring the CEO			
4.4	Systematic and rigorous monitoring of CEO performance must be solely against the only expected CEO job outputs: organizational accomplishment of any reasonable interpretation of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations.		
4.4.1	Monitoring is simply to determine if expectations expressed in Board policies have been met. Information that does not disclose this must not be considered monitoring information.		Monitoring is limited to documented expectations.
4.4.2	The Board must obtain disclosure about the CEO’s interpretations of the Board policy being monitored from the CEO himself or herself.		Information unrelated to Ends or Executive Limitations are included in monitoring reports.
4.4.3	The Board must obtain data disclosing whether or not the CEO’s interpretations have been accomplished using one or more of three methods: (a) by internal report, in which the CEO discloses the data to the Board; (b) by external report, in which an external, disinterested third party selected by the Board collects the data; and/or (c) by direct inspection, in which data are collected by the Board, or a designated Director/s.		Monitoring reports include interpretations that Board accepts as reasonable.
4.4.4	In every case, the Board must determine: (a) the reasonableness of the CEO’s interpretations, using a “reasonable person test” rather than with interpretations favored by Directors or the Board as a whole. The Board is the final arbiter of reasonableness. The Board must also assess: (b) whether data demonstrate the accomplishment of the interpretation.		All CEO interpretations identify which method is being used.
4.4.5	All policies that instruct the CEO must be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but must normally use a routine schedule		Interpretations reference other sources of information.
			If the Board does not like the results, it must decide if the policy needs changed, the interpretation needs changed, or the supporting data is inadequate.
			Rejecting the interpretation because the Board does not like the results.
			A monitoring schedule has been created.

Policy Governance Motion: Division of the CPM

Motion: Approve the replacement of the current CPM with the three manuals presented by Bob Northrup to be titled:

- **CPM: Owners/Members Manual**
- **CPM: Operations/Customers Manual**
- **CPM: Board Practices Manual**

And an archive of Board Resolutions.

Adding the acronym CPM in front of the title of each manual will address the references to the CPM in the Bylaws until a Bylaw change can be made to remove the references to the CPM.

Following the approval of this division, a determination must be made on how to next proceed. One possibility is to have a committee address the content of each manual and make recommendations to the Board for 1) changes in wording, 2) overlap of content, and/or 3) additional content.

Owners Members Manual

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SECTION I – MEMBERSHIP

SUBSECTION 1. CODE OF CONDUCT

Non-Discrimination Policy: it is the policy of Green Valley Recreation, Inc. to treat all people with dignity, respect and equality regardless of age, race, color, ancestry, country of origin, disability, ethnicity, marital status, family status, veteran status, gender, religion, sexual orientation or gender identity. (adopted 11/18/2015)

- A. Users of GVR facilities are required to comply with GVR published rules and regulations.
- B. Users are expected to show common courtesy to employees, directors, volunteers and other members and guests.
- C. Users shall refrain from using offensive language and behavior.
- D. Members are responsible for the conduct of their guests.
- E. Violation of the above codes of conduct may result in a member having his/her rights and privileges suspended, as well as those of their guests or tenants.

SUBSECTION 2. GENERAL

GVR property and member definitions, use of facilities, suspension of privileges and voting rights are as set forth in the bylaws of the Corporation or the Corporate Policy Manual.

A. GVR Identification Cards

It is the policy of GVR that each authorized user of GVR facilities be issued a GVR identification card as set forth herein.

1. A GVR identification card shall be issued to each GVR member, each Assigned Member, each CRCF user and each Life Care user.
2. A spouse of a GVR member shall be issued a GVR membership identification card regardless of whether the spouse is on title to the property unless the spouse has disclaimed interest in the property.
3. If a GVR property is held in a trust, each trustee shall be issued a GVR identification card unless the trust specifies otherwise.
4. If a GVR property is owned by a corporation, LLC, or similar entity, a GVR identification card shall be issued to up to two (2) managing partners.

5. Additional Card Holder:
 - a) GVR identification shall be issued at no fee for one (1) Additional Card Holder where the individual is residing with a sole owner GVR member or sole Assigned Member and proof of residency has been provided to GVR.
 - b) For a fee established by the Board of Directors, GVR identification shall be issued to other Additional Card Holders where proof of residency has been provided to GVR.

B. Guest Policy – effective 1/1/2020

1. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, or CRCF Resident or Life Care User of GVR and who live outside a twenty (20) mile radius of established GVR Boundaries. In general, guest cards are provided for visitors who are staying in a GVR household with the member or who are staying in a local commercial hotel as a guest of the member.
2. Anyone residing in a non-GVR property within the jurisdiction of the corporation is not an eligible guest.
3. GVR Members, Assigned Members and CRCF residents may purchase an Annual Guest Card for a fee determined by the Board of Directors. GVR Members, Assigned Members and CRCF residents may also purchase daily guest cards for an additional fee. Limit one (1) Annual Guest Card per household. The Annual Guest Card allows for an unlimited number of guests and guest visits. Daily Guest passes allow for unlimited number of guests on specific days only.
4. No more than one (1) Annual Guest Card may be purchased by an individual(s) owning GVR properties regardless of the number of properties owned.
5. Annual Guest Cards may not be purchased for properties which are tenant occupied. Tenants may purchase Daily Guest passes for a fee determined by the Board of Directors.
6. Annual Guest Cards are valid through the end of the calendar year (December 31). Annual Guest Card fees are not prorated.
7. Adult guests 18 years of age and older are required to have a valid guest card when visiting GVR facilities. Multiple guests visiting the same facility may use the same Annual Guest Card.

8. Guests under the age of 18 do not require guest cards and must be accompanied by a GVR-issued card-carrying adult.
Replacement of a lost or damaged Annual Guest Card must be obtained at a GVR Member Services office. The fee for replacement cards is determined by the Board of Directors. Lost cards will be deactivated to prevent future use of the card. Damaged cards must be returned to a GVR Member Services office before a replacement card will be issued.
10. Guest cards are required for all general facility use and club activities. However, guest cards are not required for ticketed GVR events where guests pay a higher ticket price than the member price.
11. At management's discretion, guest usage of GVR facilities may be limited to non-primetime hours. Signage will be added to all facility gates reminding individuals that each person must swipe (or 'tap' for proximity cards) a GVR-issued ID Card. In addition, members and guests who abuse GVR ID card privileges may be subject to sanctions and penalties up to and including fines and/or loss of privileges, as determined by the Board of Directors. Rules governing board-authorized sanctions and penalties will be publicized to the general membership.
12. A Single User Only annual guest card provides access to GVR facilities for only one individual guest at a time and shall be issued in the name of the sole-owner GVR member requesting the card.
13. A Single User Only Annual guest card shall be issued to sole-owner GVR members for no fee where there is no other person residing with the GVR member.

C. Life Care Privilege (updated 6/26/2018)

1. Life Care Users are former GVR members in good standing who currently reside in a life care facility in the Greater Green Valley area and have requested, for a fee, to have GVR privileges extended to them.
2. The former GVR member of a membership property must make an annual application in the Membership office.
3. An individual annual fee will be charged at a rate determined by the Board, either for the full year or prorated as required. This fee is non-refundable.
4. A "Life Care Facility" is defined as a continuing care retirement community, assisted living community, as well as those communities defined in the Arizona State Statutes regarding Life Care Contracts.

5. A distinctive identification card will be issued by GVR, which will permit the individual to use GVR facilities, register for programs and attend club functions.
6. Along with the following limitations, Life Care Users are subject to the same rules and regulations as all GVR Members.
7. Life Care Users are subject to the following:
 - a) May not serve on the Board of Directors or be a member of a Committee of the Board.
 - b) May not vote for any membership issues.
 - c) Life Care Users may purchase guest cards following the same guidelines established for guests of any GVR Member.

SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 9/25/2018)

A. General

All Fees, Annual Dues, Service Fees and Delinquency charges shall be established each year by the approval of a majority of Directors in office. Special assessments for any purpose shall require approval of a majority of Directors in office, and a vote of at least a majority of the Members voting.

B. Annual Dues

1. The Board shall establish membership dues for each fiscal year on or before December 10. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.
2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not

master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.

3. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied.

C. Annual Dues Installment Payment Plan

1. Members will be notified that if they have difficulty making the single payment they can request and submit a payment plan request form.
2. There will be a \$10.00 set-up fee due at the time the payment plan is set up.
3. There will also be a \$24.00 payment plan fee charged over the period of the plan.
4. The past and current month's payments will be charged and must be paid at the time the plan is set up.
5. If a member requests a payment plan, his/her account may be subject to all applicable finance charges.
6. Members will only be able to use the payment plan with an Automatic Clearing House (ACH) Debit.
7. At the time of the request, future finance charges will stop unless the member defaults on payments. If the account is defaulted, all past applicable finance charges that would have been charged will become due.
8. Members may continue to use GVR facilities and attend programs if they are current with their payments.

D. Initial Fees

1. The Initial Fee may be adjusted annually by the Board based on the Department of Labor CPI (Consumer Price Index), "all items, Western Urban Region," rounded to the nearest dollar amount.
2. The initial fee is due at the time of the closing of escrow on a deed-restricted membership property or at the time an owner elects to deed-restrict property for membership.
3. An owner paying an Initial Fee shall be exempt from paying the Property Acquisition Capital Fee on that property.

E. Property Acquisition Capital Fee – updated 8/28/2019

1. Upon transfer of title to a GVR membership property, the new owner shall pay a Property Acquisition Capital Fee.

2. The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property, and held title to a single GVR membership property within 365 days prior.
3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.
4. Revenue from the Property Acquisition Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

F. Other Fees updated 12/17/2015

A fee for service is payment for the work involved in an operation that benefits individual members, as distinct from the entire membership.

1. The Board has established fees for services:
 - a) **Transfer Fees:** There shall be a charge for the processing of the transfer of a membership upon the transfer of title to a membership property.
 - b) **Tenant Fees:** Upon application, tenant cards shall be issued to a person leasing GVR membership property. There will be a charge for a tenant card.
2. The authority to establish and modify operational fees is delegated to GVR Administration as part of the ongoing day-to-day management of the organization. Such fees fall in the following broad categories.
 - a) **Programmatic Fees:** These fees are established to provide cost recovery of direct expenses related to entertainment, participation, and instructional programs.
 - b) **Facility Fees:** These fees are established to provide cost recovery related exclusively to the use of facility space and/or equipment by outside groups and member usage beyond the basic services of GVR. Such fees include, but are not limited to, reservation fees, time incremental facility usage fees, equipment fees, custodial and technician fees, catering. Damage deposits are required.
 - c) **Administrative Fees:** These fees are established to provide cost recovery for miscellaneous services provided to members and outside parties. Such fees include but are not limited to, photocopying, facsimile, computer, facility keys, card replacement and publications.

- d) **Processing Fees:** These fees are established to provide cost recovery for labor and overhead generated through business transaction to members and outside parties. Such fees will be attached to all transactional business including, but not limited to, member dues, programs, instructional courses, and rentals.

SUBSECTION 4. DELINQUENCY AND PENALTIES

A. General

The Board shall ensure the establishment of:

1. Payment due dates for initial fees, annual membership dues, fees for services and assessments.
2. Penalties for late payments.

B. Effect of Non-Payment

1. Annual dues are due and payable on or before January 1st.
2. Any dues, fees, or assessments that are not paid in full ten (10) days after their due dates shall be deemed delinquent and subject to penalties. The delinquency shall be subject to finance charges as approved by the Board.
3. If a member's account remains delinquent after May 1st the account will be referred to counsel for collection, including, but not limited to, the recording of a notice of lien against the member's property and the initiation of legal proceedings against the delinquent member and/or his property. Collection costs, including, but not limited to, attorney's fees and court costs, shall be the responsibility of the delinquent members.
4. A member who has entered into an approved payment plan with GVR and is in compliance with the terms thereof shall not be considered delinquent.

SUBSECTION 5. SUSPENSION OF PRIVILEGES

A. Member Not in Good Standing

Any GVR Member who has not paid dues, fees or assessments as of the time such payment is due becomes delinquent and shall automatically be declared a 'Member Not in Good Standing.' Any GVR Member Not in Good Standing and his/her Additional Card Holder, Assigned Member and/or Tenants and Guests shall not be entitled to use GVR facilities. The delinquent member shall not hold any

office, nor vote in any election. Upon payment of all delinquent dues, penalties, fees, assessments, and accrued interest together with the cost of collection, said members shall be restored to good standing.

B. Suspended Member

1. A Suspended Member is an individual, not a household. Any GVR cardholder who has been determined to have violated GVR rules and regulations or otherwise deemed as a "Suspended Member" by the GVR Board of Directors shall be restricted from use of GVR facilities. This suspension may include suspension of use from all GVR facilities, or may be select facilities, as decided on by the Board.
2. A suspended member shall retain the rights to vote but not to hold office.
3. The suspended member shall be responsible for all dues, fees and assessments.

C. Suspension of Member Privileges

1. A member who violates the established rules and regulations of GVR is subject to suspension of privileges. Copies of rules and regulations are posted within GVR facilities. The GVR Code of Conduct is supplied to all members.

2. The Chief Executive officer or designee has the authority to determine if a violation is major or minor. The Chief Executive officer or designee is authorized to immediately deny any member access to facilities for a period of up to ten (10) days for minor violations, including, but not limited to, failure to provide his/her membership card or other GVR identification card. In the event of a major violation, including but not limited to violation of any law, physical confrontation, verbal abuse, the Chief Executive officer or designee shall have the authority to immediately deny any member access to facilities until the violation can be investigated and the Board can take action.
3. Minor Incidents - Upon receipt of a complaint from a GVR member or staff the Chief Executive officer or designee will investigate the complaint as follows:
 - a) Contact the person who filed the complaint.
 - b) Contact witnesses or those parties to the incident which resulted in the complaint.
 - c) Contact the member(s) against whom the complaint was filed, either in person or by phone. If direct contact is not available, the contact may be made by email or letter.
 - d) The Chief Executive officer shall then determine if the complaint is valid. If the complaint is determined to be valid, the member(s) may be subject to counseling, either in person or by letter, or may be subject to suspension of any or all privileges, and/or facilities for a period not to exceed ten (10) calendar days. The decision of the Chief Executive officer is final.
4. Major Incidents – Chief Executive officer or designee shall take immediate action and personally handle the situation as follows:
 - a) Contact the President of the Board immediately.
 - b) The Chief Executive officer, the President of the Board of Directors and the chairperson for the Board Affairs Committee shall conduct an investigation within two (2) weeks. They shall convene a meeting with the member and/or a representative against whom the complaint was lodged as well as the complainant, if the member(s) so desire. During the process, the accusing party has the right to submit verbal or written information subject to rebuttal by the accused and witnesses, if any.
 - c) Upon completion of the above, a report on the findings of the investigation, along with recommended actions will be presented to the Board of Directors.

- d) The Board of Directors will convene in an Executive Session within two (2) weeks to review the report, discuss the particulars of the incident and decide on the appropriate action. If a majority of Board members then in office determines that a suspension is warranted, the duration of that suspension must also be determined. The original suspension determined by the Chief Executive officer shall be extended until this process has been accomplished.
- e) If the Board decides to continue the suspension, the Chief Executive officer shall send the member and/or representative a written "Notice of Suspension" within 48 hours of the Board's decision. The "Notice of Suspension" shall include the details of the suspension, as well as the appeal procedure.
- f) If the member and/or representative opts to appeal the Board's suspension of a major issue, the Chief Executive officer, will notify the Board President and will appoint an independent Appeals officer or officers to hear the appeal. The Chief Executive officer will provide the member and/or representative with the date, time and location for presentation of that appeal. The suspension shall continue until the process has been completed. A written response may be presented in lieu of a personal appearance. The Appeals officer(s) shall be authorized to decide if the proposed suspension should be upheld, reduced or cancelled. Unless the Appeals officer(s) decides that the suspension should be cancelled or be reduced, the decision of the Board of Directors shall be final.

SECTION II – GVR PROGRAMS/CLUBS

Section II was approved by the GVR Board of Directors January 22, 2013; except as amended.

SUBSECTION 1. GVR PROGRAMS

A. Objective

The objective is to provide recreation, social, and leisure education opportunities that enhance the quality of our members' lives.

B. Acceptance of Grant Funding

GVR is permitted, by policy, to solicit grant funding to subsidize operational expenses related to special events and cultural programs. It is acknowledged that accepting grants from publicly supported funding agencies may dictate that these programs be open to the public. The fact that grant monies may have been received shall not interfere with GVR's ability to provide advertised services to its members, as prescribed by governing directives. GVR shall retain final approval of specific programs supported by grants.

C. GVR Activities Open To the General Public

1. Activities available to non-members, for a fee, e.g. concerts, plays, and classes.
2. Activities which are funded or partially funded by public agencies, e.g. U. S. Service Bands, Senior Olympics, Arizona Commission on the Arts programs.
3. Special events approved by the Chief Executive officer, e.g. Craft Fairs, Town Halls.
4. Any group renting a GVR facility may invite the general public.

D. General Public Ticket Surcharges

A surcharge shall be added to tickets for GVR public events sold to non-GVR members. However, if there is a co-sponsor, the surcharge may be waived by the Chief Executive officer.

E. GVR As Ticket Outlet for Non-GVR Sponsored Programs

1. GVR may act as a ticket outlet for organizations located outside Green Valley and community organizations within Green Valley.
2. Tickets shall be sold to both GVR and non-GVR members. However, ticket prices must include a discount for GVR members.

SUBSECTION 2. GVR CLUBS – (updated 9/23/14)

A. Organization

1. Any group with thirty-five (35) or more GVR members, interested in pursuing a particular field of interest, consistent with the mission of GVR, may join together and form a GVR Club, as long as a similar club doesn't already exist within GVR.
2. All members of a group requesting "Club Status" must be members of GVR.
3. The group may formally request that the Board grant them GVR "Club Status," which entitles the group to a scheduling priority for reserving on an annual basis in GVR facilities.
4. A club application, available at the Administrative Offices, must be submitted to the GVR Club Liaison.
5. The Club Liaison shall review the completed application and submit a written recommendation to the Chief Executive officer, or designee.
6. If the Chief Executive officer agrees that the club request is in order, a copy of the club's information is given to the Chairperson of the Board Affairs Committee, for inclusion in the next scheduled Committee meeting, agenda permitting.
7. Representatives of the prospective club shall be invited to the Committee meeting to speak on behalf of the club.
8. If the Board Affairs Committee approves the prospective club for recommendation to the Board, representatives from the club shall be invited to attend the next meeting of the Board to speak on behalf of the club.
9. If the Board approves the request for club status, the Club Liaison will file for an Employers Identification Number (EIN) on behalf of the club, if the club has not already filed for an EIN.
10. If a prospective club request is denied the Chief Executive officer shall notify the club representative in writing.
11. The newly established club will operate independently of GVR but will be required to follow all rules and guidelines set forth by the Board of Directors.
12. The Club Liaison will retain a club file in his/her office.

B. Membership/Guests/Monitoring (updated 8/29/2017)

1. Club membership shall be open to all GVR members and they shall be entitled to participate in any meeting or activity. Clubs may not grant honorary membership, or their equivalent, to anyone who is not a GVR member. Any GVR member who is refused admission to a club shall notify GVR administration at once. All club officers shall be club members.

2. Clubs may establish prerequisites for joining their activity such as training or an orientation.
3. Clubs must maintain at least twenty-five (25) active members to retain their "Club Status." Clubs which fall below the minimum number of members will jeopardize their "Club Status." If a club's membership falls below 25, the Club Liaison will contact the club President and offer suggestions on ways to increase membership. If efforts to increase membership are not successful, the Club Liaison will advise the Chief Executive officer. If necessary, the CEO will bring the issue to the Board Affairs committee, who shall make a recommendation to the Board.
4. If it is determined by the Club Liaison that there is a fifty-percent (50%) or more crossover in activities and/or interests in two or more clubs of the same type, those clubs may be consolidated.
5. Clubs may not affiliate with any national, state, or regional organization that requires GVR members to join its external organization. Optional membership in such organizations is allowed.
6. Clubs may grant guest privileges, at their discretion, to guests of GVR Members and, if authorized by the Board, other non-GVR Members upon payment of a guest fee to GVR.
7. GVR Clubs shall establish an effective monitoring system to ensure that only GVR members and eligible guests attend meetings and activities of the club.
8. GVR clubs that present performances to the membership and general public will be permitted to use non-GVR individuals in performing or production roles under the following circumstances:
 - a) Club members with the necessary qualifications are not available.
 - b) Approval must be obtained from the GVR Club Liaison on a case-by-case basis.
 - c) Each non-GVR individual must sign an agreement acknowledging that he/she will not be covered by GVR corporate worker's compensation nor listed as an additional insured in any GVR commercial insurance policy.
 - d) The agreement will note the terms and conditions of their involvement in the production and will not last beyond the specified performance(s).
 - e) Should the individual be a minor, then the parent/guardian must sign the agreement on his/her behalf.

- f) GVR will permit student participation in a production with the acknowledgment and sponsorship of the student's school administration.
- 9. To use GVR facilities, GVR competitive teams must be comprised solely of GVR members.
- 10. The non-GVR guest policy for competition or participation in clubs is as follows:
 - a) GVR Clubs may host competitive events and allow non-GVR members or guests to participate. The club must notify GVR's Club Liaison prior to the scheduled event. Documentation outlining the nature of the competition(s) will be required for each event. Non-GVR members or guests are only authorized to use GVR facilities associated with the event, including warm-ups/practice time.
 - b) League play may occur if there is a reciprocal agreement to play at each other's facilities.
 - c) Outside of league play, Clubs may grant participation to guests at their discretion, as long as those individuals are eligible guests as defined in Section II, membership.
- 11. Non-GVR Member Club Participant Policy:
 - a) Clubs listed as Social or Dance Clubs on GVR's website may allow non-GVR members to attend their events.
 - b) Non-members must sign a waiver.
 - c) Non-members will pay a fee established by the Board of Directors.
 - d) Clubs will remit fee and record of attendance to GVR club liaison for deposit.
 - e) Board Approved Clubs may apply to for a waiver of fees annually. Board Affairs Committee will review applications to determine if fees are a hardship to the club and make a recommendation to the Board of Directors. Clubs will be notified of Board's decision.

C. Member Code of Conduct

1. Clubs within GVR are often faced with internal conflicts between club members or behavioral issues. The GVR staff does not resolve conflicts between individual club members nor do they get involved with internal policies written and enforced by the clubs. GVR's main responsibility to all clubs is to support their club activities. However, if a theft of property, immoral conduct, violence or a violation of the GVR Code of Conduct occurs, GVR staff will investigate the situation until the matter is resolved. If any incidents occur, an incident

- report shall be completed within 24 hours and submitted to GVR's Club Liaison. A copy of GVR's Code of Conduct is displayed in all facilities and printed on the back of each member's photo ID card. It states that all users of GVR facilities are required to comply with published rules and regulations. All users are expected to show common courtesy to employees, directors, volunteers and other members and guests. All users shall refrain from using offensive language and participating in offensive behavior; such actions shall not be tolerated. Members are responsible for the conduct of their guests. Any violation of GVR's Code of Conduct may result in a member having their rights and privileges suspended.
2. A club consists of members who appoint a Board of Directors made up of club members to handle the affairs of the club. When the Board of Directors of a club is faced with taking action against a club member, it is the responsibility of the entire Board, not just one or two individuals of the Board. Proper documentation of a situation must be kept before any action can be taken against a club member. GVR must always be kept informed of such situations so that GVR's records can be documented, as well. A change in a member's behavior should not be taken lightly. There are various ways in which clubs can handle member complaints and conduct issues. Two suggestions are outlined below:

a) THREE STRIKE RULE

1. Strike One: If a club member begins to be disruptive or abusive a club officer or designee should take the individual aside and talk to them privately. Let them know that their behavior will not be tolerated and if it does not stop, they will be asked to leave. Documentation must be kept on file in all instances, in case you need to refer back to a particular incident.
2. Strike Two: If the individual continues to be disruptive or abusive the Club President or designee will write a letter to the individual restating GVR policy and possible consequences. A copy of the letter must be provided to GVR's Club Liaison.
3. Strike Three: If the behavior has not been corrected, the club's Board of Directors has the authority to remove the individual from their membership. A removal letter must be provided to the member and GVR's Club Liaison. Every opportunity to correct a problem should be given to the club member before dismissal from the club. If personality conflicts between members are the problem, they would also

be handled as stated above. An equal and fair opportunity should be given to all parties involved.

a) PEER COMMITTEES

It may be beneficial for clubs to appoint peer committees to serve as mediators when a conflict arises within a club. Their basic function is to investigate and listen to all sides of the story and arrive at a resolution. If a resolution cannot be agreed upon, the matter would go to the club's Board of Directors to handle. At all times, GVR must be kept informed of any conflicts and their outcome.

SECTION III- MISCELLANEOUS

SUBSECTION 1. COMMUNICATIONS POLICY

POLICY STATEMENT

As an integral part of the greater Green Valley, Arizona community, Green Valley Recreation, Inc. (GVR) strives to maintain open and transparent communications in order to foster good relations with its members, news organizations, and the general public.

To this end, GVR uses several communication vehicles to provide news, information and updates. These vehicles include, but are not limited to:

1. a monthly newsletter
2. an electronic, email newsletter
3. an email address for the Board and an email address for general inquiries
4. websites and apps
5. timely postings of Board and Committee meeting agendas and materials and subsequent meeting minutes
6. social media

Because GVR is a private corporation, it is not subject to the same laws that govern municipalities, such as open meeting statutes or laws that protect freedom of speech and freedom of assembly. GVR is under no obligation to publicly disclose all information about the organization and may keep certain information relating to its members, employees and its operations confidential. All GVR directors, employees, and volunteers are required to abide by GVR's confidentiality policies.

A. EXTERNAL COMMUNICATIONS

1. Public Information officer (PIO) as Point of Contact

To ensure the orderly release of accurate and consistent information to the general public and news media, GVR's Chief Executive officer (CEO) shall serve as the official Public Information officer (PIO) for the Corporation [See *GVR Corporate Policy Manual (CPM)*, Section VII-Chief Executive officer] or may delegate such responsibility. The PIO shall be the single point of contact for inquiries from non-members (the general public) and news media. Other GVR staff, as appropriate, may field inquiries from current or prospective GVR members. All public and media inquiries shall be directed to the designated PIO spokesperson, who shall consult with senior managers, if necessary, to confirm information prior to release. The CEO shall approve in advance all press releases. This process ensures that the release of information to the general public and news media is consistent with GVR's governing documents and policies and helps to prevent misunderstandings, misinterpretations, and confusion.

2. Information Prohibited from Public Release

GVR protects the confidentiality of certain information in conformance with its governing documents and applicable laws. For this reason, GVR will not release information nor comment on the following:

- a. Member information and records
- b. Employment records and employees' personal information
- c. Privileged information between the corporation and its legal counsel
- d. Information related to pending litigation
- e. Any information that was made available in an Executive Session of the Board of Directors
- f. Any information prohibited from public release by local, state or federal laws
- g. Any information in which public disclosure would not be in the best interest of the Corporation

3. Correction of Inaccurate Information

GVR will take steps to correct inaccurate information published or reported by external media about the Corporation as soon as reasonably practicable after its discovery. Such steps may include

a request for a correction to be published and/or a written opinion piece submitted to the media outlet. The nature and seriousness of the misinformation shall be considered in determining the most appropriate course of action.

4. Media & Public Access

As a private, nonprofit 501 (c)(4) organization, GVR is obligated to ensure that only authorized members, guests, and visitors are allowed access to its facilities and programs in conformance with its Bylaws. For this reason, the Corporation may deny the use of its facilities to any outside group that, in its judgment, does not further the interests of GVR and its members. GVR may also deny requests for access or information by news organizations if it is determined that the nature of the visit or inquiry is not in the best interest of the Corporation and/or its members.

5. Media Access

Members of the news media may request access to GVR, its members, clubs and programs for the purpose of developing news items subject to certain restrictions. GVR has an obligation to protect the privacy of its members without intrusion or disruption of their visits to or utilization of our facilities.

Media representatives (e.g. reporters) are also welcome to attend members-only functions held on GVR property (such as GVR club events) or events hosted by outside groups that are renting GVR facilities if they have been invited to such events. Media representatives shall notify GVR in advance if they wish to attend non-public events to which they have not received an invitation from GVR or the event's host such as GVR classes, and all other activities at any GVR facility (including meeting rooms, sports courts, fitness centers and pools/spas).

Media representatives shall be required to provide the general nature of the visit, who they wish to interview, and which facility they wish to visit. A GVR employee may be designated to accompany the media representative to the event. GVR reserves the right to deny the request if it is determined that the nature of the visit is not in the best interests of the Corporation and/or its members.

For the safety and privacy of members and employees, still or video photography at private events is prohibited without prior written approval from GVR and signed waivers from every individual whose image is photographed or videoed.

6. Media Coverage of Public Events

News organizations are welcome to attend any program or event at GVR that is open to the general public and community upon payment of the regular admission fee, if any, or with a complimentary ticket if provided by GVR. Examples of public events include live performances, annual Health Fair, annual Artisans Fair, GVR Foundation's Southern Arizona Senior Games, lecture series, GVR Center open houses and ceremonial dedications.

7. Media Access to GVR Clubs

GVR sanctions various clubs, many of which use GVR's facilities for their meetings and activities, and some of which have designated spaces for their club's use. As a courtesy, media representatives who wish to access GVR property to visit a GVR club shall notify the PIO of their visit and its nature. If a GVR Club has invited media representatives to visit their club or attend an event, the club is required to notify the PIO of such visit.

Media representatives invited to GVR facilities by a GVR club are subject to the same rules and regulations as other GVR guests. Clubs officers shall be responsible for ensuring that media representatives comply with such rules and regulations and ensuring the accuracy of any information provided to them.

8. Media Requests for Information – Media Inquiries

GVR wishes to maintain its relationships with media outlets and will respond to any request for information deemed to be in the best interests of the Corporation and its members as determined by the PIO. Requests for information from media will be considered on a case-by-case basis, depending on the nature of the request.

B. MEMBER COMMUNICATIONS

Communications with GVR members are intended to keep members informed of news and information, and shall be accurate, truthful, transparent and timely. Members are encouraged to attend GVR governance meetings to become and remain informed.

1. Response to Member Communications Sent to Staff

Any written, emailed, or telephone communications received by staff from members that are deemed to be of a serious nature shall be forwarded to the CEO who, at his/her discretion, may consult with the Board President prior to authorizing a response.

GVR will not respond to anonymous, obscene, harassing, belligerent or threatening communications received from any individual.

2. Response to Member Communications Sent to the Board of Directors

Member suggestions made at Board of Directors Meetings or sent to the Board via email or other means may be referred to the chair of an appropriate committee for consideration.

3. Member Requests for Information

The books, records and papers of the Corporation shall, for specific and proper purpose, at all reasonable times during business hours be subject to examination by any regular member of The Corporation upon written demand to the Corporation (see *GVR Bylaws, Article XII, Section 2: Availability of Records*) subject to any applicable confidentiality policy. GVR reserves the right to assess a fee for hard copies of documents requested by members. GVR will not create or generate reports that are not already prepared in the regular course of business.

4. Email Communications with Members

GVR communicates via email with members to respond to inquiries and to provide news and information to the membership. The CEO or CEO's designee(s) shall serve as GVR Email Administrator and is responsible for responding to email correspondence from GVR members and/or forwarding the communication to the appropriate staff for response.

a. General Email

GVR has established and frequently monitors a general email box (Hotline@gvrec.org) for members to use to make comments or ask questions and which is posted on the GVR website and included in each eBlast and newsletter. The Email Administrator is responsible for monitoring this email box and responding to member emails or forwarding them to the appropriate employee for response. Emails received from members shall be saved and archived by staff as designated by the CEO.

b. GVR Email Updates

GVR has an electronic newsletter (e.g. eBlast) that is sent to subscribers who must "opt in" and agree to receive such email communications. GVR respects the privacy of its members and subscribers, and does not rent, sell, or share subscriber's names, information or contact information, including email addresses.

c. GVR Board of Directors Email Policy (upd. 10/25/2016)

To facilitate communications among GVR Board Directors, GVR's Board-approved "Email Policy" provides each member of the Board of Directors with an official GVR email address, which is to be used solely for governance-related communications between Board members and GVR staff only.

A generic email address for members to communicate electronically with the Board of Directors (board@gvrec.org) is posted on the GVR

website and published in each GVR Now! Newsletter. Emails addressed to the Board shall be reviewed by the CEO and the designated GVR Email Administrator who shall archive all such email messages, forward them to the Board President, and copy other Directors. Any director who receives a communication in a personal non-GVR email account that concerns GVR business and/or Board matters shall forward same to the CEO for review and if appropriate, archiving by the GVR Email Administrator.

It is the policy of the GVR Board of Directors that individual Board members shall not use email to discuss, debate, or make policy or operational practice statements related to GVR whether in response to a member's comments or for any other purpose except as may be specifically authorized by the Board.

5. Prohibited Email Communications

The following email communications by GVR's Directors, members, employees, and volunteers are strictly prohibited:

- a. Messages containing offensive language, including, but not limited to, defamatory, racist or obscene remarks
- b. Messages intended to or that would cause a reasonable person to be alarmed, annoyed or harassed
- c. Messages containing an attachment that is from someone other than the member sending the email
- d. Any attempt to disguise the sender's identity or an email with an anonymous sender
- e. Potentially damaging messages, including but not limited to, mass or commercial messages, spam, and messages containing viruses
- f. Messages concerning GVR business and/or operations addressed from a GVR Director's personal email account
- g. Personal emails using a GVR email account

C. ELECTRONIC & SOCIAL MEDIA

GVR may utilize electronic and social media sites (e.g. Facebook™, Twitter™, etc.) to share information on the Corporation's activities and events and for

any other purpose related to GVR business. To the extent that such media sites allow individuals to post replies and comments, GVR reserves the right to limit and/or remove, at its sole discretion, any reply or comment it deems offensive or contrary to the interests of the Corporation or its members.

Operations/Staff/Customers Manual

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SECTION I – MEMBERSHIP

SUBSECTION 1. EXAMINATION OF CORPORATE DOCUMENTS

A. Authority

A GVR member may examine the corporate documents as provided by the Arizona Statutes.

B. Charge for Documents

A GVR member requesting copies of GVR documents will be assessed a charge determined by the administration, but in accordance with Arizona Statutes, with the exception of GVR Bylaws or any GVR free publications.

SECTION II – HUMAN RESOURCES

Section II was approved by the GVR Board of Directors on July 26, 2011; except as amended

SUBSECTION 1. EMPLOYMENT PRACTICES MANDATES

A. Non-Discrimination Policy:

It is the policy of Green Valley Recreation, Inc. to treat all people with dignity, respect and equality regardless of age, race, color, and ancestry, country of origin, disability, ethnicity, marital status, family status, veteran status, gender, religion, sexual orientation or gender identity.

B. Non-Discrimination Practices

Green Valley Recreation, Inc. shall comply with all federal and Arizona statutes pertaining to employment practices. Such compliance includes, but is not limited to:

1. Title VII of the Civil Rights Act of 1964, as amended
2. Age Discrimination in Employment Act of 1967, as amended
3. Equal Pay Act of 1963, as amended
4. Americans with Disabilities Act of 1990, as amended
5. Family and Medical Leave Act of 1993
6. Occupational Safety and Health Act of 1970
7. Fair Labor Standards Act
8. Immigration and Control Act of 1986

SUBSECTION 2. CORPORATE PERSONNEL POLICY STATEMENT

Green Valley Recreation works diligently to employ competent people from diverse backgrounds to work together. Fair and effective employment practices are the foundation for trust and open communication enabling GVR to best support employees in achieving personal and organizational objectives.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

A. General

Underlying the mission of Green Valley Recreation is a firm belief in the dignity of all people, which is actively affirmed through the *Green Valley Recreation Equal Opportunity Policy*, which strongly states its commitment to equal

employment opportunity for applicants, employees at all levels and volunteers. Primary responsibility for implementation of this policy rests with the Chief Executive officer.

B. Policy

Green Valley Recreation in its employment policies and practices and in its public accommodations agrees to comply with all relevant and applicable federal, state, and local laws and regulations and standards relating to discrimination, biases and/or limitations based on age, race, color, ancestry, country of origin, disability, ethnicity, marital status, familial status, veteran status, gender, religion, sexual orientation or gender identity. This policy governs all aspects of employment, including recruitment and recruitment advertising, selection, job assignment, promotion, demotion, corrective actions, reduction-in-force, termination, compensation, selection for training and development, and all organization sponsored social and recreational activities.

SUBSECTION 3. VOLUNTEER PERSONNEL

- A.** A volunteer is a person who performs a service for GVR without compensation.
- B.** Volunteers are covered under the GVR liability policy.
- C.** Volunteers may be compensated for their services by GVR for authorized expenses, including mileage or other incentives.

SUBSECTION 4. GVR 401(K) CONTRIBUTION PLAN

GVR has a 401(K) Contribution Plan for the benefit of its employees.

SUBSECTION 5. RECORDS RETENTION POLICY

GVR will maintain all payroll and personnel records in an organized manner and file these records in a safe and protected environment.

SECTION III – FACILITY USE

Section III was updated by the GVR Board of Directors November 18, 2015.

SUBSECTION 1. GENERAL FACILITIES RULES AND REGULATIONS (updated 9/25/2018)

- A.** GVR facilities are established for use and enjoyment of GVR members, eligible guests and visitors who abide by the GVR Member Code of Conduct.
- B.** The use of facilities by nonmembers shall not interfere with the effectiveness of the recreation operation.
- C.** Members, guests, and visitors who use GVR facilities and equipment, do so at their own risk, and shall indemnify and hold harmless GVR, its employees and agents.
- D.** All GVR facility reservations and arrangements shall be made through the central reservation office located at the Administrative Offices. A *GVR Facility Reservation Agreement* must be completed for all facility reservations and rentals.
- E.** All members and guests are required to carry their membership cards or other authorized GVR identification while using GVR facilities. Individuals must produce GVR identification when requested by staff or any staff-authorized volunteer. Members and guests are required to sign-in or swipe their membership card. Clubs and other authorized groups must provide an attendance roster or similar document which lists each person utilizing a GVR facility.
- F.** Staff and staff-authorized volunteers are empowered to enforce rules and regulations.
- G.** GVR member and nonmember individuals and groups may rent facilities subject to current rules, regulations, and fees.
- H.** GVR member individuals and groups have priority in facility rentals before nonmember individuals and groups.
- I.** The Chief Executive officer may authorize use of GVR facilities on a complimentary or fee basis for any GVR-sponsored, GVR co-sponsored, or GVR Foundation event or activity. Authorization of GVR Foundation activities are subject to terms of the GVR/GVR Foundation Resource Sharing Agreement (see APPENDIX I – BOARD POLICIES, Subsection 4).
- J.** GVR classes may preempt drop-in use of GVR facilities.
- K.** Fees may be charged to recover the cost of any specialized services, events or programs.

- L.** GVR facilities will not be used by any member for commercial purposes. Personal sales resulting from hobby pursuits are permitted.
- M.** Individual members, visitors, guests, and groups using or renting GVR facilities are responsible for maintaining those facilities in a neat and orderly condition.
- N.** Printed materials made available to attendees during the meeting/rental period must be removed at the end of the rental period.
- O.** Individuals who damage GVR equipment due to improper or careless use are responsible for the repair or replacement of that equipment. Members are responsible for damages caused by their guests.
- P.** Special GVR shop/facility rules and regulations must be complied with by individual members, visitors, guests, and groups.
- Q.** No alcoholic beverages shall be sold on GVR premises without a valid special sales permit or liquor license. (See Section VIII, Subsection 4 for the complete Liquor Policy.)
- R.** Non-member "Personal Assistants" may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for their own personal use.
- S.** Animals are not permitted in or on GVR property, with the exception of Service animals, unless otherwise authorized by the GVR Chief Executive officer (CEO) to accommodate community events or other special circumstances.
- T.** No firearms are allowed on your person on any GVR property or in any GVR facilities except law enforcement or licensed security.
- U.** It is the policy of Green Valley Recreation, Inc. to provide and maintain a Drug-Free Environment for its members and employees. As such, Green Valley Recreation, Inc. prohibits the use of illegal drugs on GVR premises.
- V.** GVR facility areas may be rented for political party meetings, campaign events, polling places, and informational presentations such as candidate forums or town hall meetings, subject to space availability and GVR fees at nonmember rates, regardless of GVR member affiliation.
- W.** Advertising or promotional signage for non-GVR elected positions (e.g., public sector election campaigns), including solicitation of support/opposition regarding candidates or ballot issues is NOT permitted on GVR property except as follows: (1) within rented meeting space during the rental period; or (2) in public areas and parking lots of a GVR facility being used as a polling place on election day or as an early voting site during the period of early voting.

SUBSECTION 2. SPECIAL FACILITIES USAGE

A. General Usage

1. GVR facilities are provided for the use of GVR members and their guests.
2. GVR reserves the right to deny access to GVR facilities by anyone (member or non-member). Reasons for denial of use include, but may not be limited to the following:
 - a. If there is a reasonable concern that the group may advocate or promote an activity that is prohibited by local, state or federal statute.
 - b. It is determined that the group is involved in a discriminatory endeavor.
 - c. There is a reasonable concern that appearance of the group could lead to a civil disruption.
 - d. There are other legal or safety concerns.
 - e. The CEO has the authority and discretion to make all final decisions
3. The Chief Executive Officer may authorize the use of GVR facilities for any GVR sponsored event of community interest.
4. GVR facilities may be used by any group, entity or individual that is not wholly comprised of GVR members, subject to appropriate rental agreements and fees.
5. An "indemnity clause" that has been reviewed and approved by GVR's legal counsel, MUST be included within the "Rental Agreement". Any group, entity or individual that is not wholly comprised of GVR members utilizing a GVR facility MUST state their purpose and sign the "Rental Agreement". This MUST be signed by a person or persons authorized to speak for the group, as part of the application process.
6. GVR classes may preempt drop-in use of GVR facilities.
7. Use of meeting rooms must be authorized in accordance with the established reservation procedure before occupancy.
8. Non-member "personal assistants may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for their own personal use.

B. Use of Hobby Shops and Studios

These facilities are monitored by volunteers. When asked, members and guests must show their GVR membership or guest cards to use the facilities. Clubs have the right to restrict use of club facilities to club members only.

C. Use of Kitchens

GVR kitchens are classified as catering kitchens. Food preparation and cooking is not allowed. Kitchen facilities may be used for warming pre-cooked food or for chilling cold entrées.

D. Use of Caterers

Caterers must be registered and approved by GVR in order to work in GVR facilities. Contact the central reservation office located at the Administrative Offices for a current list of approved caterers.

E. Use of Storage

1. GVR may provide small storage space, at no cost, to Clubs if space is available.
2. Clubs may provide locks.
3. GVR is not liable for any property lost, damaged or stolen while in storage.

F. Use of Equipment

GVR may provide and maintain furniture and equipment in the facilities for the recreational use of its members.

G. GVR Pool Management Policies

1. GVR offers heated swimming pools and spas for member use.
2. Hours of operation are established and posted by GVR administration.
3. GVR pools shall operate in compliance with Pima County Code Title 8, Chapter 8.322, "Swimming Pool and Spas," and any other applicable Pima County regulations.
4. The Pima County Health Department classifies GVR pools as "semi-public" per the following guidance: "A swimming pool on the premises of, or part of, but not limited to a hotel, motel, trailer court, apartment house, country club, camp, health club, condominium, homeowners association, or similar establishment where the primary business of the establishment is not the operation of the swimming facilities, and where admission to the use of the pool is included in the fee, or considerations paid or given for the primary use of the premises."
5. GVR staff has authority to close a swimming pool or spa if they determine that its operation and use presents danger to individuals.
6. GVR follows the guidelines provided by the National Lightning Safety Institute (NLSI) to determine when to close indoor and

outdoor swimming pools, spas and showers due to lightning as a safety precaution. As of August 2014, NLSI guidelines state:

- a. Both outdoor and indoor pools and showers will be evacuated before or when lightning gets five miles away.
- b. At the first signs of thunder or lightning, all pool and shower activities will be suspended until 30 minutes after the last observed thunder or lightning. (Adopted 08/26/14):

H. Rentals and Fees

1. The Chief Executive officer will implement a Board-approved fee schedule for rental of GVR facilities. The CEO is authorized to waive facility rental fees in special circumstances, as deemed appropriate.
2. Rental fees for groups composed solely of GVR members shall be waived; however, all individuals and groups (whether member or nonmember) may be charged fees for special computer and technology setups; Internet connections; LED projection; special sound system or lighting requirements, overtime cleanup charges, or labor charges for special setup needs which require additional personnel.
3. GVR is interested in supporting community service events, and may rent its facilities on a fee basis for such events whenever it is practical to do so. A community service event is normally sponsored by a non-profit organization or local government agency. GVR facilities are routinely used as polling facilities during elections.

I. GVR Property Rights

GVR legal counsel has affirmed that GVR's Bylaws do not provide members with the unlimited use of its facilities for any and all purposes, and that as a private property owner, 'GVR may deny the use of its facilities to member and nonmember individuals and groups without abridging the freedom of speech and assembly granted by the Arizona Constitution.' (GVR Legal Opinion, May 20, 2015)

J. Denial of Use of GVR Facilities

1. Based on GVR legal review and opinion, GVR reserves the right to deny the use of its facilities by member or nonmember individuals or groups whose purposes are deemed contrary or adverse to GVR's as determined in the sole discretion of the CEO.
2. A decision by the CEO to deny use of GVR facilities shall be based on one or more of the following conditions:
 - a. There is a reasonable concern that the individual or group may advocate or promote any activity that is prohibited by local, state or federal statute.
 - b. There is a reasonable concern that the individual or group is involved in discriminatory behavior based on sex, age, race,

ethnicity, nationality, disability, sexual orientation, gender identity, religious and political opinions.

- c. There is a reasonable concern that use of facilities by an individual or group could lead to a civil disruption.
- d. There is a reasonable concern that the individual or group promotes a position that may be detrimental to GVR.
- e. There is a reasonable concern about other legal or safety issues.

K. Smoke-Free Zone at Facilities

1. The *Smoke-Free Arizona Act (ARS§36-601.01)* requires GVR to establish a Smoke-Free zone at all facilities. The purpose of the Smoke-Free Arizona Act is to protect individuals from the harmful effects of second-hand smoke in enclosed public places.
2. To comply with this law, GVR prohibits smoking in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows. Smoking is prohibited in all indoor facility areas, pool areas and in all GVR vehicles.
3. Smoking will be allowed in designated outdoor areas only.

L. Vaping-Free Zone at Facilities – adopted 5/22/2019

1. GVR prohibits vaping in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows. Vaping is prohibited in all indoor facility areas, pool areas and in all GVR vehicles.
2. Vaping will be allowed in designated outdoor areas and wherever smoking is allowed.

SUBSECTION 3. CIRCULATION OF GVR-RELATED POLITICAL MATERIALS; GVR-RELATED SURVEYS, POLLS, QUESTIONNAIRES

- A.** GVR petitions, solicitation of support or opposition regarding GVR candidates or ballot issues by GVR members shall only be permitted in GVR facility lobby areas, common areas, or curbsides and parking lots. Further guidance may be found in the *GVR Corporate Operations Manual*.
- B.** Surveys, opinion polls and questionnaires related to GVR affairs, and distributed on GVR property, may be circulated by members only after being reviewed by GVR administration for accuracy and suitability.

SECTION IV – FISCAL/ACCOUNTING

Section IV was approved by the GVR Board of Directors on October 25, 2016.

SUBSECTION 1. FISCAL POLICY – GENERAL

A. Definitions

1. Contributed Capital Assets:

- a. Contributed property is to be recorded at estimated fair market value on the date of the transfer.
 - b. Fair market value can be determined by current or recent appraisal or the donor's cost may be used if recently incurred.
 - c. Contributed property will be recorded as a contributed capital asset and will be subject to Generally Accepted Accounting Principles (GAAP).
2. **Capital Assets:** Capital assets shall have a value of at least \$5,000 and a useful life expectancy of more than one year.
3. **Operating:** Operating is defined as everyday business, activities and regular maintenance of facilities.
4. **Capital Projects:**
- a. Those projects whose costs exceeds \$5000.
 - b. **Capital Replacement:** A replacement is defined as anything that has to be replaced including major refurbishments such as the floor, the walls, the roof, the doors, etc., down to the fixture replacement.
 - c. **Capital Addition:** An addition is anything that is added on to the square footage and/or adds to the value of the property.
5. **Depreciation:** Depreciation is defined as a decline (as from age or wear and tear) in the value of a capital asset.

B. Accounting

The Board shall ensure that the fiscal affairs of the corporation are managed in accordance with Generally Accepted Accounting Principles, and that its financial strength is adequate for current needs and its long-range strategies.

C. Purchasing

The selection of, and contracting with, vendors for supplies and services is the responsibility of the Chief Executive officer in accordance with the financial limits established by the Board.

D. Investment Policy – updated 4/24/2019

GVR Investment Policy is located in Appendix 1, BOARD POLICIES, SUBSECTION 3. GVR INVESTMENT POLICY.

E. Financing

1. Requests for approval to finance major capital projects will require the affirmative vote of two-thirds of the total Board members then in office. Such requests may be submitted by any member of the Board or the Fiscal Affairs Committee.
2. The maximum corporate debt at any one time shall not exceed sixty percent (60%) of the approved current annual budget, which shall include both the operating and capital budgets.
3. If capital projects are financed, the sum of annual repayments for all financed projects shall be ten percent (10%) of the approved current annual budget, which shall include both the operating and capital budgets.

F. Revolving Line of Credit

1. A revolving line of credit in the amount of four hundred thousand dollars (\$400,000) may be established by the Chief Financial Officer (CFO).
2. Any usage of the revolving line of credit by the Chief Financial Officer must have prior approval by the Chief Executive officer, the Fiscal Affairs Committee and the Board.
3. The Chief Financial Officer shall institute a usage form stating the amount to be used, the purpose/reason for the usage, the balance of the revolving line of credit, including the amount currently being requested for use and the estimated payback period to bring the balance back to its original amount of four hundred thousand dollars (\$400,000). This usage form will show the approval signatures of the Chief Executive officer, Treasurer and President of the Board.

G. Member Payment Transactions

1. A member payment transaction can be defined as any purchase (dues, program, concert, instructional course or rental) that takes place involving the exchange of cash, check, debit, or credit card with a member.
2. Member payment transactions are subject to a processing fee.
3. Forms of payment accepted include:
 - a. Legal Tender (Cash)
 - b. Checks payable to Green Valley Recreation in U.S. dollars.
 - c. Money Orders or Cashier's Checks

- d. Traveler's Checks
- e. Credit or Debit Cards
 - 1. Visa
 - 2. Master Card
- f. Automatic Clearing House (ACH) Debit

SUBSECTION 2 - RESERVE POLICY – updated 10/25/2016

A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds to ensure its long term solvency and sustainability as part of the Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

B. Reserve Study Policy

To be fiscally responsible, GVR has to answer these basic but critical questions:

1. What will the cost be to maintain, repair and replace its equipment, facilities, and infrastructure to meet member expectations and high standards?
2. When and to what extent will these costs be incurred?
3. Will GVR have sufficient money on-hand to meet these costs?

A reserve study is a planning and budgeting tool which answers these questions by analyzing, quantifying and projecting costs of specific items called Components, in the aggregate called a Component Inventory, over a 30 year period and formulating a Reserve Contribution amount to pay these costs.

There are three (3) types of Reserve Studies:

1. Full Reserve Study – Baseline, vendor evaluates all facilities, equipment and infrastructure
2. Reserve Study with no onsite visit (NOV) – GVR updates Component Inventory with changes

3. Reserve Study with an onsite visit (WOV) – Vendor reevaluates
Component Inventory & updates

During the third quarter of the current budget year GVR staff and the Fiscal Affairs Committee shall recommend and the Board shall approve a reserve study provider and the type of reserve study to be performed during the first quarter of the next budget year.

During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR's annual budget.

GVR's Percent Funded objective is not less than 85% and not greater than 100%.

The Component Inventory of a Reserve Study is the fundamental data driving Reserve Study results. To maintain Component Inventory integrity, it is imperative that GVR record all maintenance, repairs and replacements to Components as they occur or new Components are added and notify the Reserve Study provider. This is especially true when Reserve Study with no onsite visit is done.

Each Component meets these four (4) criteria:

1. GVR must have a duty to maintain, repair and replace it
2. Limited useful life
3. Predictable remaining useful life
4. Exceeds a minimum dollar threshold.

By planning, budgeting and funding GVR maintenance, repair and replacement expenses, GVR achieves these three (3) goals:

1. Sufficient cash to meet its Reserve Study Component Inventory expenses
2. Achieves a stable Reserve Contribution amount
3. Evenly distributes the cost to current and future members

C. Maintenance of GVR Financial Reserve System

1. Definitions:

Defined terms are capitalized in **Bold** typeface.

Annual Reserve Study is the Reserve Study referred to in Section B. – Reserve Study Policy

A **Reserve Account**(s) is a checking, savings, investment or any other type of account in which reserve monies are deposited.

Board Restricted means the Board of Directors controls the Reserve Accounts and authorizes expenditures from such accounts.

2. **Reserve Contributions and the Annual Budget:**

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the **Annual Reserve Study** unless such Reserve Contribution generates a Percent Funded greater than 100% in which case the Reserve Contribution may be reduced to achieve a Percent Funded not less than 85%.

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

3. **Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:**

Within sixty (60) days after adoption of this policy by the Board of Directors GVR shall establish a written accounting and internal control policy and procedure based on Generally Accepted Accounting Policies (GAAP) to track and document all withdrawals by check or electronic means and Board approved transfers, electronic or otherwise, between Reserve Funds, pay Board authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the Chief Financial officer (CFO) and approved by the Chief Executive officer (CEO) or, in the CEO's absence, the Chief Operating officer (COO).

4. Priority of making contributions to Reserve Accounts:

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund
- b. Initiatives Reserve Fund
- c. Emergency Reserve Fund.

5. Rebalancing Reserve Accounts:

A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by: (1) transferring money between Reserve Accounts, (2) reducing Reserve Contributions or (3) transferring money from a Reserve Account(s) to operating cash.

All rebalancing actions shall be authorized by Board resolution(s).

D. Emergency Reserve Fund (previously the Operating Reserve Fund)

1. Definitions:

Major Event(s) is an event causing damage to a facility and/or infrastructure or an emergency safety event costing \$25,000 or more in repairs, renovations or replacements.

2. Purpose:

The Emergency Reserve Fund serves these purposes:

- a. An emergency fund to pay for major, unanticipated repairs to, renovation of or replacement of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events**.
- b. An emergency safety-net should a severe economic downturn or unanticipated event threaten GVR's financial well-being.

3. Target Balance:

This fund shall be of sufficient size as determined by the Board of Directors to protect GVR from the following:

- a. Long-term or permanent loss of use of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events** due to GVR's inability to pay for repairs, renovations or replacement of damaged facility or facilities or infrastructure.

- b. Guarantee payment of the legal obligations of the Corporation for one year.

4. Funding Source:

At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from operational surpluses.

Operational Surplus or Deficit is calculated as follows: using the Audit Report (GAAP) as Net Changes in Net Assets without donor restrictions less unrealized gains/losses, plus Depreciation expense, less Purchases of Capital Assets before accumulated Depreciation, plus transfers from Reserves to Operation, less realized investment income relating to Reserve Accounts, and less Reserve Accounts (MRR, IR, ER) Funding during the year.

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

5. Authorization:

The Chief Executive officer (CEO) is authorized to access this fund to address critical needs as they arise with written notification within ten (10) business days to the President of the Board of Directors with a copy to the Board. Email is an acceptable form of written communication to the President.

6. **Investment Parameters:** Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

E. Maintenance, Repair & Replacement Reserve Fund (previously the Capital Reserve Fund) (updated 5/22/2019)

1. Purpose:

This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.

2. Target Balance:

This reserve shall be of sufficient size as to maintain a Percent Funded (as defined in the Reserve Study) of not less than 85% and not more than 100%.

3. Funding Source:

- a. Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MR&R funding should be transferred by the end of February).
- b. Reimbursement Policy: Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee and approval of the board, the MR&R Reserve Fund will reimburse operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement, actual project completion date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.

4. Authorization:

The Chief Executive officer (CEO) and, in the absence of the CEO, the Chief Operating officer (COO) or Chief Financial officer (CFO) are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.

5. Investment Parameters:

Monies contributed to this reserve shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

6. Definitions

Annual Reserve Study

See GVR's Reserve Study Policy in Section V, Subsection 2B of GVR's Corporate Policy Manual.

Component: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (4) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, (5) as required by local codes.

Financial Analysis: This portion of a Reserve Study determines the current status of the Reserves (measured as cash or Percent Funded) and recommends Reserve Contribution rate (Reserve Funding Plan) and the projected Reserve Income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded Balance (FFB): An indicator against which Actual (or Projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each Component then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

FFB = Current Cost X Effective Age / Useful Life

Or

FFB = (Current Cost x Effective Age / Useful Life) +

[(Current Cost X Effective Age / Useful Life) / (1 + *Interest Rate*) ^
Remaining Useful Life] -

[(Current Cost X Effective Age / Useful Life) / (1 + *Inflation Rate*) ^
Remaining Useful Life]

Percent Funded: The ratio, at particular point in time (typically the beginning of the Fiscal Year), of the *actual* (or projected) Reserve Balance divided by the Fully Funded Balance is expressed as a percentage.

Reserve Study: A budget and planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: (1) the Physical Analysis and (2) the Financial Analysis.

F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) UDATED (2/26/2019)

1. Purpose:

The fund shall be used to support new initiatives that contribute to meeting GVR Ends.

2. Target Balance:

This fund reserve shall be of sufficient size as determined by the Board of Directors to make value added investments in real property, facilities and infrastructure.

3. Funding Source:

Within 10 business after the end of each month GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (PACF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.

At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. Authorization:

The Board of Directors shall authorize any monies spent from this fund.

2. Investment Parameters:

Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement.

SECTION V – BOARD/BOARD COMMITTEES

SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

A. GVR email Administrator

The CEO or CEO designee shall serve as GVR Email Administrator and shall have the following responsibilities with respect to email sent to the GVR Director Email Address:

1. Responding to member emails requesting general information or forwarding same to the appropriate GVR administrative staff member;

2. Acknowledging receipt of all other member emails and forwarding same to the GVR Board President for review and response; and
3. Archiving email messages.

SECTION VI – GVR PROGRAMS/CLUBS

SUBSECTION 1. GVR CLUBS – (updated 9/23/14)

A. Insurance

1. GVR shall provide liability insurance for all GVR clubs and club activities sanctioned by GVR.
2. Club Directors and officers (D&O) insurance is not provided by GVR. Clubs desiring this coverage need to contact a commercial insurance broker. If purchased, a copy of the Binder shall be provided to the GVR Club Liaison.
3. When a club holds an Arts and Crafts Fair, festival, or any large event open to the general public, commercial vendors must list GVR as an Additional Insured when completing the application for the Special Events Liability insurance policy.
4. GVR is responsible for insurance coverage and personal property taxes on GVR owned property only. It shall be the responsibility of each club to obtain necessary insurance on any equipment not owned by GVR, but located on GVR property, e.g., music instruments, computers, radios.

B. Financial and Tax Requirements

1. GVR clubs shall operate under a non-profit status consistent with IRS Tax Code 501(c) 4.
2. Each club must obtain an IRS Employer Identification Number (EIN) and provide that number to the Club Liaison.
3. GVR clubs are responsible for any local, state, or federal taxes incurred as a result of club activities.
4. Clubs shall maintain a simple bookkeeping system, recording all income, source(s) of income, and expenditures. They shall submit a financial report to the GVR Chief Financial Officer annually. The financial report is due by Feb 1st of each year.
5. All GVR clubs shall file appropriate tax documents and provide a copy to the GVR Club Liaison.

C. Sales Tax

1. Because of GVR's 501(c) 4 non-profit status, Hobby Shops must collect sales tax on items sold from their studios, including supplies purchased by club members.
2. If a club intends to routinely sell items or be a retail market, a Business License must be obtained and sales tax must be applied to

- all transactions. Clubs who do not obtain a Business License may not display "for sale" items in GVR display cases.
3. Clubs that engage in retail sales are required to comply with all state and federal regulations, including the filing of required tax documents.
 4. Clubs may display "for donation" items in a GVR window or display case. Clubs may not set a firm donation amount, but may post a "suggested donation" sign.
 5. When a club displays items with only a contact name and telephone number, sales must be conducted off GVR property. A club member's transaction outside GVR facilities is a personal tax liability of the member and not the responsibility of the Club or GVR Corporation.
 6. Sales tax is not applicable to services (such as glazing or firing), but the payment for the service must be reported as income on the club's year-end financial report to both state and federal agencies.
 7. If a club purchases a product(s) from a vendor for resale to its members, the club will need to obtain a Business License from Pima County. Once that is completed and the club places an order for a product(s) from a vendor, they will file a 5000A (Arizona Resale Certificate) with that vendor and will not pay any state sales tax for the products. When the club sells that product(s) to its members, the club member will be charged the appropriate sales tax at that time. The club must then register with the Arizona Department of Revenue and the monthly or quarterly reports are filed appropriately.
 8. It is the responsibility of each individual artist to secure an Arizona Transaction Privilege Tax License if they plan on selling their items.

D. Facilities

1. GVR is responsible for facility expansion in order to provide existing levels of services for a growing GVR membership or support increased usage due to changing trends.
2. Requests for dedicated space shall be evaluated on a case-by-case basis. The cost of any modification or expansion of facilities may be shared if mutually agreed upon. Any such expansion or modification shall become the property of GVR.
3. Clubs that don't routinely utilize at least 50% of their dedicated space may be reassigned to a more appropriate sized facility.
4. GVR reserves the right to modify facilities and determine usage requirements as a result of changing trends.

5. GVR facilities are compliant with the Smoke-Free Arizona Act. GVR Clubs are responsible for reading, understanding and enforcing the Smoke-Free Arizona Act when meeting in GVR facilities. Club representatives may be asked to sign a Compliance form acknowledging receipt of the Smoke-Free Act. If a violation is discovered and corrective action is not taken, the club may be responsible for paying any fine(s) assessed to GVR.

E. Reservations (Revised 9/23/2014)

1. Reservations will be assigned in the following order:
 - a) Board of Directors
 - b) Recreation Staff (e.g. special events, classes, concerts, programs, annual festivals and performances)
 - c) Regularly scheduled club events (weekly and monthly)
 - d) Clubs with dedicated space are required to use their dedicated space for meetings and events. Exceptions will be made for special events that cannot be accommodated in a club dedicated space.
 - e) Community events (e.g. HOA) and rentals
 - f) Club one-time special events or parties
 - g) Private member functions
 - h) Club additional ongoing activity requests
2. GVR Chief Executive officer (CEO) has the authority to make exceptions and changes to reservations policy as needed to accommodate special circumstances.
3. Reservation requests are subject to review on an annual basis. The availability of Facilities is not guaranteed each year. Reservations are based on the number of requests for available space.

F. Clubs and Class offerings

1. Clubs are welcomed to provide instructional classes for club members and/or all GVR members. Due to Internal Revenue Guidelines for Independent Contractors working with or through GVR, Workers Compensation and General Liability issues, GVR has the following policies:
 - a) All club classes must be offered through GVR's Instructional Class Program. Clubs must contact the GVR Recreation Supervisor for complete procedure information, submit a class proposal, and/or be informed of exceptions to this policy.
 - b) Instructors will be required to complete a W-9 and/or other necessary documents prior to their start date.

- c) GVR may require instructors of high risk classes e.g., tennis, pickleball, swimming, to obtain an additional one million dollar liability policy.
- d) The current Instructor/GVR split is: 70% of registration fees to the Instructor and 30% of the fees to GVR.
- e) GVR will work with individual clubs to schedule and promote their classes. GVR can also provide administrative support, when needed e.g., contacting registrants, distributing supply lists, providing class lists.
- f) All clubs must be in compliance with these policies. If a club holds a class in a GVR facility without going through the proper channels, they are in direct competition with the GVR Instructional Program. Such an action can lead to club suspension and/or GVR membership suspension.
- g) Classes or workshops that are offered free of charge to club members (or to all GVR members), may not be subject to these guidelines. We encourage the club representative to contact the GVR Class Supervisor to review the specific requirements under those circumstances.

G. Club Reporting and Records Management

1. All GVR clubs are required to sign and submit an Annual Club Agreement which outlines the club's responsibilities to GVR and what they can expect from GVR in return. If a club refuses to sign or does not fulfill their requirements, GVR may require the club to meet with the Board Affairs Committee for review.
2. All clubs shall maintain a continuity of records and shall preserve all correspondence and minutes for a period of no less than three years. Club records are kept for the prescribed period of time in accordance with administrative policies for record retention.

H. Club Bylaws

Club Bylaws are the governing documents for the club. It is important that they be kept up-to-date and current with the club's activity. GVR suggests that clubs review their Bylaws each year or when a change of officers takes place. Club Bylaws shall be resubmitted to GVR no less than every five years, or as needed.

I. Dissolution of a Club

1. Should a club choose to dissolve, they must notify the GVR Club Liaison. The Chief Executive officer will authorize the formal dissolution of the club.

2. In the event of dissolution of a club, after all bills are paid, club property remains the property of GVR.

SUBSECTION 2. HOBBY SHOPS AND STUDIO CLUBS

A. Basic Services

1. Arts and crafts facilities are intended for the member's pursuit of hobbies. GVR prohibits the commercial use of its arts and crafts facilities. Mass production of articles to be sold for private gain is prohibited.
2. If determined to be in the best interest of the membership as a whole, GVR may underwrite basic services of the clubs which include: 1) facilities, 2) utilities, 3) custodial and maintenance service, 4) counseling and administrative support, 5) fixtures (multi-use tables, chairs, amplifier systems, chalkboards), and 6) initial equipment basic to the activity.
3. Hobby shops and studios must be self-supporting through dues, class fees and other miscellaneous revenues. Income derived from studio users and hobby shops shall be used to offset both consumable supply expenses and instructor salaries.

B. Equipment

1. Equipment belongs to GVR, whether it is the original equipment, replacement of original equipment, or additional equipment subsequently purchased by the club. Equipment includes, but is not limited to, machines, computers, furniture, machine tools, building fixtures, building improvements, carpeting, and kilns.
2. The replacement and/or repair of hobby equipment located in the hobby shops is the responsibility of the club.
3. GVR is responsible for building maintenance (i.e. plumbing, electrical, roof leaks, etc.) within the dedicated club space.
4. Consumable supplies and operational expenses incurred because of the nature of the activity performed shall be the sole responsibility of the GVR club.
5. Additional equipment acquisitions, both capital and operational, which serve to enhance or expand the capabilities or service of the hobby shop, shall be considered improvements and are the sole financial responsibility of the club. Such additional equipment acquisitions shall become the property of GVR.
6. Club-utilized equipment may be sold or traded by the club provided that:
 - a) property traded for shall be utilized by the club;
 - b) proceeds from sales shall be utilized for the procurement of property for club use; and
 - c) approval shall be obtained from the Chief Executive officer or his designee.

C. Members' Use of Hobby Shops

1. Members who supervise the hobby shops shall pay annual dues to their club in lieu of a usage charge. Some hobby shops allow usage by guests and a small fee may apply. Please check individual club's Bylaws for their policy on this issue. This fee, and the dues and income of the club, are expected to provide funds for the purchase and replacement of equipment and for the maintenance and upkeep of equipment.
2. It is the intent of GVR that dedicated club spaces not be overly unfairly utilized by members mass producing items for resale. While a tax number constitutes commercial intent, not all members making items for sale create a burden on a dedicated space's facilities. If, in the eyes of fellow club members, a member with a tax number is overburdening the facility (storage space, access to equipment, etc.), the club's Board must take appropriate steps to resolve the issue. If the club's Board fails to act in an appropriate or timely manner, GVR's Club Liaison will resolve the dispute.

D. Merchandise/Product Sales

1. GVR recognizes that finished craft pieces are sold through display cases in Hobby Shops. Because of the organization's non-profit private club status, sales may only be made to GVR members or their guests with appropriate GVR identification.
2. Purchases from prospective GVR members, accompanied by a local realtor, are acceptable, as long as the realtor is a GVR member.
3. Arts and Craft Fairs are exempt from the member/guest only sales restriction because the IRS considers such events as occasional and incidental sales activity.
4. Materials sold through the Hobby Shops for the production of crafts may only be sold to club members.

SUBSECTION 3: LIQUOR POLICY

- A. The sale of intoxicating beverages is not permitted on GVR premises without a special sales permit or liquor license and appropriate liquor liability policy. Prior to applying for a liquor license, permission must be received from the GVR Chief Executive officer.
- B. Club members are permitted to bring their own beverages (BYOB) to a club activity. However, written permission must be obtained from GVR at the time the reservation agreement is signed or prior to the event or activity. No alcohol may be stored in a GVR facility.

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SECTION VII– RISK MANAGEMENT

Section VII was approved by the GVR Board of Directors on August 23, 2011;
except as amended.

SUBSECTION 1. GENERAL POLICY

GVR recognizes that good risk management is in the best interest of the organization and has assigned this responsibility to the Chief Executive officer as an operational issue. The objective is the effective risk management of property and casualty losses to which GVR is, or may be, exposed.

SUBSECTION 2. DISASTER RECOVERY

A. Priorities

GVR's three main priorities in a disaster recovery situation shall be:

1. Protect and care for the people who are at the disaster site.
2. Protect all GVR assets located at the site.
3. Ensure business continuation as quickly and effectively as possible.

B. Disaster Manual

1. Staff shall maintain, and update as needed, a manual, located at all volunteer monitor locations, as a readily available method of effectively responding to a disaster affecting GVR and surrounding community.
2. The manual provides a means for personnel to find correct information quickly and to adjust to a disaster.
3. The manual includes a plan for recovery from the effects of a disaster after the emergency has been addressed, to the point where all normal operational functions are restored.

C. Disaster Recovery Team

1. The Chief Executive officer has the prime responsibility for the creation and successful operation of the Disaster Recovery Team. The Chief Executive officer functions as the principal Public Information officer (PIO), who provides communications to media and membership regarding process, direction, and progress of recovery effort.
2. Risk Management Committee shall be appointed by the Chief Executive officer. Members collectively shall have expertise in insurance, risk management, loss mitigation, Medical, contracts and finance. Appointed GVR staff members shall include Buildings Services Manager, Chief Financial Officer and IT Director.
3. Risk Management Committee has the responsibility to review Corporate Insurance for adequate coverage.
4. The Disaster Recovery Team has primary responsibility of maintaining member services during a disaster. The Chief Executive officer shall coordinate with GVR Board when additional revenue, equipment, or staff is needed to fulfill this mission. The Chief Executive officer shall assist the Risk Management Committee with direction as to facilities and planning.

SUBSECTION 3. INSURANCE

A. The Following Insurance Coverages Shall Be Maintained By The Corporation:

1. Property Insurance on Buildings and Contents
2. Business Interruption Insurance
3. General Liability
4. Electronic Data Processing
5. Crime, Employee Dishonesty and forgery
6. Automobile
7. Umbrella Liability
8. Directors and officers Liability
9. Employment Practices

10. Fiduciary Liability

B. Volunteers and Members

GVR volunteers and members shall be listed as additional insureds in its general liability protection coverage

SECTION VIII– MISCELLANEOUS

Section VIII was approved by the GVR Board of Directors on September 27, 2016; except as amended.

SUBSECTION 1. PETITIONS FOR BOARD CANDIDATES AND PROPOSED BYLAW AMENDMENTS

A. Petition Process

1. Petitioning Member will contact the Director of Administrative Services (or designated staff member) at Administrative Offices to review the process and will sign, in the presence of that staff member, the Statement of Agreement. The Statement indicates that the petitioner has read and agrees to the petition process contained in this section of the CPM for the handling of petitions.
2. All petitions shall be on the proper form available from the Director of Administrative Services. After the form has been signed and witnessed by the Chief Executive officer or designee, the petitioner may make multiple copies of the form and shall pre-number each. The petitioner may then begin obtaining signatures with addresses, and GVR numbers.
3. Signatures may be collected on GVR properties, but not in dedicated club spaces, nor in auditoriums during GVR-sponsored events, concerts or performances. Petitioners are reminded to be respectful of members.

B. Requirements for Signatures

1. Signatures on the petition shall be made in the presence of the petitioner or their designee.
2. As with voting, in the event that more than one (1) signature is cast for a particular GVR property, none of the signatures from that property shall be counted.
3. After the required number of signatures is collected, the Petition forms shall be returned for validation to the Secretary of the Corporation at GVR Administrative Offices.
4. After validation is complete, the petitioner will be notified as to whether the Petition forms meet the requirements for the matter to be placed on the ballot.

5. All petitions must conform to GVR Bylaws and the Arizona Revised Statutes.

APPENDIX I – BOARD POLICIES

SUBSECTION 1. GVR FACILITIES POLICY STATEMENT (8/25/2015)

Whereas, Green Valley Recreation, Inc. (GVR) recognizes that planning and development of all GVR facilities and dedicated space is predicated on 'Peak Season' use; and

Whereas, The Corporation also acknowledges that all of its facilities and dedicated space were established with great intention and financial commitment for sanctioned GVR club, sport, and other activities 'that enhances the quality of our members' lives' (from *GVR Mission Statement*); and

Whereas, periodic review of member facilities and dedicated space use is strategically important to ensure that member needs are consistently met; and

Whereas, any re-appropriation or rededication of existing spaces or facilities can only occur when circumstances of markedly diminished use or need for affected facilities can be clearly demonstrated.

Therefore, Be It Resolved, It is the Policy of GVR:

- A. To not repurpose or expropriate existing facilities and previously dedicated space without prior consultation with and proper notification to affected membership stakeholder groups;
- B. To consider repurposing facilities and dedicated space when, in the determination of the Board of Directors, there is sufficient documented decline in usage over the course of several years, which may be mirrored by similar decline in club membership. Specifically, when contemplating repurposing facilities or space, the Board of Directors will consider:
 1. Clearly demonstrated need for new or expanded GVR facilities and/or designated space;
 2. Usage data for GVR facilities and designated space provided by staff (staff-reported data may reference data gathered by affected groups); and,
 3. No less than three (3) years of prior usage data.
- C. To consider repurposing facilities and dedicated space for other GVR purposes when, in the determination of the Board of Directors, there are ample facilities available of the type to be removed, reclaimed or repurposed sufficient to ensure that member needs are consistently met.

SUBSECTION 2. GVR FOUNDATION RESOURCE SHARING AGREEMENT (11/29/2016)

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.

Board Practices

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SECTION I – GENERAL

Section I was approved by the GVR Board of Directors on July 26, 2011; except as amended

A. Mission of the Corporation (January 23, 2007)

To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives.

B. Vision of the Corporation (September 27, 2016)

To be the preeminent destination of choice for active adults and retirees.

SECTION II – BOARD/BOARD COMMITTEES

SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

A. Vacancies – updated 10/25/2016

1. Any vacancy on the Board of Directors, shall, if possible, be filled by an unsuccessful candidate from the most recent election. Priority will be given to the candidate who received the higher number of votes.
2. The Board President will contact unsuccessful candidates in an order based on the number of votes each received, to determine willingness to fill the Board vacancy.
3. If there is no unsuccessful candidate from the most recent election who is willing and able to serve as a Successor Director, the Nominations & Elections Committee shall recruit individuals from among regular members in good standing to serve as a Successor Director, and will present a slate of candidates to the Board of Directors.
4. Candidates for the Successor Director position shall:
 - a. Complete an application and answers to a list of questions prepared by the Nominations & Elections Committee for Board consideration, and
 - b. Address the Board prior to the election of the Successor Director at a meeting of the Board of Directors where the election of Successor Director shall occur.
5. The Board will vote by secret ballot to elect a Successor Director from among the slate of candidates presented by the Nominations & Elections Committee.

SUBSECTION 2. BOARD OFFICERS: NOMINATIONS AND ELECTIONS

A. General

1. Election of Board officers will be done by secret ballot. This is applicable to both the nominating ballots and the electing ballots.
2. Nominations from the floor will not be accepted.
3. Election for each office follows its seniority in the Bylaws: President, Vice President, Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer.
4. The present President, or in his/her stead, the Chief Executive officer shall administer the election until the new President has been elected.

B. The Nominating Ballot

1. The President (chair) will ask that nominating ballots be distributed to each Director.
2. Each Director receiving a vote is nominated for that office.
3. A nominating ballot cannot take the place of an electing ballot.
4. Board members may nominate themselves for any Board office.
5. Nominees must verbally indicate their willingness to serve before the electing ballot is distributed.
6. The chair will announce the names of the nominees and the number of nominations each received prior to the distribution of electing ballots.

C. The Electing Ballot

1. A nominee is considered "elected" if he/she receives a plurality of the votes cast.
2. Balloting should be repeated as many times as necessary to obtain a plurality vote for one candidate. The nominee receiving the lowest number of votes is never removed from the next ballot.
3. If a stalemate persists, the rules may be suspended in order to consider alternatives such as eliminating the candidate with the lowest number of votes. The motion to suspend the rules is not debatable and requires a 2/3 vote to pass.

SUBSECTION 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

A. Duties and Responsibilities of Board Committees

1. Board Affairs Committee
 - a. Recommend modifications in organizational policies and governing values to help guide the Board in achieving its strategic goals. Assist the Board in effectively carrying out its governing functions in such a manner so as to clearly delineate the roles and responsibilities between governance and management.
 - b. Review and recommend revisions, when appropriate, to the governing documents of the Corporation.
 - c. Endeavor to maintain a community link with residents of the greater Green Valley community.
 - d. Review and recommend Board action on group applications for GVR "Club Status."
 - e. Where appropriate, recommend modification to GVR club policies, in keeping with the best interest of the Corporation.
 - f. Review the Articles of Incorporation, the Corporate Policy Manual, and the Bylaws for updates and revisions. Changes may be editorial, necessary for continuity between governing documents, necessary due to changes made in Board or committees meetings, or proposed by member input.
 - g. Forward all proposed revisions to the Articles of Incorporation and Bylaws to legal counsel for opinion, including the effect on tax-exempt status. After consultation, the specific wording of the recommended modifications shall be forwarded to the Board for their review and appropriate action.
 - h. Develop pro and/or con statements for ballot proposals being submitted to the membership for a vote. GVR members are strongly encouraged to present their positions to the committee for consideration, and possible inclusion, in the pro and con statements.
 - i. Meet with Club officers to adjudicate any disputes concerning the Annual Club Agreement.

2. Fiscal Affairs Committee
 - a. Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.
 - b. Responsibilities:
 1. Review and assist in presenting the annual budgets to the Board. Such review will consist of recommending Reserve, the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.

2. Monitor progress toward achievement of annual fiscal objectives.
3. Review financial statements (operations, capital analysis and balance sheet), and report to the Board, as appropriate.
4. Coordinate with the GVR Audit Committee.
5. Review and recommend policy to assure financial control.
6. Recommend the establishment and the amount of tenant fees, membership dues, initial fees, transfer fees, and assessments.
7. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee for Board approval.
8. Coordinate with the Planning and Evaluation Committee as it relates to proposed expenditures for capital improvements.

3. Planning and Evaluation Committee (updated 9/27/2016)
 - a. Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.
 - b. Responsibilities:
 1. To review and discuss on an annual basis, the capital evaluation requirements, and any documents required for club and miscellaneous capital funding requests submitted to the P&E Committee.
 2. To be knowledgeable of the Strategic Plan, Long-term Capital Plan, and Center Assessment Survey to ensure that all capital-funding recommendations comply with these plans.
 3. To identify issues and trends that could contribute to the update of aforementioned plans.
4. Audit Committee (Updated 10/28/2014)
 - a. Membership:

The Audit Committee shall consist of two or more GVR members who should have knowledge of financial reporting and internal control procedures.
 - b. Responsibilities:
 1. The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. The committee is the conduit between GVR and the independent auditing firm. The Committee is not involved in the Corporation's daily accounting functions.
 2. The principal functions of the Audit Committee are:
 - a) To recommend a CPA firm to the GVR Board to act as the corporation's independent auditor.
 - b) To review the independent auditor's terms of engagement.
 - c) To review the results of each audit including opinion qualifications or expectations.
 - d) To review the auditor's management letter and GVR management's response.
 - e) To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
 - f) To review the adequacy of internal financial controls with GVR management and the audit firm

5. Nominations & Elections Committee (updated May 22, 2018)

a. Membership

1. The Chairperson shall be a Director, recommended by the President and approved by the Board of Directors.
2. There shall be at least one (1) other Director on the committee, and a minimum than two (2) GVR members who do not serve on the Board selected by the Committee Chairperson. Committee members shall be members of GVR, selected by the Committee Chairperson. The members of the Committee selected by the Chairperson shall represent various geographic areas to the extent possible. Committee members will serve a one (1) year term, provided however, any member of the Committee who becomes a candidate for election to the Board of Directors shall resign from the Committee immediately.

NOTE: refer to CPM Section VI, Subsection 4(B)(1) and (7)

3. An Administrative staff person will serve on the Committee and will be selected by the CEO.

NOTE: refer to CPM Section VI, Subsection 4(B) (7)

b. Responsibilities:

1. **Nominations**

- a) Determine the qualifications and eligibility of each candidate.
- b) Submit a slate of qualified candidates to the Board of Directors at least one hundred and twenty (120) days prior to the Annual Meeting.
- c) Post the slate of candidates to the membership no less than ninety (90) days prior to the Annual Meeting and determine how candidates shall be presented to the membership.
- d) Obtain names of candidates submitted by nomination petition to the Secretary, within the deadline (sixty (60) days prior to the annual meeting), if any, and determine the qualifications and eligibility of same.

2. **Post-Election:**

At the conclusion of the election, the ballot materials and the results thereof shall be submitted to the CEO. The CEO will maintain these records for a period not less than three (3) years in accordance with the Arizona Nonprofit Corporation Act.

3. **Board Orientation & Training:**

Arrange appropriate in-service training, as required, for the Board. Ensure that Board orientation programs are held annually.

6. Investments Committee (updated 12/11/2019)

- a. Membership. The Investments Committee ("IC") shall consist of at least two Green Valley Recreation Inc. ("GVR") members in addition to the IC Chairperson. The IC Chairperson is appointed by the President of the Board of Directors ("Board of Directors"). The IC chairperson and IC members should be knowledgeable in the investment of financial assets and, to the extent practical, experienced in investment management and/or investment oversight.
- b. Responsibilities. The responsibilities of GVR's Chief Executive Officer and Chief Financial Officer (collectively, the "CEO/CFO"), IC, and Board of Directors with respect to the GVR's Investment Accounts ("IAs") are delineated as follows:
 1. Preamble
 - a) The purpose of this document is to identify the specific ownerships, responsibilities, and duties of the CEO/CFO, IC, and Board of Directors with respect to the administration and management of GVR's IAs.
 2. The IAs (as of November 2019) consist of the:
 - a. Operating Cash Investments Account.
 - b. Initiatives Reserve Fund.
 - c. Maintenance Repair/Replace Reserve Fund.

- d. Emergency Reserve Fund.
- 2. Generalized Approach to the Assignment of Duties
 - a) In a general sense and at the highest level, the:
 - 1. CEO/CFO are responsible for delivering proactive leadership and forward looking effective management of the IAs. Such leadership and management are expected to be in full alignment with the decisions made and communicated by the Board of Directors and IC to the CEO/CFO.
 - 2. IC is responsible for:
 - 3. Making recommendations to the Board of Directors concerning how the IAs should be structured and managed.
 - 4. Deciding what information and analysis the IC requires in order to fulfill their duties.
 - c. Board of Directors is responsible for making decisions concerning the structure and management of the IAs. The Board of Directors will make their decisions in alignment with the full range of overarching GVR needs, objectives, and resource limitations.
 - 1. Investment Committee
 - a) The IC has the following specific ownerships, responsibilities, and duties with respect to the IAs:
 - 1. Make timely recommendations to the Board of Directors concerning:
 - a. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the "IM/IA") for each of the accounts that comprise the IAs.
 - b. The terms and wording for any contract between GVR and an IM/IA.
 - c. The specific wording and specifications for the Investment Policy Statement ("IPS") that governs each of the accounts that comprise the IAs.
 - d. Changes to the wording and specification of any already existing IPS.

2. Perform the following ongoing functions:
 - a. Complete due diligence and evaluation of each IM/IA once each year, and more frequently if required.
 - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
 - c. When non-compliance with the IPS is identified, issue appropriate remedial instructions to the CEO/CFO designed to eliminate said non-compliance within a time period not to exceed 60 calendar days.
 - d. Measure and evaluate the IM/IA's actions and results, in the context of the applicable IPS, in order to determine if modifications to the relationship are warranted.
 3. Report to the Board of Directors if:
 - a. An IPS is in serious and meaningful violation.
 - b. The IC is considering the possible replacement of an already existing IM/IA.
 - c. The Board of Directors requests an update from the IC.
 4. Communicate to the CEO/CFO concerning:
 - a. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties. This communication may specify format (paper or electronic and associated layout), frequency, timeliness, and delivery mechanism (in person, telephone, or live-video).
 - b. The specific actions the CEO/CFO are required to take in order to bring an IM/IA back into compliance with its applicable IPS.
- b) When executing its duties and responsibilities, the IC will consider the full range of fiduciary investment criteria. However, the IC will place special emphasis on the following six criteria (for each of the accounts that comprise the IAs):
1. Cost.
 2. Investment Time Horizon.

3. Probability or likelihood of loss when measured over the applicable rolling Investment Time Horizons.
 4. Measures and metrics tracked by the IC to alert the IC that modifications to an IM/IA relationship or to its associated IPS might be warranted.
 5. Sustainability and anti-fragility of a particular investment approach.
 6. Continuity in investment approach over the span of years.
2. Chief Executive Officer and Chief Financial Officer
 - a. The CEO/CFO have the following specific ownerships, responsibilities, and duties with respect to the IAs:
 1. Deliver proactive leadership and forward-looking effective management of the IAs.
 2. Demonstrate initiative in their ongoing daily management of the IAs.
 3. Faithfully execute and implement the instructions received from the IC and Board of Directors within a timely and prudent time period.
 4. Serve as the primary (and at times exclusive) point of contact and coordination with all IM/IAs.
3. Board of Directors
 - a. The Board of Directors has the following specific ownerships, responsibilities, and duties with respect to the IAs:
 1. Based, in part, upon the recommends that the Board of Directors receives from the IC, make decisions concerning:
 - a. Who the IM/IA will be for each of the accounts that comprise the IAs.
 - b. The terms and wording of any investment management contract between an IM/IA and GVR.
 - c. The terms and wording of the IPS that govern each of the accounts that comprise the IAs.

- d. Replacement of any existing IM/IA with a new IM/IA.
- 2. Oversee the CEO/CFO to confirm that their execution and implementation of IC and Board of Directors decisions concerning the IAs are consistent with the full range of overarching GVR's overarching needs and objectives.
- 3. Communicate to the IC the Board of Directors requirements and expectations concerning periodic reporting by the IC to the Board of Directors.
- 4. Associated Documents {held separately from the Corporate Policy Manual)
 - a. In the process of completing its duties, the IC will generate the following documents:
 - 1. An IPS for each of the accounts that comprise the IAs.
 - 2. An investment management contract for each IM/IA hired by GVR.
 - 3. Minutes of each meeting of the IC.
 - b. These associated documents will be archived by both the IC and the CEO/CFO and will not be a part of (or otherwise be included within) GVR's Corporate Policy Manual.

d. Definitions and Clarifications

- 1. The following terms are used above. The following provides additional definition and/or clarifications regarding the intended meaning of these terms:
 - a) Cost is defined as the direct and indirect costs (both hidden and revealed) resulting from the use of a specific investment. For example, for a daily access mutual fund these would include the internal expense ratio, trading fees, custody charges, and advisory fees.
 - b) Investment Time Horizon is defined as the specific number of years or months that a portfolio will be invested before

withdrawals are made from it. For example, a particular account might have a very short Investment Time Horizon such as one month. In such a circumstance, one would want to avoid investing in higher risk securities because with just a one-month investment time period, there is no opportunity to recover from market declines. In contrast, if a different account had a very long Investment Time Horizon such as twenty years, then one could consider holding riskier investments. In such a circumstance, with this long twenty-year time horizon, one could recover from significant market declines. The specific Investment Time Horizon for each of the accounts that comprise the IAs will be identified in the applicable Investment Policy Statement.

- c) Sustainability and anti-fragility of a particular investment approach. Not all investment approaches or investment instruments will survive or thrive over time. Some investments are as yet unproven or overly susceptible to failure during severe market declines. For example, a new embryonic mutual fund with just \$25 million of assets is highly susceptible to closure during a significant market decline. Similarly, new burgeoning securities such as cryptocurrencies and cannabis are as yet unproven and untested. It remains unclear as to the viability much less the durability of such niche areas of the marketplace. The IC is expected to consider issues of sustainability and anti-fragility as it decides what Investment Managers to hire and how to construct the associated Investment Policy Statements.
- d) Continuity in investment approach over the span of years. Every investment management approach takes time to prove itself. Moreover, the longer the associated Investment Time Horizon, the longer the time period required for the investment approach to prove itself out. Successful investing requires that approaches to investing be given the time they require to grow, mature, and bear fruit. Moreover, by its inherent structure, the IC experiences a continuous turnover of membership. This high pace of turnover presents a potential challenge. It may make it difficult for the IC to have the required patience required to give each investment approach the time it requires to mature and bear fruit. For this reason, the IC is expected to apply particular

attention to issues of continuity in investment approach across an ever-changing composition of the IC membership.

APPENDIX I – BOARD POLICIES

SUBSECTION 1. GVR INVESTMENT POLICY (updated 4/24/2019)

1. Introduction

In making investment decisions, the Board of Directors (the "Board"), Investments Committee, GVR's Chief Executive officer (the "CEO") and Chief Financial officer (the "CFO") and GVR's financial advisor(s), if any, shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of Green Valley Recreation, Inc. (the "GVR") and manage the assets of GVR in accordance with the Arizona Prudent Investor Act (AZ Rev Stat § 14-10901 et. seq.) and the Arizona Management of Institutional Funds Act (AZ Rev Stat § 10-11801 et. seq.)

2. Purpose and Scope

The purpose of this Investment Policy Statement (the "IPS") is to provide a framework for ensuring that GVR investments are managed consistently with GVR's short-term and long-term financial objectives. At the same time, this IPS is intended to provide for sufficient investment flexibility to adjust to operational and market changes.

This IPS applies to all investments of GVR's excess operating cash and **Reserve Funds** and supersedes GVR's Corporate Policy Manual concerning investments.

3. Definitions

Defined words used in this IPS are capitalized and written in **Bold** typeface.

See Appendix A for definitions of defined words.

4. Management of Investments.

GVR's Board has fiduciary responsibility for GVR's investments.

The Board, Investments Committee, GVR's CEO and CFO and financial advisor(s), if any, are bound by (1) this IPS unless changed or amended by Board resolution and (2) all federal and state laws and regulations.

5. Investment Objectives, Risk Tolerance, Investment Strategy, Asset Allocation, Liquidity, and Rebalancing.

The primary investment principle is to maintain the safety of GVR's assets.

The secondary investment principle is to have invested operating cash and **Reserve Funds** available when needed by GVR's operations without incurring an unwarranted loss of value or costs. The maturity horizon for each **Fund** shall be determined by each **Fund's** purpose, use, and needs.

Specifically, the target **Asset Allocations** and anticipated allocation ranges for each **Fund** are below:

Fund A (Initiatives Reserve Fund)	Target	Range
Equities	10%	5-20%
Fixed Income	80%	80-100%
Cash	10%	0-20%

Fund B (Maintenance Repair/Replace Reserve Fund)	Target	Range
Equities	25%	15-35%
Fixed Income	70%	65-75%
Cash	5%	0-10%

Fund C (Emergency Reserve Fund)	Target	Range
Equities	70%	60-80%
Fixed Income	30%	15-35%
Cash	0%	0-15%

A specific **Risk Tolerance** to match the purpose and use of operating cash investments and each **Reserve Fund** shall be determined.

Within the constraints of the primary and secondary investment principles and **Risk Tolerance**, a written **Investment Strategy** for operating cash investments and each **Reserve Fund** shall be designed, constructed and implemented to achieve the following.

- a. Match the purpose and use of operating cash investments and each **Reserve Fund**.
- b. Provide a relatively predictable and growing stream of annual income and **Capital Appreciation** after inflation, taxes, if any, fees and costs while minimizing the impact of market Volatility.
- c. Investments in any one single security shall not exceed \$500,000 of any **Fund's** assets.

Portfolios shall be **Rebalanced** as appropriate but at least annually.

Liquidity of all investments shall be trade-date plus two (2) business days ("T+2").

6. Permitted Investments:

- a. U.S. Treasury Bills, Notes and Bonds and Certificates of Deposit issued by a bank insured by the Federal Deposit Insurance Corporation
- b. Securities of Federal Agencies that carry the direct or implied guarantee of the U.S. Government including Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Student Loan Marketing Association, World Bank and Tennessee Valley Authority.
- c. U.S. and foreign corporate bonds and notes denominated in US Dollars rated **Investment Grade** including short, medium- and long-term notes rated of Baa3 or better at time of purchase.
- d. Municipal bonds rated Baa3 or BBB- or better at time of purchase.
- e. U.S. corporate common stock.
- f. Small-Capitalization Stocks (defined as market-capitalization below \$2 billion) shall not represent more than 10% of the equity segment of any **Fund**.
- g. International Stocks shall not represent more than 15% of the equity segment of any **Fund**.
- h. American **Depository Receipts (ADR)** of a foreign corporation.

Investments in mutual funds, Exchange Traded Funds ("ETF") and index funds are permitted provided 85% or more of their investments are in permitted investments shown above and such funds do not use

Leverage.

Overnight investment in money market funds at GVR's bank and broker/dealer, if any, are permitted.

7. Investments NOT listed as Permitted are Not permitted (For example)

- a. Derivatives other than foreign exchange contracts and swaps and interest rate swaps
- b. Futures contracts and any commodities contracts
- c. Collateralized Debit Obligations (CDO)/Collateralized Mortgage Obligations (CMO) and similar collateralized debt instruments.
- d. Any bonds below **Investment Grade** (Baa3/BBB-) at time of purchase.
- e. Private notes
- f. Hedge funds
- g. Options

8. The responsibilities of the Client

- a. The client will authorize specific employees to serve as liaisons between the Client and Advisor.
- b. Client's authorized staff is responsible to ensure the smooth transition of the Client's investment portfolio to Advisor.
- c. Client's authorized staff will oversee that the Advisor's reporting requirements are met.
- d. Client's authorized staff will ensure that communications to Advisor from Client's Board of Directors or Investments Committee are presented to Advisor in a timely manner.

- e. Client's authorized staff will facilitate the Advisor's face-to-face and videoconference presentations to Client's Board of Directors or Investments Committee.
- f. Any proposed changes to this investment policy statement will be discussed with the Advisor promptly.
- g. The client will inform the Advisor, as soon as possible of anticipated additions to or withdrawals from the Portfolio.

9. The responsibilities of the Advisor

- a. Any deviation from these guidelines will be discussed in advance with the Client unless market conditions require immediate action. The Advisor will, within these guidelines, have full discretion to buy, sell, invest and reinvest in assets on behalf of the Client.
- b. Advisor has a fiduciary responsibility to make investment decisions based upon what is best for the Client and within Investment Policy Guidelines approved by the Client, the Advisor will have discretion to buy, sell, invest, and reinvest in investment assets on behalf of the Client, with notification to the Client of such transactions.
- c. The Investment Advisor will make in-person presentations about the Client's investment portfolio to the Client's Board of Directors and/or Investments Committee in Green Valley, AZ at Advisor's expense at least twice a year, unless otherwise mutually agreed in writing between Advisor and Client.
- d. The Advisor will participate in audio and/or videoconference meetings with the Client's Investments Committee on a quarterly basis each year, when not meeting in person, unless otherwise mutually agreed in writing between Advisor and Client.

10. Acknowledgments

We, the Board of Directors, recognize the importance of adhering to this Investment Policy Statement and agree to fulfill its objectives to the best of our ability.

APPENDIX A – Definition of Terms

Investment Policy Statement

Green Valley Recreation, Inc.

Investopedia.com is the primary source of definitions. Some definitions have been paraphrased or they are a composite from several sources.

American Depository Receipt (ADR) is a negotiable certificate issued by a U.S. bank representing a specific number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. Dollars, with the underlying security held by a U.S. financial institution overseas. This is an excellent way to buy an investment in a foreign-based company while realizing any dividend and capital gains in U.S. Dollars. However, ADRs do NOT eliminate currency, economic and country risks attributable to the foreign-based company. There are other ADR risks too. Consult your financial advisor(s).

Asset Class means a group of securities that exhibit similar characteristics. The three (3) main asset classes are stocks, fixed income securities (bills, notes, bonds & other debt) and cash and cash equivalents. Some investment professional would include real estate and commodities and, possibly, other types of investments. Whatever the asset lineup, each one is expected to reflect different risk and return characteristics and will perform differently.

Asset Allocation is an **Investment Strategy** aimed to balance risk and reward by apportioning a portfolio's assets according to an investor's goals, **Risk Tolerance**, and investment time horizon. There is no simple formula that can find the right asset allocation for every investor. However, the consensus among most financial professionals is asset allocation is one of the most important decisions an investor can make. In other words, an investor's selection of individual securities is secondary to the way investments are allocated among the various securities.

Capital Appreciation is a rise of an asset price based on a rise in market price.

Credit Rating is a grade composed of a letter or letters and numbers given to a particular security by a **Nationally Recognized Statistical Rating Organization** (a credit agency) that ranks investment according to its ability to meet its obligations.

Diversification is a process of allocating capital in a way that reduces exposure to any one particular asset or risk.

Fund or Fund's and Funds or Funds' means operating cash investments and each **Reserve Fund**.

Investment Grade is a **Credit Rating** that indicates the issuer of a debt security has relatively low probability of default. In the case of stocks, investment grade indicates the financial soundness of the issuer. The investment industry has well-established credit rating standards for investment grade.

Investment Strategy is an investor's plan of attack to guide its investment decisions based on its goals, **Risk Tolerance** and future needs for invested money. The components of most investment strategies include

Asset Allocation, buy and sell guidelines and **Risk Tolerance**. Investment strategies can differ greatly from a rapid growth strategy to a **Capital**

Appreciation strategy. The most important part of an investment strategy is that it aligns with the investor's goal and it is followed closely by the investor and his financial advisor.

Leverage is the use of various financial instruments or borrowed capital such as margin to increase a potential return of an investment.

Liquidity means how quickly and easily an investment can be converted into cash.

Nationally Recognized Statistical Rating Organization (NRSRO) is a term used by the U.S. Federal government in several regulatory areas to define a credit rating company like Standard & Poor's, Moody's, Fitch and others.

Rebalancing is the process of realigning the weightings of a portfolio's assets to match its **Asset Allocation** model's weightings. Over time, the prices of investments rise and fall unevenly thus changing the weighting of a portfolio's assets. For example: If an **Asset Allocation** model is 40% stocks, 50% fixed income and 10% cash and the current portfolio assets are distributed 45% stocks, 35% fixed income and 20% cash, rebalancing buys and sells investments to align the current portfolio's asset weightings with the **Asset Allocation** model. If a different **Asset Allocation** model is applied to a portfolio, rebalancing adjusts the portfolio's assets to the new **Asset Allocation** model's weightings.

Reserve Fund and Reserve Funds mean a reserve fund as defined in GVR's Corporate Policy Manual, Section V- Fiscal/Accounting, Subsection 2 – Reserve Policy – adopted 11/18/2014, subparagraph B – Maintenance Of GVR Financial Reserve System Updated 8/25/15.

Risk Tolerance is an investor's willingness to risk a potential loss for a potential gain. For example: How comfortable is an investor taking a potential 10% loss for a potential gain of 20%? The investor's risk tolerance is tested at various levels of loss v. gain to assess the investor's overall tolerance for risk and reward.

Volatility is the dispersion of a security's price from its mean price over time. A high deviation from a security's mean indicates high volatility. A low deviation indicates low volatility. Commonly, higher the volatility means higher the risk.

SUBSECTION 2. GVR FOUNDATION RESOURCE SHARING AGREEMENT (11/29/2016)

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.



CORPORATE POLICY MANUAL

Blue = Owner/Member Manual

Pink = Operations/Staff/Customers

Green = addressed in the Policy Governance Manual

Yellow = Board Practices

White w/ Cross-out = delete since covered elsewhere or not needed

GREEN VALLEY RECREATION, INC. CORPORATE POLICY MANUAL

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~~GREEN VALLEY RECREATION, INC. CORPORATE POLICY MANUAL~~

~~This policy manual is published to aid in the governing of Green Valley Recreation, Inc. and to promote the health, safety and welfare of the members of the Corporation. This manual supports the Articles of Incorporation and the Bylaws and provides a detailed process used by the Board of Directors (Board) of Green Valley Recreation and staff to implement policies and procedures in the operation of the Corporation. Other governing documents such as the Developer Member Agreements, Articles of Incorporation, GVR Bylaws, and other essential advisories that impact the governance of Green Valley Recreation, Inc. can be found on file in the corporate office located at 1070 Calle de las Casitas, Green Valley, Arizona.~~

~~These policies may be amended or changed in whole or in part by a majority vote of the Board of Directors members present. Further information on most items can be found in the minutes of the Board of Directors meetings wherein approval was granted and policy made, as well as any committee minutes preceding this action.~~

~~This manual will reflect any changes, additions or deletions as determined by the Board of Directors with an effective date adopted by the Board.~~

SECTION I – GENERAL

Section I was approved by the GVR Board of Directors on July 26, 2011;
except as amended

A. Name of the Corporation

The name of the corporation shall be **GREEN VALLEY RECREATION, INC.**, hereinafter referred to as "The Corporation" or "GVR." The Corporation has been organized, and exists, as a non-profit corporation under the laws of the State of Arizona. Green Valley Recreation, Inc. conducts business as a non-profit corporation as prescribed within the Arizona Revised Statutes, Title 10, Corporations and Associations.

B. Business of the Corporation

The purpose of the Corporation is to provide recreational, cultural, and educational programs for the enjoyment of GVR Members and their guests. As a non-profit corporation, GVR is recognized as a "civic organization" within the U.S. Internal Revenue Code with a 501 (c) 4 tax classification. GVR's Employer Identification Number (EIN) is 23-7185629.

In support of the mission statement the Board has established the governing values for the Corporation as follows:

1. Provides quality recreational opportunities.
2. Provides and maintains quality recreational facilities.
3. Proactively manages financial resources.
4. Is responsive to members.
5. Maintains qualified staff at all levels.
6. Promotes strong volunteer participation.
7. Maintains involvement in community events/issues.

C. Operation of the Corporation

The Board is responsible for governing in a manner that emphasizes long-term goals and objectives and strategic leadership. The Board has delegated the day-to-day operations of the Corporation to staff in concert with federal and state laws as well as the policies specifically outlined in this manual. The Chief Executive officer has been appointed by the Board as the Chief Operating officer and is responsible for the operations of the Corporation. The Board will be proactive in its decision making and will focus on the following:

1. Determining long-term goals of the organization.
2. Establishing policies which address: (1) the products (what benefits for which needs at what cost), (2) ethical and other operational boundaries for which the staff shall be held accountable, (3) Board roles and responsibilities, and (4) Board and staff relationships.

3. Disciplining itself as to attendance, speaking with one voice and adhering to policy governance.
4. Being accountable to the membership for competently, conscientiously, and effectively accomplishing its obligation as a body.
5. Initiating policy and taking responsibility for its own performance. In addition to following the Arizona Revised State Statutes and other applicable local, state and federal laws, GVR has developed documents which assist in governing the affairs of the organization. Those documents include:
 - a. Articles of Incorporation
 - b. Bylaws
 - c. Corporate Policy Manual

D. Mission of the Corporation (January 23, 2007)

To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives.

E. Vision of the Corporation (September 27, 2016)

To be the preeminent destination of choice for active adults and retirees.

SECTION II – MEMBERSHIP

Section II was approved by the GVR Board of Directors on April 22, 2014;
except as amended

SUBSECTION 1. CODE OF CONDUCT

Non-Discrimination Policy: it is the policy of Green Valley Recreation, Inc. to treat all people with dignity, respect and equality regardless of age, race, color, ancestry, country of origin, disability, ethnicity, marital status, family status, veteran status, gender, religion, sexual orientation or genderidentity. (adopted 11/18/2015)

- A. Users of GVR facilities are required to comply with GVR published rules and regulations.
- B. Users are expected to show common courtesy to employees, directors, volunteers and other members and guests.
- C. Users shall refrain from using offensive language and behavior.
- D. Members are responsible for the conduct of their guests.
- E. Violation of the above codes of conduct may result in a member having his/her rights and privileges suspended, as well as those of their guests or tenants.

SUBSECTION 2. GENERAL

GVR property and member definitions, use of facilities, suspension of privileges and voting rights are as set forth in the bylaws of the Corporation or the Corporate Policy Manual.

A. GVR Membership Cards (updated 4/19/2016)

- 1. GVR membership cards shall be issued to each owner of a GVR membership property.
- 2. A spouse of a GVR member shall be issued a GVR membership card regardless of whether the spouse is on title to the property unless the spouse has disclaimed interest in the property.
- 3. If a GVR property is held in a trust, each trustee shall be issued a GVR membership card unless the trust specifies otherwise.
- 4. If a GVR property is owned by a corporation, LLC, or similar entity, a GVR membership card shall be issued to up to two (2) managing member(s) of the entity.
- 5. A GVR membership card shall be issued to a person who shares a common household with a GVR member upon proof of residency and payment of an Additional Card Holder fee as established by the Board.

6. Any single-owner GVR membership property that was issued an Annual Guest Card or Additional Card Holder card prior to the effective date of this policy may renew such cards without payment of a fee.

B. Guest Policy – updated 6/26/2019

1. Guest privileges are intended for temporary visitors of a Regular Member, Assigned Member, Tenant, Commercial Care/Residential Facility (CRCF) Resident or Life Care User of GVR and who live outside a twenty (20) mile radius of established GVR Boundaries. In general, guest cards are provided for visitors who are staying in a GVR household with the member or who are staying in a local commercial hotel as a guest of the member.
2. Anyone residing a non-GVR property within the jurisdiction of the corporation is not an eligible guest.
3. GVR Members may purchase an Annual Guest Card for a fee determined by the Board of Directors. GVR members may also purchase daily guest cards for an additional fee. Limit one (1) Annual Guest Card per household. The Annual Guest Card allows for an unlimited number of guests and guest visits. Daily Guest passes allow for unlimited number of guests on specific days only.
4. GVR Members who own more than one GVR property may purchase an Annual Guest Card only for the property in which they reside.
5. No more than one (1) Annual Guest Card may be purchased by an individual(s) owning GVR properties regardless of the number of properties owned.
6. Annual Guest Cards may not be purchased for properties which are tenant occupied. Tenants may purchase Daily Guest passes for a fee determined by the Board of Directors.
7. Annual Guest Cards are valid through the end of the calendar year (December 31). Annual Guest Card fees are not prorated.
8. Adult guests 18 years of age and older are required to have a valid guest card when visiting GVR facilities. Multiple guests visiting the same facility may use the same Annual Guest Card.
9. Guests under the age of 18 do not require guest cards and must be accompanied by a GVR-issued card-carrying adult.
10. Replacement of a lost or damaged Annual Guest Card must be obtained at a GVR Member Services office. The fee for replacement cards is determined by the Board of Directors. Lost cards will be deactivated to prevent future use of the card. Damaged cards must be returned to a GVR Member Services office before a replacement card will be issued.
11. Tenants with guests may purchase a day pass for each guest over the age of 18.

12. Guest cards are required for all general facility use and club activities. However, guest cards are not required for ticketed GVR events where guests pay a higher ticket price than the member price.
13. At management's discretion, guest usage of GVR facilities may be limited to non-primetime hours. Signage will be added to all facility gates reminding individuals that each person must swipe (or 'tap' for proximity cards) a GVR-issued ID Card. In addition, members and guests who abuse GVR ID card privileges may be subject to sanctions and penalties up to and including fines and/or loss of privileges, as determined by the Board of Directors. Rules governing board-authorized sanctions and penalties will be publicized to the general membership.
14. GVR stopped issuing Annual Guest Cards on a complimentary basis to new Single Member Households on March 1, 2016. Annual Guest cards offered on a complimentary basis to Single Member Households prior to March 1, 2016 (whereby the GVR member property remains a single member household) will continue to be issued, provided that the affected GVR Member formally requests a Single Member Annual Guest Card each year. The formal request may be made any time during a calendar year and for each subsequent calendar year. Failure to request a card during a calendar year will result in forfeiture of the Single Member Annual Guest Card privilege for the GVR member. Cards are specific to a GVR member property and are not transferable to a new owner of the property.
15. Life Care Privilege - Life Care Users may purchase Annual Guest Cards and Daily Guest Passes following the same guidelines established for guests of any GVR Member.

C. Life Care Privilege (updated 6/26/2018)

1. Life Care Users are former GVR members in good standing who currently reside in a life care facility in the Greater Green Valley area and have requested, for a fee, to have GVR privileges extended to them.
2. The former GVR member of a membership property must make an annual application in the Membership office.
3. An individual annual fee will be charged at a rate determined by the Board, either for the full year or prorated as required. This fee is non-refundable.
4. A "Life Care Facility" is defined as a continuing care retirement community, assisted living community, as well as those communities defined in the Arizona State Statutes regarding Life Care Contracts.

5. A distinctive identification card will be issued by GVR, which will permit the individual to use GVR facilities, register for programs and attend club functions.
6. Along with the following limitations, Life Care Users are subject to the same rules and regulations as all GVR Members.
7. Life Care Users are subject to the following:
 - a) May not serve on the Board of Directors or be a member of a Committee of the Board.
 - b) May not vote for any membership issues.
 - c) Life Care Users may purchase guest cards following the same guidelines established for guests of any GVR Member.

SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 9/25/2018)

A. General

All Fees, Annual Dues, Service Fees and Delinquency charges shall be established each year by the approval of a majority of Directors in office. Special assessments for any purpose shall require approval of a majority of Directors in office and at least a majority of the members voting.

B. Annual Dues

1. The Board shall establish membership dues for each fiscal year on or before December 10. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the social security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.
2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.
3. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied.

C. Annual Dues Installment Payment Plan

1. Members will be notified that if they have difficulty making the single payment they can request and submit a payment plan request form.
2. There will be a \$10.00 set-up fee due at the time the payment plan is set up.
3. There will also be a \$24.00 payment plan fee charged over the period of the plan.
4. The past and current month's payments will be charged and must be paid at the time the plan is set up.
5. If a member requests a payment plan, his/her account may be subject to all applicable finance charges.
6. Members will only be able to use the payment plan with an Automatic Clearing House (ACH) Debit.
7. At the time of the request, future finance charges will stop unless the member defaults on payments. If the account is defaulted, all past applicable finance charges that would have been charged will become due.
8. Members may continue to use GVR facilities and attend programs if they are current with their payments.

D. Initial Fees

1. The Initial Fee may be adjusted annually by the Board based on the Department of Labor CPI (Consumer Price Index), "all items, Western Urban Region," rounded to the nearest dollar amount.
2. The initial fee is due at the time of the closing of escrow on a deed-restricted membership property or at the time an owner elects to deed-restrict property for membership.
3. An owner paying an Initial Fee shall be exempt from paying the Property Acquisition capital fee on that property.

E. Property Acquisition Capital Fee – updated 8/28/2019

1. Upon transfer of title to a GVR membership property, the new owner shall pay a Property Acquisition Capital Fee.
2. The GVR Member is entitled to a refund of the Property Acquisition Capital Fee if the titleholder(s) own a single GVR membership property, and held title to a single GVR membership property within 365 days prior.
3. When acquiring one or more additional GVR membership properties, the new the new owner shall pay the Property Acquisition Capital Fee for each such additional property, except for transfer of title, as described in #2 of this section E.
4. Revenue from the Property Acquisition Capital Fees may be used as will most effectively further the general purpose of the Corporation to provide for current and future needs.

F. Other Fees updated 12/17/2015

A fee for service is payment for the work involved in an operation that benefits individual members as distinct from the entire membership.

1. The Board has established fees for services:
 - a) **Transfer Fees:** There shall be a charge for the processing of the transfer of a membership upon the transfer of title to a membership property.
 - b) **Tenant Fees:** Upon application, tenant cards shall be issued to a person leasing GVR membership property. There will be a charge for a tenant card.
2. The authority to establish and modify operational fees is delegated to GVR Administration as part of the ongoing day-to-day management of the organization. Such fees fall in the following broad categories.
 - a) **Programmatic Fees:** These fees are established to provide cost recovery of direct expenses related to entertainment, participation, and instructional programs.
 - b) **Facility Fees:** These fees are established to provide cost recovery related exclusively to the use of facility space and/or equipment by outside groups and member usage beyond the basic services of GVR. Such fees include, but are not limited to, reservation fees, time incremental facility usage fees, equipment fees, custodial and technician fees, catering. Damage deposits are required.
 - c) **Administrative Fees:** These fees are established to provide cost recovery for miscellaneous services provided to members and outside parties. Such fees include but are not limited to, photocopying, facsimile, computer, facility keys, card replacement and publications.
 - d) **Processing Fees:** These fees are established to provide cost recovery for labor and overhead generated through business transaction to members and outside parties. Such fees will be attached to all transactional business including, but not limited to, member dues, programs, instructional courses, and rentals.

SUBSECTION 4. DELINQUENCY AND PENALTIES

A. General

The Board shall ensure the establishment of:

1. Payment due dates for initial fees, annual membership dues, fees for services and assessments.
2. Penalties for late payments.

B. Effect of Non-Payment

1. Annual dues are due and payable on or before January 1st.
2. Any dues, fees, or assessments that are not paid in full ten (10) days after their due dates shall be deemed delinquent and subject to penalties. The delinquency shall be subject to finance charges as approved by the Board.
3. If a member's account remains delinquent after May 1st the account will be referred to counsel for collection, including, but not limited to, the recording of a notice of lien against the member's property and the initiation of legal proceedings against the delinquent member and/or his property. Collection costs, including, but not limited to, attorney's fees and court costs, shall be the responsibility of the delinquent members.
4. A member who has entered into an approved payment plan with GVR and is in compliance with the terms thereof shall not be considered delinquent.

SUBSECTION 5. SUSPENSION OF PRIVILEGES

A. Member Not in Good Standing

Any GVR Member who has not paid dues, fees or assessments as of the time such payment is due becomes delinquent and shall automatically be declared a 'Member Not in Good Standing.' Any GVR Member Not in Good Standing and his/her Additional Card Holder, Assigned Member and/or Tenants and Guests shall not be entitled to use GVR facilities. The delinquent member shall not hold any office, nor vote in any election. Upon payment of all delinquent dues, penalties, fees, assessments, and accrued interest together with the cost of collection, said members shall be restored to good standing.

B. Suspended Member

1. A Suspended Member is an individual, not a household. Any GVR cardholder who has been determined to have violated GVR rules and regulations or otherwise deemed as a "Suspended Member" by the GVR Board of Directors shall be restricted from use of GVR facilities. This suspension may include suspension of use from all GVR facilities, or may be select facilities, as decided on by the Board.
2. A suspended member shall retain the rights to vote but not to hold office.
3. The suspended member shall be responsible for all dues, fees and assessments.

C. Suspension of Member Privileges

1. A member who violates the established rules and regulations of GVR is subject to suspension of privileges. Copies of rules and regulations are posted within GVR facilities. The GVR Code of Conduct is supplied to all members.

2. The Chief Executive officer or designee has the authority to determine if a violation is major or minor. The Chief Executive officer or designee is authorized to immediately deny any member access to facilities for a period of up to ten (10) days for minor violations, including, but not limited to, failure to provide his/her membership card or other GVR identification card. In the event of a major violation, including but not limited to violation of any law, physical confrontation, verbal abuse, the Chief Executive officer or designee shall have the authority to immediately deny any member access to facilities until the violation can be investigated and the Board can take action.
3. Minor Incidents - Upon receipt of a complaint from a GVR member or staff the Chief Executive officer or designee will investigate the complaint as follows:
 - a) Contact the person who filed the complaint.
 - b) Contact witnesses or those parties to the incident which resulted in the complaint.
 - c) Contact the member(s) against whom the complaint was filed, either in person or by phone. If direct contact is not available, the contact may be made by email or letter.
 - d) The Chief Executive officer shall then determine if the complaint is valid. If the complaint is determined to be valid, the member(s) may be subject to counseling, either in person or by letter, or may be subject to suspension of any or all privileges and/or facilities for a period not to exceed ten (10) calendar days. The decision of the Chief Executive Officer is final.
4. Major Incidents – Chief Executive officer or designee shall take immediate action and personally handle the situation as follows:
 - a) Contact the President of the Board immediately.
 - b) The Chief Executive officer, the President of the Board of Directors and the chairperson for the Board Affairs Committee shall conduct an investigation within two (2) weeks. They shall convene a meeting with the member and/or a representative against whom the complaint was lodged as well as the complainant, if the member(s) so desire. During the process, the accusing party has the right to submit verbal or written information subject to rebuttal by the accused and witnesses, if any.
 - c) Upon completion of the above, a report on the findings of the investigation, along with recommended actions will be presented to the Board of Directors.

- d) The Board of Directors will convene in an Executive Session within two (2) weeks to review the report, discuss the particulars of the incident and decide on the appropriate action. If a majority of Board members then in office determines that a suspension is warranted, the duration of that suspension must also be determined. The original suspension determined by the Chief Executive officer shall be extended until this process has been accomplished.
- e) If the Board decides to continue the suspension, the Chief Executive officer shall send the member and/or representative a written "Notice of Suspension" within 48 hours of the Board's decision. The "Notice of Suspension" shall include the details of the suspension, as well as the appeal procedure.
- f) If the member and/or representative opts to appeal the Board's suspension of a major issue, the Chief Executive officer, will notify the Board President and will appoint an independent Appeals officer or officers to hear the appeal. The Chief Executive officer will provide the member and/or representative with the date, time and location for presentation of that appeal. The suspension shall continue until the process has been completed. A written response may be presented in lieu of a personal appearance. The Appeals officer(s) shall be authorized to decide if the proposed suspension should be upheld, reduced or cancelled. Unless the Appeals officer(s) decides that the suspension should be cancelled or be reduced, the decision of the Board of Directors shall be final.

SUBSECTION 6. EXAMINATION OF CORPORATE DOCUMENTS

A. Authority

A GVR member may examine the corporate documents as provided by the Arizona Statutes.

B. Charge for Documents

A GVR member requesting copies of GVR documents will be assessed a charge determined by the administration, but in accordance with Arizona Statutes, with the exception of GVR Bylaws or any GVR free publications.

SECTION III – HUMAN RESOURCES

Section III was approved by the GVR Board of Directors on July 26, 2011; except as amended

SUBSECTION 1. EMPLOYMENT PRACTICES MANDATES

A. Non-Discrimination Policy:

It is the policy of Green Valley Recreation, Inc. to treat all people with dignity, respect and equality regardless of age, race, color, and ancestry, country of origin, disability, ethnicity, marital status, family status, veteran status, gender, religion, sexual orientation or gender identity.

B. Non-Discrimination Practices

Green Valley Recreation, Inc. shall comply with all federal and Arizona statutes pertaining to employment practices. Such compliance includes, but is not limited to:

1. Title VII of the Civil Rights Act of 1964, as amended
2. Age Discrimination in Employment Act of 1967, as amended
3. Equal Pay Act of 1963, as amended
4. Americans with Disabilities Act of 1990, as amended
5. Family and Medical Leave Act of 1993
6. Occupational Safety and Health Act of 1970
7. Fair Labor Standards Act
8. Immigration and Control Act of 1986

SUBSECTION 2. CORPORATE PERSONNEL POLICY STATEMENT

Green Valley Recreation works diligently to employ competent people from diverse backgrounds to work together. Fair and effective employment practices are the foundation for trust and open communication enabling GVR to best support employees in achieving personal and organizational objectives.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

A. General

Underlying the mission of Green Valley Recreation is a firm belief in the dignity of all people, which is actively affirmed through the *Green Valley Recreation Equal Opportunity Policy*, which strongly states its commitment to equal employment opportunity for applicants, employees at all levels and volunteers. Primary responsibility for implementation of this policy rests with the Chief Executive officer.

B. Policy

Green Valley Recreation in its employment policies and practices and in its public accommodations agrees to comply with all relevant and applicable federal, state, and local laws and regulations and standards relating to discrimination, biases and/or limitations based on age, race, color, ancestry, country of origin, disability, ethnicity, marital status, familial status, veteran status, gender, religion, sexual orientation or gender identity. This policy governs all aspects of employment, including recruitment and recruitment advertising, selection, job assignment, promotion, demotion, corrective actions, reduction-in-force, termination, compensation, selection for training and development, and all organization sponsored social and recreational activities.

SUBSECTION 3. VOLUNTEER PERSONNEL

- A.** A volunteer is a person who performs a service for GVR without compensation.
- B.** Volunteers are covered under the GVR liability policy.
- C.** Volunteers may be compensated for their services by GVR for authorized expenses, including mileage or other incentives.

SUBSECTION 4. GVR 401(K) CONTRIBUTION PLAN

GVR has a 401(K) Contribution Plan for the benefit of its employees.

SUBSECTION 5. RECORDS RETENTION POLICY

GVR will maintain all payroll and personnel records in an organized manner and file these records in a safe and protected environment.

SECTION IV – FACILITY USE

Section IV was updated by the GVR Board of Directors November 18, 2015.

SUBSECTION 1. GENERAL FACILITIES RULES AND REGULATIONS (updated 9/25/2018)

- A.** GVR facilities are established for use and enjoyment of GVR members, eligible guests and visitors who abide by the GVR Member Code of Conduct.
- B.** The use of facilities by nonmembers shall not interfere with the effectiveness of the recreation operation.
- C.** Members, guests, and visitors who use GVR facilities and equipment, do so at their own risk, and shall indemnify and hold harmless GVR, its employees and agents.
- D.** All GVR facility reservations and arrangements shall be made through the central reservation office located at the Administrative Offices. A *GVR Facility Reservation Agreement* must be completed for all facility reservations and rentals.
- E.** All members and guests are required to carry their membership cards or other authorized GVR identification while using GVR facilities. Individuals must produce GVR identification when requested by staff or any staff-authorized volunteer. Members and guests are required to sign-in or swipe their membership card. Clubs and other authorized groups must provide an attendance roster or similar document which lists each person utilizing a GVR facility.
- F.** Staff and staff-authorized volunteers are empowered to enforce rules and regulations.
- G.** GVR member and nonmember individuals and groups may rent facilities subject to current rules, regulations, and fees.
- H.** GVR member individuals and groups have priority in facility rentals before nonmember individuals and groups.
- I.** The Chief Executive officer may authorize use of GVR facilities on a complimentary or fee basis for any GVR-sponsored, GVR co-sponsored, or GVR Foundation event or activity. Authorization of GVR Foundation activities are subject to terms of the GVR/GVR Foundation Resource Sharing Agreement (see APPENDIX I – BOARD POLICIES, Subsection 4).
- J.** GVR classes may preempt drop-in use of GVR facilities.
- K.** Fees may be charged to recover the cost of any specialized services, events or programs.
- L.** GVR facilities will not be used by any member for commercial purposes. Personal sales resulting from hobby pursuits are permitted.

- M.** Individual members, visitors, guests, and groups using or renting GVR facilities are responsible for maintaining those facilities in a neat and orderly condition.
- N.** Printed materials made available to attendees during the meeting/rental period must be removed at the end of the rental period.
- O.** Individuals who damage GVR equipment due to improper or careless use are responsible for the repair or replacement of that equipment. Members are responsible for damages caused by their guests.
- P.** Special GVR shop/facility rules and regulations must be complied with by individual members, visitors, guests, and groups.
- Q.** No alcoholic beverages shall be sold on GVR premises without a valid special sales permit or liquor license. (*See Section VIII, Subsection 4 for the complete Liquor Policy.*)
- R.** Non-member "Personal Assistants" may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for their own personal use.
- S.** Animals are not permitted in or on GVR property, with the exception of Service animals, unless otherwise authorized by the GVR Chief Executive officer (CEO) to accommodate community events or other special circumstances.
- T.** No firearms are allowed on your person on any GVR property or in any GVR facilities except law enforcement or licensed security.
- U.** It is the policy of Green Valley Recreation, Inc. to provide and maintain a Drug-Free Environment for its members and employees. As such, Green Valley Recreation, Inc. prohibits the use of illegal drugs on GVR premises.
- V.** GVR facility areas may be rented for political party meetings, campaign events, polling places, and informational presentations such as candidate forums or town hall meetings, subject to space availability and GVR fees at nonmember rates, regardless of GVR member affiliation.
- W.** Advertising or promotional signage for non-GVR elected positions (e.g., public sector election campaigns), including solicitation of support/opposition regarding candidates or ballot issues is NOT permitted on GVR property except as follows: (1) within rented meeting space during the rental period; or (2) in public areas and parking lots of a GVR facility being used as a polling place on election day or as an early voting site during the period of early voting.

SUBSECTION 2. SPECIAL FACILITIES USAGE

A. General Usage

1. GVR facilities are provided for the use of GVR members and their guests.

2. GVR reserves the right to deny access to GVR facilities by anyone (member or non-member). Reasons for denial of use include, but may not be limited to the following:
 - a. If there is a reasonable concern that the group may advocate or promote an activity that is prohibited by local, state or federal statute.
 - b. It is determined that the group is involved in a discriminatory endeavor.
 - c. There is a reasonable concern that appearance of the group could lead to a civil disruption.
 - d. There are other legal or safety concerns.
 - e. The CEO has the authority and discretion to make all final decisions
3. The Chief Executive Officer may authorize the use of GVR facilities for any GVR sponsored event of community interest.
4. GVR facilities may be used by any group, entity or individual that is not wholly comprised of GVR members, subject to appropriate rental agreements and fees.
5. An "indemnity clause" that has been reviewed and approved by GVR's legal counsel, MUST be included within the "Rental Agreement". Any group, entity or individual that is not wholly comprised of GVR members utilizing a GVR facility MUST state their purpose and sign the "Rental Agreement". This MUST be signed by a person or persons authorized to speak for the group, as part of the application process.
6. GVR classes may preempt drop-in use of GVR facilities.
7. Use of meeting rooms must authorized in accordance with the established reservation procedure before occupancy.
8. Non-member "personal assistants may accompany a member to a GVR facility in order to help them with walking, showering, dressing or undressing, or with other non-therapeutic tasks as necessary and may not use GVR facilities for the own personal use.

B. Use of Hobby Shops and Studios

These facilities are monitored by volunteers. When asked, members and guests must show their GVR membership or guest cards to use the facilities. Clubs have the right to restrict use of club facilities to club members only.

C. Use of Kitchens

GVR kitchens are classified as catering kitchens. Food preparation and cooking is not allowed. Kitchen facilities may be used for warming pre-cooked food or for chilling cold entrées.

D. Use of Caterers

Caterers must be registered and approved by GVR in order to work in GVR facilities. Contact the central reservation office located at the Administrative Offices for a current list of approved caterers.

E. Use of Storage

1. GVR may provide small storage space, at no cost, to Clubs if space is available.
2. Clubs may provide locks.
3. GVR is not liable for any property lost, damaged or stolen while in storage.

F. Use of Equipment

GVR may provide and maintain furniture and equipment in the facilities for the recreational use of its members.

G. GVR Pool Management Policies

1. GVR offers heated swimming pools and spas for member use.
2. Hours of operation are established and posted by GVR administration.
3. GVR pools shall operate in compliance with Pima County Code Title 8, Chapter 8.322, "Swimming Pool and Spas," and any other applicable Pima County regulations.
4. The Pima County Health Department classifies GVR pools as "semi-public" per the following guidance: "A swimming pool on the premises of, or part of, but not limited to a hotel, motel, trailer court, apartment house, country club, camp, health club, condominium, homeowners association, or similar establishment where the primary business of the establishment is not the operation of the swimming facilities, and where admission to the use of the pool is included in the fee, or considerations paid or given for the primary use of the premises."
5. GVR staff has authority to close a swimming pool or spa if they determine that its operation and use presents danger to individuals.
6. GVR follows the guidelines provided by the National Lightning Safety Institute (NLSI) to determine when to close indoor and outdoor swimming pools, spas and showers due to lightning as a safety precaution. As of August 2014, NLSI guidelines state:
 - a. Both outdoor and indoor pools and showers will be evacuated before or when lightning gets five miles away.
 - b. At the first signs of thunder or lightning, all pool and shower activities will be suspended until 30 minutes after the last observed thunder or lightning. (Adopted 08/26/14):

H. Rentals and Fees

1. The Chief Executive officer will implement a Board-approved fee schedule for rental of GVR facilities. The CEO is authorized to waive facility rental fees in special circumstances, as deemed appropriate.
2. Rental fees for groups composed solely of GVR members shall be waived; however, all individuals and groups (whether member or nonmember) may be charged fees for special computer and technology setups; Internet connections; LED projection; special sound system or lighting requirements, overtime cleanup charges, or labor charges for special setup needs which require additional personnel.
3. GVR is interested in supporting community service events, and may rent its facilities on a fee basis for such events whenever it is practical to do so. A community service event is normally sponsored by a non-profit organization or local government agency. GVR facilities are routinely used as polling facilities during elections.

I. GVR Property Rights

GVR legal counsel has affirmed that GVR's Bylaws do not provide members with the unlimited use of its facilities for any and all purposes, and that as a private property owner, 'GVR may deny the use of its facilities to member and nonmember individuals and groups without abridging the freedom of speech and assembly granted by the Arizona Constitution.' (GVR Legal Opinion, May 20, 2015)

J. Denial of Use of GVR Facilities

1. Based on GVR legal review and opinion, GVR reserves the right to deny the use of its facilities by member or nonmember individuals or groups whose purposes are deemed contrary or adverse to GVR's as determined in the sole discretion of the CEO.
2. A decision by the CEO to deny use of GVR facilities shall be based on one or more of the following conditions:
 - a. There is a reasonable concern that the individual or group may advocate or promote any activity that is prohibited by local, state or federal statute.
 - b. There is a reasonable concern that the individual or group is involved in discriminatory behavior based on sex, age, race, ethnicity, nationality, disability, sexual orientation, gender identity, religious and political opinions.
 - c. There is a reasonable concern that use of facilities by an individual or group could lead to a civil disruption.
 - d. There is a reasonable concern that the individual or group promotes a position that may be detrimental to GVR.
 - e. There is a reasonable concern about other legal or safety issues.

K. Smoke-Free Zone at Facilities

1. The *Smoke-Free Arizona Act (ARS§36-601.01)* requires GVR to establish a Smoke-Free zone at all facilities. The purpose of the Smoke-Free Arizona Act is to protect individuals from the harmful effects of second-hand smoke in enclosed public places.
2. To comply with this law, GVR prohibits smoking in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows. Smoking is prohibited in all indoor facility areas, pool areas and in all GVR vehicles.
3. Smoking will be allowed in designated outdoor areas only.

L. Vaping-Free Zone at Facilities – adopted 5/22/2019

1. GVR prohibits vaping in all non-smoking areas, including enclosed areas and areas within 20 feet of all entrances and windows. Vaping is prohibited in all indoor facility areas, pool areas and in all GVR vehicles.
2. Vaping will be allowed in designated outdoor areas and wherever smoking is allowed.

SUBSECTION 3. CIRCULATION OF GVR-RELATED POLITICAL MATERIALS; GVR-RELATED SURVEYS, POLLS, QUESTIONNAIRES

- A.** GVR petitions, solicitation of support or opposition regarding GVR candidates or ballot issues by GVR members shall only be permitted in GVR facility lobby areas, common areas, or curbsides and parking lots. Further guidance may be found in the *GVR Corporate Operations Manual*.
- B.** Surveys, opinion polls and questionnaires related to GVR affairs, and distributed on GVR property, may be circulated by members only after being reviewed by GVR administration for accuracy and suitability.

SECTION V – FISCAL/ACCOUNTING

Section V was approved by the GVR Board of Directors on October 25, 2016.

SUBSECTION 1. FISCAL POLICY – GENERAL

A. Definitions

1. Contributed Capital Assets:

- a. Contributed property is to be recorded at estimated fair market value on the date of the transfer.
- b. Fair market value can be determined by current or recent appraisal or the donor's cost may be used if recently incurred.
- c. Contributed property will be recorded as a contributed capital asset and will be subject to Generally Accepted Accounting Principles (GAAP).

2. Capital Assets: Capital assets shall have a value of at least \$5,000 and a useful life expectancy of more than one year.

3. Operating: Operating is defined as everyday business, activities and regular maintenance of facilities.

4. Capital Projects:

- a. Those projects whose costs exceeds \$5000.
- b. Capital Replacement: A replacement is defined as anything that has to be replaced including major refurbishments such as the floor, the walls, the roof, the doors, etc., down to the fixture replacement.
- c. Capital Addition: An addition is anything that is added on to the square footage and/or adds to the value of the property.

5. Depreciation: Depreciation is defined as a decline (as from age or wear and tear) in the value of a capital asset.

B. Accounting

The Board shall ensure that the fiscal affairs of the corporation are managed in accordance with Generally Accepted Accounting Principles, and that its financial strength is adequate for current needs and its long-range strategies.

C. Purchasing

The selection of, and contracting with, vendors for supplies and services is the responsibility of the Chief Executive officer in accordance with the financial limits established by the Board.

D. Investment Policy – updated 4/24/2019

GVR Investment Policy is located in Appendix 1, BOARD POLICIES, SUBSECTION 3. GVR INVESTMENT POLICY.

E. Financing

1. Requests for approval to finance major capital projects will require the affirmative vote of two-thirds of the total Board members then in office. Such requests may be submitted by any member of the Board or the Fiscal Affairs Committee.
2. The maximum corporate debt at any one time shall not exceed sixty percent (60%) of the approved current annual budget, which shall include both the operating and capital budgets.
3. If capital projects are financed, the sum of annual repayments for all financed projects shall be ten percent (10%) of the approved current annual budget, which shall include both the operating and capital budgets.

F. Revolving Line of Credit

1. A revolving line of credit in the amount of four hundred thousand dollars (\$400,000) may be established by the Chief Financial Officer (CFO).
2. Any usage of the revolving line of credit by the Chief Financial Officer must have prior approval by the Chief Executive officer, the Fiscal Affairs Committee and the Board.
3. The Chief Financial Officer shall institute a usage form stating the amount to be used, the purpose/reason for the usage, the balance of the revolving line of credit, including the amount currently being requested for use and the estimated payback period to bring the balance back to its original amount of four hundred thousand dollars (\$400,000). This usage form will show the approval signatures of the Chief Executive officer, Treasurer and President of the Board.

G. Member Payment Transactions

1. A member payment transaction can be defined as any purchase (dues, program, concert, instructional course or rental) that takes place involving the exchange of cash, check, debit, or credit card with a member.
2. Member payment transactions are subject to a processing fee.
3. Forms of payment accepted include:
 - a. Legal Tender (Cash)
 - b. Checks payable to Green Valley Recreation in U.S. dollars.
 - c. Money Orders or Cashier's Checks
 - d. Traveler's Checks
 - e. Credit or Debit Cards
 1. Visa
 2. Master Card
 - f. Automatic Clearing House (ACH) Debit

SUBSECTION 2 - RESERVE POLICY – updated 10/25/2016

A. Overview

Green Valley Recreation, Inc. (GVR) maintains three (3) financial reserve funds to ensure its long term solvency and sustainability as part of the Corporation's Financial Planning Principles. For each reserve fund, the following information describes the purpose, desired target range, funding source, authorization and investment parameters. In executing its oversight role, the GVR Board of Directors may elect to revise these factors over time, as needs of the Corporation evolve and as opportunities and investment markets may suggest.

B. Reserve Study Policy

To be fiscally responsible, GVR has to answer these basic but critical questions:

1. What will the cost be to maintain, repair and replace its equipment, facilities, and infrastructure to meet member expectations and high standards?
2. When and to what extent will these costs be incurred?
3. Will GVR have sufficient money on-hand to meet these costs?

A reserve study is a planning and budgeting tool which answers these questions by analyzing, quantifying and projecting costs of specific items called Components, in the aggregate called a Component Inventory, over a 30 year period and formulating a Reserve Contribution amount to pay these costs.

There are three (3) types of Reserve Studies:

1. Full Reserve Study – Baseline, vendor evaluates all facilities, equipment and infrastructure
2. Reserve Study with no onsite visit (NOV) – GVR updates Component Inventory with changes
3. Reserve Study with an onsite visit (WOV) – Vendor reevaluates Component Inventory & updates

During the third quarter of the current budget year GVR staff and the Fiscal Affairs Committee shall recommend and the Board shall approve a reserve study provider and the type of reserve study to be performed during the first quarter of the next budget year.

During the first quarter of each budget year, GVR shall ensure a Reserve Study is performed by a qualified, reputable Reserve Study provider with the final Reserve Study due 90 days prior to the final budget date. The Reserve Contribution amount will be incorporated into GVR's annual budget.

GVR's Percent Funded objective is not less than 85% and not greater than 100%.

The Component Inventory of a Reserve Study is the fundamental data driving Reserve Study results. To maintain Component Inventory integrity, it is imperative that GVR record all maintenance, repairs and replacements to Components as they occur or new Components are added and notify the Reserve Study provider. This is especially true when Reserve Study with no onsite visit is done.

Each Component meets these four (4) criteria:

1. GVR must have a duty to maintain, repair and replace it
2. Limited useful life
3. Predictable remaining useful life
4. Exceeds a minimum dollar threshold.

By planning, budgeting and funding GVR maintenance, repair and replacement expenses, GVR achieves these three (3) goals:

1. Sufficient cash to meet its Reserve Study Component Inventory expenses
2. Achieves a stable Reserve Contribution amount
3. Evenly distributes the cost to current and future members

C. Maintenance of GVR Financial Reserve System

1. Definitions:

Defined terms are capitalized in **Bold** typeface.

Annual Reserve Study is the Reserve Study referred to in Section B. – Reserve Study Policy

A **Reserve Account(s)** is a checking, savings, investment or any other type of account in which reserve monies are deposited.

Board Restricted means the Board of Directors controls the Reserve Accounts and authorizes expenditures from such accounts.

2. Reserve Contributions and the Annual Budget:

Reserve Contributions to the Reserve Accounts shall be an integral part of the annual budget.

The annual operating budget shall generate sufficient Excess Revenue-Over-Expenses to make the Reserve Contribution to the Maintenance, Repair and Replacement Reserve Fund called for in the **Annual Reserve Study** unless such Reserve Contribution generates a Percent Funded greater than 100% in which case the Reserve Contribution may be reduced to achieve a Percent Funded not less than 85%.

Reserve Contributions to the Initiatives Reserve Fund shall be funded from a portion of the Property Acquisition Capital Fee and/or from the Initial Fee based on the applicable fee when a GVR member property is sold.

Contributions to the Emergency Reserve Fund shall be recommended by the Chief Financial Officer (CFO) to the Board for consideration and approval.

3. Paying from reserve accounts or reimbursing operating cash account for reserve expenditures:

Within sixty (60) days after adoption of this policy by the Board of Directors GVR shall establish a written accounting and internal control policy and procedure based on Generally Accepted Accounting Policies (GAAP) to track and document all withdrawals by check or electronic means and Board approved transfers, electronic or otherwise, between Reserve Funds, pay Board authorized reserve expenditures or transfers to reimburse operating cash for such expenditures. Such policy and procedure shall require written instructions and supporting documentation signed by the Chief Financial officer (CFO) and approved by the Chief Executive officer (CEO) or, in the CEO's absence, the Chief Operating officer (COO).

4. Priority of making contributions to Reserve Accounts:

GVR shall make contributions to Reserve Accounts in this order of priority:

- a. Maintenance, Repair and Replacement Reserve Fund
- b. Initiatives Reserve Fund
- c. Emergency Reserve Fund.

5. Rebalancing Reserve Accounts:

A Reserve Account(s) may have a balance greater than the Board's target minimum balance due to a number of factors including returns on investments. The Board may consider rebalancing a Reserve Account(s) by: (1) transferring money between Reserve Accounts, (2) reducing Reserve Contributions or (3) transferring money from a Reserve Account(s) to operating cash.

All rebalancing actions shall be authorized by Board resolution(s).

D. Emergency Reserve Fund (previously the Operating Reserve Fund)

1. Definitions:

Major Event(s) is an event causing damage to a facility and/or infrastructure or an emergency safety event costing \$25,000 or more in repairs, renovations or replacements.

2. Purpose:

The Emergency Reserve Fund serves these purposes:

- a. An emergency fund to pay for major, unanticipated repairs to, renovation of or replacement of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events**.
- b. An emergency safety-net should a severe economic downturn or unanticipated event threaten GVR's financial well-being.

3. Target Balance:

This fund shall be of sufficient size as determined by the Board of Directors to protect GVR from the following:

- a. Long-term or permanent loss of use of a GVR facility or facilities or infrastructure caused by a **Major Event** or **Events** due to GVR's inability to pay for repairs, renovations or replacement of damaged facility or facilities or infrastructure.
- b. Guarantee payment of the legal obligations of the Corporation for one year.

4. Funding Source:

At the close of each fiscal year, the Board of Directors shall determine the amount, if any, to contribute from excess Revenue-Over-Expenses plus Depreciation Expense less Reserve Contributions to the Maintenance, Repair and Replacement Reserve Fund.

Withdrawals from this reserve shall be repaid from operations as determined by the Board of Directors but not to exceed five (5) fiscal years.

5. Authorization:

The Chief Executive officer (CEO) is authorized to access this fund to address critical needs as they arise with written notification within ten (10) business days to the President of the Board of Directors with a copy to the Board. Email is an acceptable form of written communication to the President.

6. Investment Parameters: Monies contributed to this fund shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

E. Maintenance, Repair & Replacement Reserve Fund (previously the Capital Reserve Fund) (updated 5/22/2019)

1. Purpose:

This fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study.

2. Target Balance:

This reserve shall be of sufficient size as to maintain a Percent Funded (as defined in the Reserve Study) of not less than 85% and not more than 100%.

3. Funding Source:

- a. Annually, GVR shall transfer the full year's annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve within 30 days of the end of the dues collection period (normally January 31, so the full MR&R funding should be transferred by the end of February).
- b. Reimbursement Policy: Quarterly (or monthly if necessary), after review by the Fiscal Affairs Committee and approval of the board, the MR&R Reserve Fund will reimburse operating cash account the full project cost of completed MR&R projects. Evidence of required reimbursement will include a brief description of the project, timeframe of projected replacement,

actual project completion date, forecasted cost and actual cost. If actual cost is substantially different from forecasted cost, a detailed justification will be provided.

4. Authorization:

The Chief Executive officer (CEO) and, in the absence of the CEO, the Chief Operating officer (COO) or Chief Financial officer (CFO) are authorized to commit up to 110% of a Component's Fully Funded Balance for the current fiscal year in the current Annual Reserve Study. Board approval is required before committing more than 110%.

5. Investment Parameters:

Monies contributed to this reserve shall be invested in accordance with GVR's Investment Policy Statement. See Appendix I – Board Policies, Subsection 3 – GVR Investment Policy.

6. Definitions

Annual Reserve Study

See GVR's Reserve Study Policy in Section V, Subsection 2B of GVR's Corporate Policy Manual.

Component: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (4) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, (5) as required by local codes.

Financial Analysis: This portion of a Reserve Study determines the current status of the Reserves (measured as cash or Percent Funded) and recommends Reserve Contribution rate (Reserve Funding Plan) and the projected Reserve Income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded Balance (FFB): An indicator against which Actual (or Projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each Component then summed together for an association total. Two formulae can be utilized, depending on the provider's

sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

Or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + \left[\frac{(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life})}{(1 + \text{Interest Rate})^{\text{Remaining Useful Life}}} \right] - \left[\frac{(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life})}{(1 + \text{Inflation Rate})^{\text{Remaining Useful Life}}} \right]$$

Percent Funded: The ratio, at particular point in time (typically the beginning of the Fiscal Year), of the *actual* (or projected) Reserve Balance divided by the Fully Funded Balance is expressed as a percentage.

Reserve Study: A budget and planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: (1) the Physical Analysis and (2) the Financial Analysis.

F. Initiatives Reserve Fund (previously Initiatives & Innovations Reserve Fund) UPDATED (2/26/2019)

1. Purpose:

The fund shall be used to support new initiatives and innovation opportunities that add value to member services and facilities and/or significantly improve GVR's position in the marketplace.

2. Target Balance:

This fund reserve shall be of sufficient size as determined by the Board of Directors to make opportunistic investments in real property, facilities and infrastructure.

3. Funding Source:

Within 30 days after the end of each fiscal quarter GVR shall transfer the following to the Initiatives Reserve Fund based on the applicable fee (the "Initiatives Reserve Funding Formula"):

- a. Twenty percent (20%) of the Property Acquisition Capital Fee (NMCF) assessed on each GVR member property sold rounded up to the next \$5.00 and
- b. Twenty-five percent (25%) of the Initial Fee assessed on each GVR member property sold rounded up to the next \$5.00.

At its discretion, the Board of Directors may make an additional Initiatives Reserve contribution from the annual net surplus.

4. Authorization:

The Board of Directors shall authorize any monies spent from this fund.

SECTION VI – BOARD/BOARD COMMITTEES

Section VI was approved by the GVR Board of Directors January 28, 2014; except as amended.

~~SUBSECTION 1. POWERS, DUTIES, AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS~~

~~The Board is responsible for governing in a manner that emphasizes strategic leadership rather than administrative detail. It is to be proactive in its decision making and maintain a clear delineation between staff and Board roles. In this spirit, the Board will: **GP 3.0, GP 3.1,**~~

- ~~1. Develop and approve an annual budget and ensure proper financial controls are in place. **Bylaws**~~
- ~~2. Recruit and orient new Board members and assess Board performance. **GP 3.1.4**~~
- ~~3. Select and evaluate the Chief Executive officer on at least an annual basis. **GP 3.3.5, BMD 4.4**~~
- ~~4. Focus on the intended long-term goals of the organization, not on the administrative or programmatic means of attaining these goals. **GP 3.0**~~
- ~~5. Establish policies which address (a) the products/services (needs vs costs vs member benefits). (b) Ethical and other boundaries for which the staff shall be held accountable, (c) Board roles and responsibilities, and (d) Board/staff relationship. **Entire PG Manual**~~
- ~~6. Discipline itself as to attendance, speak with one voice and adhere to policy governance. **GP 3.8**~~
- ~~7. Be accountable to the membership by competently, conscientiously and effectively executing its governing obligations. **GP 3.0**~~

~~A. Powers of The Board — updated 5/24/2017~~

- ~~1. The Board shall be the governing body of GVR, establishing policies and monitoring compliance with those policies. **GP 3.0**~~
- ~~2. The Board shall participate in developing, tracking and maintaining a "Strategic Plan" to assist GVR in shaping its future. The Strategic Plan and its annual update shall help drive the 5 year plan for GVR. Towards that end, the following policies are an integral part of the plan:
 - ~~a. Annual Strategic Plan Updating — Each year the Board shall review and update the Strategic Plan and carry it forward one additional year.~~
 - ~~b. Integration with Programs and Services — The Strategic Plan and 5 Year Plan shall be provided to Board committees and GVR staff to facilitate the development of action plans which pursue the fulfillment of plan objectives.~~~~

~~c. Integration with the Budget Process – The objectives contained in the GVR 5-year plan shall provide the primary basis upon which annual budget recommendations are made.~~

~~d. Progress Updates to the Board – The 5-year plan shall be a standing element report of Board and Board committee meetings. Written status papers will be provided to the Board prior to annual retreats.~~ **All of #2 is the PG system of governance**

3. The Board shall appoint GVR members in good standing to serve on the GVR Foundation Board of Directors from among one or more candidates nominated by the GVR Foundation Nominating Committee, with input from the GVR President.

B. Board Code of Conduct – adopted 7/22/14 GP 3.8

~~The Board of Directors of Green Valley Recreation (GVR) commits to itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.~~

- ~~1. Directors must act in the best interests of the GVR membership as a whole and must not put the interests of themselves, individual members, GVR clubs, staff, or other individuals or entities ahead of the interests of the GVR membership.~~
- ~~2. Directors shall conduct themselves in a courteous, professional and businesslike manner at all meetings, with each other and in their interactions with GVR members and staff.~~
- ~~3. Directors must avoid a conflict of interest or the appearance of a conflict of interest with respect to any fiduciary responsibility.
 - ~~a) Directors shall not accept any gifts or personal benefits, present or future, which may compromise or give the appearance of compromising his/her fiduciary responsibility.~~
 - ~~b) When the Board is to decide upon an issue, about which a Director has any perceived or potential conflict of interest, including but not limited to, any personal or professional relationship with a business, group, individual or GVR club, that Director shall recuse herself or himself, without comment, from any Board discussions or votes regarding the issue.~~~~
- ~~4. Directors shall be properly prepared for Board/Committee meetings.~~
- ~~5. Directors shall not attempt to exercise individual authority over GVR.
 - ~~a) Director's interactions with the CEO or with staff or interactions with the public, press or other entities must recognize the lack of authority vested in individual Directors except when explicitly Board authorized.~~
 - ~~b) Directors shall not interfere with the duties of GVR staff or GVR contractors. Any matters or communications concerning GVR~~~~

~~staff or contractors shall be made through the Board President who shall forward them to the CEO.~~

- ~~c) Directors shall support the legitimacy and authority of Board decisions, regardless of the Director's personal position on the issue.~~
- ~~6. Directors shall respect the confidentiality of matters discussed in executive sessions of the Board and confidential communications with legal counsel. Confidential information shall not be disclosed without the authorization of the Board.~~

C. Board of Directors Email Policy – (updated September 25, 2018)

GVR shall maintain a password-protected generic email account ("GVR Director Email Address") which shall serve as the sole means of email communication between members and GVR Directors relating to GVR business and/or operations. The GVR Director Email Address shall be posted on the GVR website and may be published in GVR publications and Members will be directed to communicate to Directors via the GVR Director Email Address. Directors shall be assigned an email address by GVR which they shall use for all email communications relating to GVR business and/or operations between each other and/or GVR staff.

The Secretary of the Board of Directors is authorized to determine where the subject of an email should be dealt with, i.e., which committee or Board meeting, and to respond to member emails that request a response.

D. GVR email Administrator

The CEO or CEO designee shall serve as GVR Email Administrator and shall have the following responsibilities with respect to email sent to the GVR Director Email Address:

1. Responding to member emails requesting general information or forwarding same to the appropriate GVR administrative staff member;
2. Acknowledging receipt of all other member emails and forwarding same to the GVR Board President for review and response; and
3. Archiving email messages.

E. Prohibited Email Communications

The following email communications are strictly prohibited:

1. Messages containing offensive language, including, but not limited to, defamatory, racist or obscene remarks;
2. Messages intended to or that would cause a reasonable person to be alarmed, annoyed or harassed;

3. Messages containing an attachment that is from someone other than the member sending the email;
4. Any attempt to disguise the sender's identity or an email with an anonymous sender;
5. Potentially damaging messages including, but not limited to mass or commercial messages, spam, and messages containing viruses; and
6. Messages concerning GVR business and/or operations addressed to a GVR Director's personal email account.

~~F. Chief Executive Officer Compensation~~ GP 3.3.5

~~The Board of Directors, upon initial hire of a Chief Executive officer, shall negotiate an agreement approved by the Chief Executive officer and Board of Directors. Said document shall contain the Compensation Package for the Chief Executive officer, length of term, renewal options and other relevant information pertinent to the employment of the Chief Executive officer, including rate of pay. The CEO, at a minimum, shall receive those benefits available to all GVR employees.~~

G. Chief Executive Officer – Performance Appraisal Process

The Performance Appraisal and Goals shall be completed at least annually 30 days prior to the date of the Annual Meeting of the Board of Directors. The Board, at its discretion, may conduct or have conducted additional performance reviews of the Chief Executive officer at any time. In the case of a new Chief Executive officer, an evaluation shall be completed at 3 months, 6 months, 9 months and yearly. Any and all reports, conclusions, findings or information resulting from such reviews may only be discussed in Executive Session. Failure to conduct such reviews in no way shall relieve the Chief Executive officer from performing such duties and responsibilities as required by contract or any other document of Green Valley Recreation, Inc.

1. Importance of performance appraisal:

- a) This is the regular process of both formally and informally providing feedback about an individual's implementation of his/her responsibilities. All employees deserve and expect ongoing feedback, whether formal or informal, and all employees should expect a formal appraisal conducted annually by the supervisor.
- b) The process begins with the job description. The Board and Chief Executive officer must be clear about the responsibilities, scope of authority and limitations along with the standards and expectations of the job.
- c) Self-evaluation is an important component of the process. The same form should be used by the Chief Executive officer and the Board. The self-evaluation must be considered during the review of performance.

- d) At the conclusion of the process, the forms are filed in the employee's file. Previous year's results are used for the next year's evaluation.
- e) The appraisal results form the basis for bonuses. Bonuses are formulated during the budgeting process and instituted within 30 days of the annual anniversary of the Chief Executive officer.

2. Elements of the performance appraisal Process for the CEO:

- a) A committee of the Board of Directors shall manage the performance appraisal and will conduct the performance appraisal interview. If the President has been in office less than 6 months, inclusion of the Past President on the committee is necessary, if possible. This Committee shall consist of at least 3 Board members who have been in office for more than 1 year. No staff or non-board members shall participate.
- b) The Current President establishes the Committee and chairs it.
- c) The Committee works on behalf of the Board and does not assume its authority regarding the CEO. The total Board serves as the evaluator and final arbiter of any issues related to performance of the CEO.

d) Committee responsibilities.

The committee shall:

- a) Be appointed and serve through the entire evaluation year
- b) Draft any changes to the CEO Job Description and obtain Board input/approval, design the Performance Appraisal Process, including the necessary tools, and recommend to the Board the process and tools. The Board formally adopts the process and tools.
- c) Initiate the formal performance appraisal process, typically 2-3 months prior to the date of the Annual Meeting of the Board of Directors. This time period allows completion of the appraisal process, format review and action by the Board and meeting with the CEO.
- d) Recommend the bonus to the Board following the annual performance appraisal.
- e) Review and endorse the CEO's annual goals and professional development plan and inform the full Board.
- f) Regularly review the job description, any relevant policies, the appraisal process, and recommend enhancements for review and action by the Board as necessary.

3. Steps in the CEO performance appraisal process:

- a) The Performance Appraisal Committee reviews the Performance Appraisal Process, informs the Board of the process and invites Board members and CEO to provide any comments to the Committee.

- b) Performance forms are provided to each Board member for their completion and these are returned to the Committee.
- c) The CEO completes a self-evaluation form and returns it to the Committee.
- d) The Committee meets and summarizes the Board's completed ratings and compares the results to the CEO's self-appraisal.
- e) The Committee meets with the CEO to review the findings. The Committee Chair sends confidential memo to the Board and convenes an Executive Session without the CEO to discuss the results and recommendations. The Board will discuss the appraisal memo and bonus recommendation, make changes if desired and then act. The minutes will reflect the action.
- f) The Board assists the Committee in developing New Goals for the next year along with input from the CEO.
- g) The Committee (or a representative of) meets with the CEO to discuss the results of the appraisal and the Board decision.
- h) The CEO and the Committee modify the Goals for the next year, work together to outline the Performance Improvement and Development Plan.

H. Vacancies – updated 10/25/2016

1. Any vacancy on the Board of Directors, shall, if possible, be filled by an unsuccessful candidate from the most recent election. Priority will be given to the candidate who received the higher number of votes.
2. The Board President will contact unsuccessful candidates in an order based on the number of votes each received, to determine willingness to fill the Board vacancy.
3. If there is no unsuccessful candidate from the most recent election who is willing and able to serve as a Successor Director, the Nominations & Elections Committee shall recruit individuals from among regular members in good standing to serve as a Successor Director, and will present a slate of candidates to the Board of Directors.
4. Candidates for the Successor Director position shall:
 - a. Complete an application and answers to a list of questions prepared by the Nominations & Elections Committee for Board consideration, and
 - b. Address the Board prior to the election of the Successor Director at a meeting of the Board of Directors where the election of Successor Director shall occur.
5. The Board will vote by secret ballot to elect a Successor Director from among the slate of candidates presented by the Nominations & Elections Committee.

I. Indemnification

The Corporation shall indemnify and hold harmless its officers, Directors, employees, and agents to the extent permitted by Arizona law. **Bylaws**

SUBSECTION 2. BOARD OFFICERS: NOMINATIONS AND ELECTIONS

A. General

1. Election of Board officers will be done by secret ballot. This is applicable to both the nominating ballots and the electing ballots.
2. Nominations from the floor will not be accepted.
3. Election for each office follows its seniority in the Bylaws: President, Vice President, Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer.
4. The present President, or in his/her stead, the Chief Executive officer shall administer the election until the new President has been elected.

B. The Nominating Ballot

1. The President (chair) will ask that nominating ballots be distributed to each Director.
2. Each Director receiving a vote is nominated for that office.
3. A nominating ballot cannot take the place of an electing ballot.
4. Board members may nominate themselves for any Board office.
5. Nominees must verbally indicate their willingness to serve before the electing ballot is distributed.
6. The chair will announce the names of the nominees and the number of nominations each received prior to the distribution of electing ballots.

C. The Electing Ballot

1. A nominee is considered "elected" if he/she receives a plurality of the votes cast.
2. Balloting should be repeated as many times as necessary to obtain a plurality vote for one candidate. The nominee receiving the lowest number of votes is never removed from the next ballot.
3. If a stalemate persists, the rules may be suspended in order to consider alternatives such as eliminating the candidate with the lowest number of votes. The motion to suspend the rules is not debatable and requires a 2/3 vote to pass.

SUBSECTION 3. BOARD MEETINGS updated 5/24/2016

A. RULES OF ORDER FOR AGENDA PREPARATION — Adopted 06/03/14 Replaced with the PG Agenda template (module 6 in the online Brown Dog Training and the Annual agenda, GP 3.3

1. ~~Items for agenda consideration are submitted to the President and CEO (or their respective designee) by 12p.m. (noon) six (6) business days prior to the date of the Board meeting.~~
 - a) ~~Exhibits submitted by Board members must include any background materials, recommended action, and rationale required for an understanding of the issue.~~
 - b) ~~Board members may request that the President place items on a Board meeting agenda at any time. If the deadline for agenda preparation is not met, the item will be placed on the next Board meeting agenda.~~
2. ~~A proposed meeting agenda is developed by the Board President and CEO by close of business four (4) business days prior to the Board meeting. The proposed agenda is distributed to Directors either via email and/or by placing the document(s) within online Board files.~~
3. ~~Two (2) business days prior to the Board meeting the proposed agenda will be sent to the Board of Directors, posted on the GVR website, and via an e-blast sent to members.~~
4. ~~Directors vote to approve the agenda at the Board Meeting. The agenda may be amended by a two-thirds (2/3) vote of Directors present.~~
5. ~~Regular Board meeting agenda will include a consent agenda; a Consent Agenda is a meeting practice which packages routine committee reports, Board meeting minutes, and other non-controversial items not requiring discussion or independent action as one agenda item.~~
6. ~~The agenda shall be made available to GVR members on the GVR website and at the Board meeting in hardcopy.~~

B. Protocol and Conduct for Board Meetings updated 5/24/16

1. Board meetings shall be announced in all available electronic and print media and are open to the general membership.
2. Special meetings of the Board may be called by the President or the Vice President, due to special circumstances or at the request of any two (2) Directors. Directors will be given two (2) days written notification of any special meeting. An agenda will be provided once the meeting is set.
3. Meetings shall be conducted under the latest edition of Robert's Rules of Order, Newly Revised, unless otherwise determined by the Board.

4. Board meetings shall be held at least quarterly, at a place and time determined by the Board.
5. The Board will use the following small board protocol during Board meetings:
 - a) Board members do not have to stand, but should be recognized by the President to speak or make motions.
 - b) Motions must be seconded.
 - c) Each board member may speak for no more than ten (10) minutes per topic.
 - d) Informal discussion is allowed on non-motion topics.
 - e) Votes will be taken by a show of hands (or vocal, if attending electronically).
 - f) To vote on a subject, a formal motion must be made.
 - g) The President need not stand when putting items to a vote.
 - h) The President may debate, make motions and vote.
6. GVR members shall be permitted to address the Presiding officer of the Board to provide input, subject to the following protocols:
 - a) Member comments shall be addressed to the Presiding officer and shall not address the actions of one or more individual directors.
 - b) No member may speak until recognized by the Presiding officer. No member may interrupt another member while he/she is speaking.
 - c) Members shall act in a courteous and civil manner.
 - d) A member must identify him/herself by name and provide their GVR Number or GVR property address prior to addressing the Presiding officer.
 - e) Members are encouraged to provide written comments in addition to verbal remarks.
 - f) Members may speak to action items being considered at each regular or special session of the Board after all Directors had have an opportunity to speak to the issue and for no more than one (1) minute, unless additional time is allotted by the Presiding officer.
 - g) Members may speak for no more than two (2) minutes on any GVR-related issue prior to adjournment of each regular or special session of the Board, unless additional time is allotted by the Presiding officer.
 - h) If the President or Presiding officer shall determine in his/her sole discretion that a member's conduct violates one or more rules of proper protocol for receiving member comments at Board of Directors meetings, the Presiding officer may require the member to leave the meeting or move to recess or adjourn the meeting.

7. Board meetings shall not be adjourned until all agenda items have been considered, except by a two-thirds (2/3) affirmative vote of the Directors in attendance.

C. Minutes of Board Meetings – updated 9/25/2018

1. The Director of Administrative Services or other designee shall take minutes at regular, annual and special Board meetings.
2. Minutes shall be retained with other corporate documents in a secure location.
3. Recordings of all open Board meetings shall be made and kept under the custody of the Director of Administrative Services in the Administrative Offices until the minutes have been approved.
4. Minutes of the Board meetings will list the names of voting Directors in the minority of each vote as well as any Director abstaining from said vote. The person providing the second will not be named in the minutes. Minutes of Board meetings shall contain summaries of the actions taken at the meeting. Committee reports which are “informational only” will not be summarized in the minutes. These reports will be noted “received and placed on file.” Member comments are not part of the minutes. DRAFT Board minutes shall be posted to the website as “not yet approved” prior to formal approval by the Board of Directors.

D. Use of Legal Counsel – updated 5/22/2019

1. The President or Vice-President shall make initial contact with GVR’s legal counsel on all Board and Board committee matters when needed. Committee chairs needing a legal opinion shall provide the question(s) to the President or Vice-President or and shall not contact the attorney directly.
2. GVR contracts, Bylaw changes and all similar documents shall be submitted to legal counsel for review and comment prior to approval by the Board.
3. The President may assign the Chief Executive Officer to make contact with GVR’s legal counsel, as needed.
4. The Chief Executive Officer shall make the initial legal contact, when needed, on GVR operational matters.

SUBSECTION 4. BOARD COMMITTEES’ DUTIES AND RESPONSIBILITIES

A. Terms of Board Committee Chairpersons

Board standing Committee Chairpersons shall remain active until the appointment of new Committee Chairpersons.

B. Committees of The Board of Directors (updated May 22, 2018)

1. Standing Committee Chairpersons shall be Directors, appointed by the Board President. Ad Hoc and Special Committee Chairpersons shall be appointed by the President, but need not be Directors. All Chairpersons must be approved by the Board.
2. The Board will establish the duties and responsibilities of the committees. Each committee shall make policy recommendations to the Board for consideration.
3. Committee meetings will normally be open to all GVR members, but may be held in closed session, at the discretion of the committee or subcommittee chairperson.
4. The President may establish special or ad hoc committees comprised of members/assigned members in good standing, Directors and Administrative Staff.
5. Committees are not required to follow Robert's Rules of Order.
6. Meetings shall be set by the Chairperson and shall be conducted as needed, but not less than quarterly.
7. At least one other committee member shall be a Director of the Board. Committee members shall be GVR members in good standing, appointed by the Chairperson, and staff members selected by the Chief Executive officer. To the extent possible, committees will include members knowledgeable about the functionality of that specific committee.
8. Directors may attend any GVR committee meeting, whether open or closed. To attend a meeting from a remote site, a request shall be made by email to the committee chairperson at least three business days prior to the meeting. Directors will be provided with all materials otherwise provided to committee members.

C. Duties and Responsibilities of Board Committees

1. Board Affairs Committee
 - a. Recommend modifications in organizational policies and governing values to help guide the Board in achieving its strategic goals. Assist the Board in effectively carrying out its governing functions in such a manner so as to clearly delineate the roles and responsibilities between governance and management.
 - b. Review and recommend revisions, when appropriate, to the governing documents of the Corporation.
 - c. Endeavor to maintain a community link with residents of the greater Green Valley community.
 - d. Review and recommend Board action on group applications for GVR "Club Status."
 - e. Where appropriate, recommend modification to GVR club policies, in keeping with the best interest of the Corporation.
 - f. Review the Articles of Incorporation, the Corporate Policy Manual, and the Bylaws for updates and revisions. Changes may

be editorial, necessary for continuity between governing documents, necessary due to changes made in Board or committees meetings, or proposed by member input.

- g. Forward all proposed revisions to the Articles of Incorporation and Bylaws to legal counsel for opinion, including the effect on tax-exempt status. After consultation, the specific wording of the recommended modifications shall be forwarded to the Board for their review and appropriate action.
- h. Develop pro and/or con statements for ballot proposals being submitted to the membership for a vote. GVR members are strongly encouraged to present their positions to the committee for consideration, and possible inclusion, in the pro and con statements.
- i. Meet with Club officers to adjudicate any disputes concerning the Annual Club Agreement.

2. Fiscal Affairs Committee

a. Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

b. Responsibilities:

1. Review and assist in presenting the annual budgets to the Board. Such review will consist of recommending Reserve, the disposition of the Revenue/Expense Adjustment, and the amount of the Capital Fund Cash Account.
2. Monitor progress toward achievement of annual fiscal objectives.
3. Review financial statements (operations, capital analysis and balance sheet), and report to the Board, as appropriate.
4. Coordinate with the GVR Audit Committee.
5. Review and recommend policy to assure financial control.
6. Review and recommend guidelines for corporate investment policy.
7. Recommend the establishment and the amount of tenant fees, membership dues, initial fees, transfer fees, and assessments.
8. Recommend the financing method to be adopted for specific major projects recommended by the Planning and Evaluation Committee for Board approval.
9. Coordinate with the Planning and Evaluation Committee as it relates to proposed expenditures for capital improvements.

3. Planning and Evaluation Committee (updated 9/27/2016)

a. Membership Considerations:

To the extent possible, the committee will include members knowledgeable about capital projects and members with experience in financial management.

b. Responsibilities:

1. To review and discuss on an annual basis, the capital evaluation requirements, and any documents required for club and miscellaneous capital funding requests submitted to the P&E Committee.
2. To be knowledgeable of the Strategic Plan, Long-term Capital Plan, and Center Assessment Survey to ensure that all capital-funding recommendations comply with these plans.
3. To identify issues and trends that could contribute to the update of aforementioned plans.

4. Audit Committee (Updated 10/28/2014)

a. Membership:

The Audit Committee shall consist of two or more GVR members who should have knowledge of financial reporting and internal control procedures.

b. Responsibilities:

1. The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. The committee is the conduit between GVR and the independent auditing firm. The Committee is not involved in the Corporation's daily accounting functions.
2. The principal functions of the Audit Committee are:
 - a) To recommend a CPA firm to the GVR Board to act as the corporation's independent auditor.
 - b) To review the independent auditor's terms of engagement.
 - c) To review the results of each audit including opinion qualifications or expectations.
 - d) To review the auditor's management letter and GVR management's response.
 - e) To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
 - f) To review the adequacy of internal financial controls with GVR management and the audit firm

5. Nominations & Elections Committee (updated May 22, 2018)

a. Membership

1. The Chairperson shall be a Director, recommended by the President and approved by the Board of Directors.
2. There shall be at least one (1) other Director on the committee, and a minimum than two (2) GVR members who

do not serve on the Board selected by the Committee Chairperson. Committee members shall be members of GVR, selected by the Committee Chairperson. The members of the Committee selected by the Chairperson shall represent various geographic areas to the extent possible. Committee members will serve a one (1) year term, provided however, any member of the Committee who becomes a candidate for election to the Board of Directors shall resign from the Committee immediately.

NOTE: refer to CPM Section VI, Subsection 4(B)(1) and (7)

3. An Administrative staff person will serve on the Committee and will be selected by the CEO.

NOTE: refer to CPM Section VI, Subsection 4(B) (7)

b. Responsibilities:

1. Nominations

- a) Determine the qualifications and eligibility of each candidate.
- b) Submit a slate of qualified candidates to the Board of Directors at least one hundred and twenty (120) days prior to the Annual Meeting.
- c) Post the slate of candidates to the membership no less than ninety (90) days prior to the Annual Meeting and determine how candidates shall be presented to the membership.
- d) Obtain names of candidates submitted by nomination petition to the Secretary, within the deadline (sixty (60) days prior to the annual meeting), if any, and determine the qualifications and eligibility of same.

2. Election Process

- a) Recommend to the Board a record date to determine the eligible roster of voting members which shall be no more than thirty (30) days prior to the election. If Board of Directors fails to set a record date, the record date shall be the date of ballot delivery.
- b) Submit the final slate of candidates for the ballot to the CEO.
- c) Establish a list of members eligible to vote as of the record date and provide this list to any outside agency conducting the election, if necessary.
- d) Establish the deadline for the return of ballots which shall be no later than 4:00 pm on a date at least five (5) days before the Annual Meeting.

- e) Verify that the final ballot and ballot materials have been reviewed and approved by GVR's general counsel.
- f) The ballot reply shall display all information deemed necessary for validation purposes for use by the Committee.
- g) Each candidate shall appoint two (2) GVR members, who are in good standing, to participate in the validation and counting of paper ballots.
- h) The counting of ballots, at the discretion of the Board of Directors may be conducted by an independent organization (e.g., Pima County Elections or electronic voting firm), in which case the results shall be obtained from the organization by the Nominations and Elections Chairperson or their representative.

NOTE: refer to Bylaws Article V, Section 3

3. Election Results

- a) The Committee shall have the validation/counting process completed at least two (2) business days prior to the date of the Annual Meeting or Special Meeting.
- b) At the conclusion of the election, obtain the results of the election, including the establishment of a quorum.
- c) The Chairperson shall notify the Board Secretary of the results of the election.
- d) In the election of Directors, if there are fewer than fifty (50) valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or less than a fifty (50) vote difference on any other ballot issue, then the Board may, at its sole discretion, order a recount.
- e) The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting. Successful candidates shall be announced in the order of the total votes received. The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.

4. Post-Election:

At the conclusion of the election, the ballot materials and the results thereof shall be submitted to the CEO. The CEO will maintain these records for a period not less than three (3) years in accordance with the Arizona Nonprofit Corporation Act.

~~5. Board Orientation & Training~~ **GP 3.1.4**

~~Arrange appropriate in-service training, as required, for the Board. Ensure that Board orientation programs are held annually.~~

~~SECTION VII – CHIEF EXECUTIVE OFFICER~~

~~Section VII was approved by the GVR Board of Directors on March 25, 2014; except as amended.~~

~~This section is now covered in the Ends and Executive Limitations of the PG Manual... all of the policies. The Board agreed that all parameters placed on the CEO are now covered in the PG Manual.~~

~~SUBSECTION 1. AUTHORITY OF THE CHIEF EXECUTIVE OFFICER~~

~~The Chief Executive officer (CEO) has overall responsibility for the planning and operation of the corporation and is responsible for management of day-to-day operations. The Chief Executive officer shall have decision-making authority/responsibility for decisions, including, but not limited to, how policies and goals are attained; organization and control of resources; management of professional competence, and full control over operations, organizational behavior, subordinate managers and employees, human resource development, annual budget construction, execution of Board approved budgets, and the implementation of action items within each program area. The CEO provides organizational leadership and support for the Board in achieving GVR's vision, completing its mission, and executing its strategic plan. The CEO serves as the community liaison and is responsible for enhancing the visibility of the organization locally, regionally and nationally. The CEO serves as the Public Information officer for GVR. The Chief Executive officer may delegate authority to staff, as appropriate.~~

~~A. Fiscal Authority~~

~~In order to conduct business activities consistent with the mission of GVR, financial stability and integrity must be maintained.~~

~~The Chief Executive Officer shall:~~

- ~~1. In conjunction with the Chief Financial Officer, develop the annual budget for Board approval which ensures maintenance of facilities, availability of member programs, and operation of the Corporation in accordance with the 5 year plan.~~
- ~~2. Manage expenditures within the approved budget without incurring indebtedness.~~
- ~~3. Develop and maintain sound financial practices.~~
- ~~4. Oversee the fiscal management of GVR, including authority to approve financial matters, implement fiscal controls, execute reoccurring operational contracts and leases, fund expenditure approvals, and maintain accurate accounts of every financial transaction of GVR.~~
- ~~5. Set rental rates for not for profit organizations not affiliated with GVR.~~
- ~~6. Seek approval of all expense reports of the Chief Executive Officer by the Board Treasurer.~~

~~B. Programmatic Authority~~

~~The Chief Executive officer has the authority to act in accordance with the mission and stated purpose of GVR.~~

~~The Chief Executive officer shall:~~

- ~~1. Protect the non-profit status of GVR.~~
- ~~2. Provide a safe environment for members of GVR.~~
- ~~3. Structure the organization to continually improve operations and make changes as necessary to the organizational structure.~~
- ~~4. Develop policies for disseminating information to the membership and general public.~~
- ~~5. Participate in development and maintenance of short and long range strategies.~~
- ~~6. Review proposed GVR projects and programs.~~

~~C. Human Resources~~

~~The Chief Executive officer directs the human resources of the organization. It is critical that the human resources of GVR are organized to perform at an optimum level for the corporation, through both paid and volunteer staff. The Chief Executive officer shall:~~

- ~~1. Maintain comprehensive HR policies and practices which are aligned with U.S. and Arizona law.~~
- ~~2. Serve as Equal Employment Opportunity and Diversity officer.~~
- ~~3. Develop and recommend to the Board compensation packages that are competitive within Pima County and Southern Arizona.~~
- ~~4. Ensure that there is an effective management team, support staff, and volunteer system in place. Effectively manage the Human Resources (HR) of the organization according to authorized personnel policies and procedures that fully conform to current laws, regulations and corporate policy.~~
- ~~5. Ensure the development and implementation of personnel training programs that enhance the human resources of the organization and ensure qualified employees and volunteers.~~
- ~~6. Maintain a climate that attracts, retains, and motivates top quality people – both paid staff and volunteers.~~

~~D. Board Relationship~~

~~The Chief Executive officer shall:~~

- ~~1. Participate with the President of the Board in developing agendas for meetings, and provide appropriate information so that the Board may make informed decisions.~~
- ~~2. Keep the Board fully informed on the condition of the organization.~~
- ~~3. Inform and support all Directors so that they may contribute to the Board effectively.~~

- ~~4. Work with the President and Committee chairs to ensure that Board Committees function effectively.~~
- ~~5. Assist Board members in better understanding corporate policies and recommend policy changes to the Board, as necessary.~~
- ~~6. Work cooperatively with the President and be responsible and accountable to the entire Board.~~

~~**E. Other**~~

~~The Chief Executive officer shall:~~

- ~~1. Monitor and ensure compliance with federal and state laws, Pima County regulations and ordinances, and GVR's Articles of Incorporation, Bylaws, Corporate Policy Manual, and Corporate Operations Manual.~~
- ~~2. Be responsible for the organization's achievement of its vision, mission, and goals.~~
- ~~3. Administer and implement all corporate policies.~~
- ~~4. Develop a public awareness program to promote GVR.~~
- ~~5. Assure the organization and its mission, programs, products and services are consistently presented in a strong, positive image to members.~~
- ~~6. Be responsible for setting hours of operation for facilities, and for publicizing those hours by various GVR and non-member groups.~~
- ~~7. Be authorized to deny facility access to any group or to cancel any event, even if in progress.~~
- ~~8. Authorize the voluntary dissolution of GVR clubs.~~
- ~~9. Perform other duties as prescribed by the Board of Directors.~~

SECTION VIII – GVR PROGRAMS/CLUBS

Section VIII was approved by the GVR Board of Directors January 22, 2013; except as amended.

SUBSECTION 1. GVR PROGRAMS

A. Objective

The objective is to provide recreation, social, and leisure education opportunities that enhance the quality of our members' lives.

B. Acceptance of Grant Funding

GVR is permitted, by policy, to solicit grant funding to subsidize operational expenses related to special events and cultural programs. It is acknowledged that accepting grants from publicly supported funding agencies may dictate that these programs be open to the public. The fact that grant monies may have been received shall not interfere with GVR's ability to provide advertised services to its members, as prescribed by governing directives. GVR shall retain final approval of specific programs supported by grants.

C. GVR Activities Open to the General Public

1. Activities available to non-members, for a fee, e.g. concerts, plays, and classes.
2. Activities which are funded or partially funded by public agencies, e.g. U. S. Service Bands, Senior Olympics, Arizona Commission on the Arts programs.
3. Special events approved by the Chief Executive officer, e.g. Craft Fairs, Town Halls.
4. Any group renting a GVR facility may invite the general public.

D. General Public Ticket Surcharges

A surcharge shall be added to tickets for GVR public events sold to non-GVR members. However, if there is a co-sponsor, the surcharge may be waived by the Chief Executive officer.

E. GVR As Ticket Outlet for Non-GVR Sponsored Programs

1. GVR may act as a ticket outlet for organizations located outside Green Valley and community organizations within Green Valley.
2. Tickets shall be sold to both GVR and non-GVR members. However, ticket prices must include a discount for GVR members.

SUBSECTION 2. GVR CLUBS – (updated 9/23/14)

A. Organization

1. Any group with thirty-five (35) or more GVR members, interested in pursuing a particular field of interest, consistent with the mission of GVR, may join together and form a GVR Club, as long as a similar club doesn't already exist within GVR.
2. All members of a group requesting "Club Status" must be members of GVR.
3. The group may formally request that the Board grant them GVR "Club Status," which entitles the group to a scheduling priority for reserving on an annual basis in GVR facilities.
4. A club application, available at the Administrative Offices, must be submitted to the GVR Club Liaison.
5. The Club Liaison shall review the completed application and submit a written recommendation to the Chief Executive officer, or designee.
6. If the Chief Executive officer agrees that the club request is in order, a copy of the club's information is given to the Chairperson of the Board Affairs Committee, for inclusion in the next scheduled Committee meeting, agenda permitting.
7. Representatives of the prospective club shall be invited to the Committee meeting to speak on behalf of the club.
8. If the Board Affairs Committee approves the prospective club for recommendation to the Board, representatives from the club shall be invited to attend the next meeting of the Board to speak on behalf of the club.
9. If the Board approves the request for club status, the Club Liaison will file for an Employers Identification Number (EIN) on behalf of the club, if the club has not already filed for an EIN.
10. If a prospective club request is denied the Chief Executive officer shall notify the club representative in writing.
11. The newly established club will operate independently of GVR but will be required to follow all rules and guidelines set forth by the Board of Directors.
12. The Club Liaison will retain a club file in his/her office.

B. Membership/Guests/Monitoring (updated 8/29/2017)

1. Club membership shall be open to all GVR members and they shall

be entitled to participate in any meeting or activity. Clubs may not grant honorary membership, or their equivalent, to anyone who is not a GVR member. Any GVR member who is refused admission to a club shall notify GVR administration at once. All club officers shall be club members.

2. Clubs may establish prerequisites for joining their activity such as training or an orientation.

3. Clubs must maintain at least twenty-five (25) active members to retain their "Club Status." Clubs which fall below the minimum number of members will jeopardize their "Club Status." If a club's membership falls below 25, the Club Liaison will contact the club President and offer suggestions on ways to increase membership. If efforts to increase membership are not successful, the Club Liaison will advise the Chief Executive officer. If necessary, the CEO will bring the issue to the Board Affairs committee, who shall make a recommendation to the Board.
4. If it is determined by the Club Liaison that there is a fifty-percent (50%) or more crossover in activities and/or interests in two or more clubs of the same type, those clubs may be consolidated.
5. Clubs may not affiliate with any national, state, or regional organization that requires GVR members to join its external organization. Optional membership in such organizations is allowed.
6. Clubs may grant guest privileges, at their discretion, to guests of GVR Members and, if authorized by the Board, other non-GVR Members upon payment of a guest fee to GVR.
7. GVR Clubs shall establish an effective monitoring system to ensure that only GVR members and eligible guests attend meetings and activities of the club.
8. GVR clubs that present performances to the membership and general public will be permitted to use non-GVR individuals in performing or production roles under the following circumstances:
 - a) Club members with the necessary qualifications are not available.
 - b) Approval must be obtained from the GVR Club Liaison on a case-by-case basis.
 - c) Each non-GVR individual must sign an agreement acknowledging that he/she will not be covered by GVR corporate worker's compensation nor listed as an additional insured in any GVR commercial insurance policy.
 - d) The agreement will note the terms and conditions of their involvement in the production and will not last beyond the specified performance(s).
 - e) Should the individual be a minor, then the parent/guardian must sign the agreement on his/her behalf.
 - f) GVR will permit student participation in a production with the acknowledgment and sponsorship of the student's school administration.
9. To use GVR facilities, GVR competitive teams must be comprised solely of GVR members.
10. The non-GVR guest policy for competition or participation in clubs is as follows:
 - a) GVR Clubs may host competitive events and allow non-GVR members or guests to participate. The club must notify GVR's

Club Liaison prior to the scheduled event. Documentation outlining the nature of the competition(s) will be required for each event. Non-GVR members or guests are only authorized to use GVR facilities associated with the event, including warm-ups/practice time.

- b) League play may occur if there is a reciprocal agreement to play at each other's facilities.
 - c) Outside of league play, Clubs may grant participation to guests at their discretion, as long as those individuals are eligible guests as defined in Section II, membership.
11. Non-GVR Member Club Participant Policy:
- a) Clubs listed as Social or Dance Clubs on GVR's website may allow non-GVR members to attend their events.
 - b) Non-members must sign a waiver.
 - c) Non-members will pay a fee established by the Board of Directors.
 - d) Clubs will remit fee and record of attendance to GVR club liaison for deposit.
 - e) Board Approved Clubs may apply to for a waiver of fees annually. Board Affairs Committee will review applications to determine if fees are a hardship to the club and make a recommendation to the Board of Directors. Clubs will be notified of Board's decision.

C. Insurance

1. GVR shall provide liability insurance for all GVR clubs and club activities sanctioned by GVR.
2. Club Directors and officers (D&O) insurance is not provided by GVR. Clubs desiring this coverage need to contact a commercial insurance broker. If purchased, a copy of the Binder shall be provided to the GVR Club Liaison.
3. When a club holds an Arts and Crafts Fair, festival, or any large event open to the general public, they must list GVR as an Additional Insured when completing the application for the Special Events Liability insurance policy.
4. GVR is responsible for insurance coverage and personal property taxes on GVR owned property only. It shall be the responsibility of each club to obtain necessary insurance on any equipment not owned by GVR, but located on GVR property, e.g., music instruments, computers, radios.

D. Financial and Tax Requirements

1. GVR clubs shall operate under a non-profit status

- consistent with IRS Tax Code 501(c) 4.
2. Each club must obtain an IRS Employer Identification Number (EIN) and provide that number to the Club Liaison.

3. GVR clubs are responsible for any local, state, or federal taxes incurred as a result of club activities.
4. Clubs shall maintain a simple bookkeeping system, recording all income, source(s) of income, and expenditures. They shall submit a financial report to the GVR Chief Financial Officer annually. The financial report is due by Feb 1st of each year.
5. All GVR clubs shall file appropriate tax documents and provide a copy to the GVR Club Liaison.

E. Sales Tax

1. Because of GVR's 501(c) 4 non-profit status, Hobby Shops must collect sales tax on items sold from their studios, including supplies purchased by club members.
2. If a club intends to routinely sell items or be a retail market, a Business License must be obtained and sales tax must be applied to all transactions. Clubs who do not obtain a Business License may not display "for sale" items in GVR display cases.
3. Clubs that engage in retail sales are required to comply with all state and federal regulations, including the filing of required tax documents.
4. Clubs may display "for donation" items in a GVR window or display case. Clubs may not set a firm donation amount, but may post a "suggested donation" sign.
5. When a club displays items with only a contact name and telephone number, sales must be conducted off GVR property. A club member's transaction outside GVR facilities is a personal tax liability of the member and not the responsibility of the Club or GVR Corporation.
6. Sales tax is not applicable to services (such as glazing or firing), but the payment for the service must be reported as income on the club's year-end financial report to both state and federal agencies.
7. If a club purchases a product(s) from a vendor for resale to its members, the club will need to obtain a Business License from Pima County. Once that is completed and the club places an order for a product(s) from a vendor, they will file a 5000A (Arizona Resale Certificate) with that vendor and will not pay any state sales tax for the products. When the club sells that product(s) to its members, the club member will be charged the appropriate sales tax at that time. The club must then register with the Arizona Department of Revenue and the monthly or quarterly reports are filed appropriately.

8. It is the responsibility of each individual artist to secure an Arizona Transaction Privilege Tax License if they plan on selling their items.

F. Facilities

1. GVR is responsible for facility expansion in order to provide existing levels of services for a growing GVR membership or support increased usage due to changing trends.
2. Requests for dedicated space shall be evaluated on a case-by-case basis. The cost of any modification or expansion of facilities may be shared if mutually agreed upon. Any such expansion or modification shall become the property of GVR.
3. Clubs that don't routinely utilize at least 50% of their dedicated space may be reassigned to a more appropriate sized facility.
4. GVR reserves the right to modify facilities and determine usage requirements as a result of changing trends.
5. GVR facilities are compliant with the Smoke-Free Arizona Act. GVR Clubs are responsible for reading, understanding and enforcing the Smoke-Free Arizona Act when meeting in GVR facilities. Club representatives may be asked to sign a Compliance form acknowledging receipt of the Smoke-Free Act. If a violation is discovered and corrective action is not taken, the club may be responsible for paying any fine(s) assessed to GVR.

G. Reservations (Revised 9/23/2014)

1. Reservations will be assigned in the following order:
 - a) Board of Directors
 - b) Recreation Staff (e.g. special events, classes, concerts, programs, annual festivals and performances)
 - c) Regularly scheduled club events (weekly and monthly)
 - d) Clubs with dedicated space are required to use their dedicated space for meetings and events. Exceptions will be made for special events that cannot be accommodated in a club dedicated space.
 - e) Community events (e.g. HOA) and rentals
 - f) Club one-time special events or parties
 - g) Private member functions
 - h) Club additional ongoing activity requests
2. GVR Chief Executive officer (CEO) has the authority to make exceptions and changes to reservations policy as needed to accommodate special circumstances.
3. Reservation requests are subject to review on an annual basis. The availability of Facilities is not

guaranteed each year. Reservations are based on the number of requests for available space.

H. Clubs and Class offerings

1. Clubs are welcomed to provide instructional classes for club members and/or all GVR members. Due to Internal Revenue Guidelines for Independent Contractors working with or through

GVR, Workers Compensation and General Liability issues, GVR has the following policies:

- a) All club classes must be offered through GVR's Instructional Class Program. Clubs must contact the GVR Recreation Supervisor for complete procedure information, submit a class proposal, and/or be informed of exceptions to this policy.
- b) Instructors will be required to complete a W-9 and/or other necessary documents prior to their start date.
- c) GVR may require instructors of high risk classes e.g., tennis, pickleball, swimming, to obtain an additional one million dollar liability policy.
- d) The current Instructor/GVR split is: 70% of registration fees to the Instructor and 30% of the fees to GVR.
- e) GVR will work with individual clubs to schedule and promote their classes. GVR can also provide administrative support, when needed e.g., contacting registrants, distributing supply lists, providing class lists.
- f) All clubs must be in compliance with these policies. If a club holds a class in a GVR facility without going through the proper channels, they are in direct competition with the GVR Instructional Program. Such an action can lead to club suspension and/or GVR membership suspension.
- g) Classes or workshops that are offered free of charge to club members (or to all GVR members), may not be subject to these guidelines. We encourage the club representative to contact the GVR Class Supervisor to review the specific requirements under those circumstances.

I. Club Reporting and Records Management

1. All GVR clubs are required to sign and submit an Annual Club Agreement which outlines the club's responsibilities to GVR and what they can expect from GVR in return. If a club refuses to sign or does not fulfill their requirements, GVR may require the club to meet with the Board Affairs Committee for review.
2. All clubs shall maintain a continuity of records and shall preserve all correspondence and minutes for a period of no less than three years. Club records are kept for the prescribed period of time in accordance with administrative policies for record retention.

J. Club Bylaws

Club Bylaws are the governing documents for the club. It is important that they be kept up-to-date and current with the club's activity. GVR suggests that clubs review their Bylaws each year or when a change of officers takes place. Club Bylaws shall be resubmitted to GVR no less

than every five years, or as needed.

Add appeals process for owners.

K. Member Code of Conduct

1. Clubs within GVR are often faced with internal conflicts between club members or behavioral issues. The GVR staff does not resolve conflicts between individual club members nor do they get involved with internal policies written and enforced by the clubs. GVR's main responsibility to all clubs is to support their club activities. However, if a theft of property, immoral conduct, violence or a violation of the GVR Code of Conduct occurs, GVR staff will investigate the situation until the matter is resolved. If any incidents occur, an incident report shall be completed within 24 hours and submitted to GVR's Club Liaison. A copy of GVR's Code of Conduct is displayed in all facilities and printed on the back of each member's photo ID card. It states that all users of GVR facilities are required to comply with published rules and regulations. All users are expected to show common courtesy to employees, directors, volunteers and other members and guests. All users shall refrain from using offensive language and participating in offensive behavior; such actions shall not be tolerated. Members are responsible for the conduct of their guests. Any violation of GVR's Code of Conduct may result in a member having their rights and privileges suspended.
2. A club consists of members who appoint a Board of Directors made up of club members to handle the affairs of the club. When the Board of Directors of a club is faced with taking action against a club member, it is the responsibility of the entire Board, not just one or two individuals of the Board. Proper documentation of a situation must be kept before any action can be taken against a club member. GVR must always be kept informed of such situations so that GVR's records can be documented, as well. A change in a member's behavior should not be taken lightly. There are various ways in which clubs can handle member complaints and conduct issues. Two suggestions are outlined below:

a) THREE STRIKE RULE

1. Strike One: If a club member begins to be disruptive or abusive a club officer or designee should take the individual aside and talk to them privately. Let them know that their behavior will not be tolerated and if it does not stop, they will be asked to leave. Documentation must be kept on file in all instances, in case you need to refer back to a particular

incident.

2. Strike Two: If the individual continues to be disruptive or abusive the Club President or designee will write a letter to the individual restating GVR policy and possible consequences. A copy of the letter must be provided to GVR's Club Liaison.

3. **Strike Three:** If the behavior has not been corrected, the club's Board of Directors has the authority to remove the individual from their membership. A removal letter must be provided to the member and GVR's Club Liaison. Every opportunity to correct a problem should be given to the club member before dismissal from the club. If personality conflicts between members are the problem, they would also be handled as stated above. An equal and fair opportunity should be given to all parties involved.

i) PEER COMMITTEES

It may be beneficial for clubs to appoint peer committees to serve as mediators when a conflict arises within a club. Their basic function is to investigate and listen to all sides of the story and arrive at a resolution. If a resolution cannot be agreed upon, the matter would go to the club's Board of Directors to handle. At all times, GVR must be kept informed of any conflicts and their outcome.

L. Dissolution of a Club

1. Should a club choose to dissolve, they must notify the GVR Club Liaison. The Chief Executive officer will authorize the formal dissolution of the club.
2. In the event of dissolution of a club, after all bills are paid, club property remains the property of GVR.

SUBSECTION 3. HOBBY SHOPS AND STUDIO CLUBS

A. Basic Services

1. Arts and crafts facilities are intended for the member's pursuit of hobbies. GVR prohibits the commercial use of its arts and crafts facilities. Mass production of articles to be sold for private gain is prohibited.
2. If determined to be in the best interest of the membership as a whole, GVR may underwrite basic services of the clubs which include: 1) facilities, 2) utilities, 3) custodial and maintenance service, 4) counseling and administrative support, 5) fixtures (multi-use tables, chairs, amplifier systems, chalkboards), and 6) initial equipment basic to the activity.
3. Hobby shops and studios must be self-supporting through dues, class fees and other miscellaneous revenues. Income derived from studio users and hobby shops shall be used to offset both consumable supply expenses and instructor salaries.

B. Equipment

1. Equipment belongs to GVR, whether it is the original equipment, replacement of original equipment, or additional equipment subsequently purchased by the club. Equipment includes, but is not limited to, machines, computers, furniture, machine tools, building fixtures, building improvements, carpeting, and kilns.
2. The replacement and/or repair of hobby equipment located in the hobby shops is the responsibility of the club.
3. GVR is responsible for building maintenance (i.e. plumbing, electrical, roof leaks, etc.) within the dedicated club space.
4. Consumable supplies and operational expenses incurred because of the nature of the activity performed shall be the sole responsibility of the GVR club.
5. Additional equipment acquisitions, both capital and operational, which serve to enhance or expand the capabilities or service of the hobby shop, shall be considered improvements and are the sole financial responsibility of the club. Such additional equipment acquisitions shall become the property of GVR.
6. Club-utilized equipment may be sold or traded by the club provided that: a) property traded for shall be utilized by the club; b) proceeds from sales shall be utilized for the procurement of property for club use; and c) approval shall be obtained from the Chief Executive officer or his designee.

C. Members' Use of Hobby Shops

1. Members who supervise the hobby shops shall pay annual dues to their club in lieu of a usage charge. Some hobby shops allow usage by guests and a small fee may apply. Please check individual club's Bylaws for their policy on this issue. This fee, and the dues and income of the club, are expected to provide funds for the purchase and replacement of equipment and for the maintenance and upkeep of equipment.
2. It is the intent of GVR that dedicated club spaces not be overly unfairly utilized by members mass producing items for resale. While a tax number constitutes commercial intent, not all members making items for sale create a burden on a dedicated space's facilities. If, in the eyes of fellow club members, a member with a tax number is overburdening the facility (storage space, access to equipment, etc.), the club's Board must take appropriate steps to resolve the issue. If the club's Board fails to act in an appropriate or timely manner, GVR's Club Liaison will resolve the dispute.

D. Merchandise/Product Sales

1. GVR recognizes that finished craft pieces are sold through display cases in Hobby Shops. Because of the organization's non-profit private club status, sales may only be made to GVR members or their guests with appropriate GVR identification.

2. Purchases from prospective GVR members, accompanied by a local realtor, are acceptable, as long as the realtor is a GVR member.
3. Arts and Craft Fairs are exempt from the member/guest only sales restriction because the IRS considers such events as occasional and incidental sales activity.
4. Materials sold through the Hobby Shops for the production of crafts may only be sold to club members.

SUBSECTION 4: LIQUOR POLICY

- A. The sale of intoxicating beverages is not permitted on GVR premises without a special sales permit or liquor license and appropriate liquor liability policy. Prior to applying for a liquor license, permission must be received from the GVR Chief Executive officer.
- B. Club members are permitted to bring their own beverages (BYOB) to a club activity. However, written permission must be obtained from GVR at the time the reservation agreement is signed or prior to the event or activity. No alcohol may be stored in a GVR facility.

SECTION IX– RISK MANAGEMENT

Section IX was approved by the GVR Board of Directors on August 23, 2011; except as amended.

SUBSECTION 1. GENERAL POLICY

GVR recognizes that good risk management is in the best interest of the organization and has assigned this responsibility to the Chief Executive officer as an operational issue. The objective is the effective risk management of property and casualty losses to which GVR is, or may be, exposed.

SUBSECTION 2. DISASTER RECOVERY

A. Priorities

GVR's three main priorities in a disaster recovery situation shall be:

1. Protect and care for the people who are at the disaster site.
2. Protect all GVR assets located at the site.
3. Ensure business continuation as quickly and effectively as possible.

B. Disaster Manual

1. Staff shall maintain, and update as needed, a manual, located at all volunteer monitor locations, as a readily available method of effectively responding to a disaster affecting GVR and surrounding community.
2. The manual provides a means for personnel to find correct information quickly and to adjust to a disaster.
3. The manual includes a plan for recovery from the effects of a disaster after the emergency has been addressed, to the point where all normal operational functions are restored.

C. Disaster Recovery Team

1. The Chief Executive officer has the prime responsibility for the creation and successful operation of the Disaster Recovery Team. The Chief Executive officer functions as the principal Public Information officer (PIO), who provides communications to media and membership regarding process, direction, and progress of recovery effort.
2. Risk Management Committee shall be appointed by the Chief Executive officer. Members collectively shall have expertise in insurance, risk management, loss mitigation, Medical, contracts and finance. Appointed GVR staff members shall include Buildings Services Manager, Chief Financial Officer and IT Director.
3. Risk Management Committee has the responsibility to review Corporate Insurance for adequate coverage.

4. The Disaster Recovery Team has primary responsibility of maintaining member services during a disaster. The Chief Executive officer shall coordinate with GVR Board when additional revenue, equipment, or staff is needed to fulfill this mission. The Chief Executive officer shall assist the Risk Management Committee with direction as to facilities and planning.

SUBSECTION 3. INSURANCE

A. The Following Insurance Coverages Shall Be Maintained By The Corporation:

1. Property Insurance on Buildings and Contents
2. Business Interruption Insurance
3. General Liability
4. Electronic Data Processing
5. Crime, Employee Dishonesty and forgery
6. Automobile
7. Umbrella Liability
8. Directors and officers Liability
9. Employment Practices
10. Fiduciary Liability

B. Volunteers and Members

GVR volunteers and members shall be listed as additional insureds in its general liability protection coverage

SECTION X– MISCELLANEOUS

Section X was approved by the GVR Board of Directors on September 27, 2016; except as amended.

SUBSECTION 1. COMMUNICATIONS POLICY

POLICY STATEMENT

As an integral part of the greater Green Valley, Arizona community, Green Valley Recreation, Inc. (GVR) strives to maintain open and transparent communications in order to foster good relations with its members, news organizations, and the general public.

To this end, GVR uses several communication vehicles to provide news, information and updates. These vehicles include, but are not limited to:

1. a monthly newsletter
2. an electronic, email newsletter
3. an email address for the Board and an email address for general inquiries
4. websites and apps
5. timely postings of Board and Committee meeting agendas and materials and subsequent meeting minutes
6. social media

Because GVR is a private corporation, it is not subject to the same laws that govern municipalities, such as open meeting statutes or laws that protect freedom of speech and freedom of assembly. GVR is under no obligation to publicly disclose all information about the organization and may keep certain information relating to its members, employees and its operations confidential. All GVR directors, employees, and volunteers are required to abide by GVR's confidentiality policies.

A. EXTERNAL COMMUNICATIONS

1. Public Information officer (PIO) as Point of Contact

To ensure the orderly release of accurate and consistent information to the general public and news media, GVR's Chief Executive officer (CEO) shall serve as the official Public Information officer (PIO) for the Corporation [See *GVR Corporate Policy Manual (CPM)*, Section VII-Chief Executive officer] or may delegate such responsibility. The PIO shall be the single point of contact for inquiries from non-members (the general public) and news media.

Other GVR staff, as appropriate, may field inquiries from current or prospective GVR members. All public and media inquiries shall be directed to the designated PIO spokesperson, who shall consult with senior managers, if necessary, to confirm information prior to release. The CEO shall approve in advance all press releases. This process ensures that the release of information to the general public and news media is consistent with GVR's governing documents and policies and helps to prevent misunderstandings, misinterpretations, and confusion.

2. Information Prohibited from Public Release

GVR protects the confidentiality of certain information in conformance with its governing documents and applicable laws. For this reason, GVR will not release information nor comment on the following:

- a. Member information and records
- b. Employment records and employees' personal information
- c. Privileged information between the corporation and its legal counsel
- d. Information related to pending litigation
- e. Any information that was made available in an Executive Session of the Board of Directors
- f. Any information prohibited from public release by local, state or federal laws
- g. Any information in which public disclosure would not be in the best interest of the Corporation

3. Correction of Inaccurate Information

GVR will take steps to correct inaccurate information published or reported by external media about the Corporation as soon as reasonably practicable after its discovery. Such steps may include a request for a correction to be published and/or a written opinion piece submitted to the media outlet. The nature and seriousness of the misinformation shall be considered in determining the most appropriate course of action.

4. Media & Public Access

As a private, nonprofit 501 (c)(4) organization, GVR is obligated to ensure that only authorized members, guests, and visitors are allowed access to its facilities and programs in conformance with its Bylaws. For this reason, the Corporation may deny the use of its facilities to any outside group that, in its judgment, does not further the interests of GVR and its members. GVR may also deny requests

for access or information by news organizations if it is determined that the nature of the visit or inquiry is not in the best interest of the Corporation and/or its members.

5. Media Access

Members of the news media may request access to GVR, its members, clubs and programs for the purpose of developing news items subject to certain restrictions. GVR has an obligation to protect the privacy of its members without intrusion or disruption of their visits to or utilization of our facilities.

Media representatives (e.g. reporters) are also welcome to attend members-only functions held on GVR property (such as GVR club events) or events hosted by outside groups that are renting GVR facilities if they have been invited to such events. Media representatives shall notify GVR in advance if they wish to attend non-public events to which they have not received an invitation from GVR or the event's host such as GVR classes, and all other activities at any GVR facility (including meeting rooms, sports courts, fitness centers and pools/spas).

Media representatives shall be required to provide the general nature of the visit, who they wish to interview, and which facility they wish to visit. A GVR employee may be designated to accompany the media representative to the event. GVR reserves the right to deny the request if it is determined that the nature of the visit is not in the best interests of the Corporation and/or its members.

For the safety and privacy of members and employees, still or video photography at private events is prohibited without prior written approval from GVR and signed waivers from every individual whose image is photographed or videoed.

6. Media Coverage of Public Events

News organizations are welcome to attend any program or event at GVR that is open to the general public and community upon payment of the regular admission fee, if any, or with a complimentary ticket if provided by GVR. Examples of public events include live performances, annual Health Fair, annual Artisans Fair, GVR Foundation's Southern Arizona Senior Games, lecture series, GVR Center open houses and ceremonial dedications.

7. Media Access to GVR Clubs

GVR sanctions various clubs, many of which use GVR's facilities for their meetings and activities, and some of which have designated spaces for their club's use. As a courtesy, media representatives who wish to access GVR property to visit a GVR club shall notify the PIO of their visit and its nature. If a GVR Club has invited media representatives to visit their club or attend an event, the club is required to notify the PIO of such visit.

Media representatives invited to GVR facilities by a GVR club are subject to the same rules and regulations as other GVR guests. Clubs officers shall be responsible for ensuring that media representatives comply with such rules and regulations and ensuring the accuracy of any information provided to them.

8. Media Requests for Information – Media Inquiries

GVR wishes to maintain its relationships with media outlets and will respond to any request for information deemed to be in the best interests of the Corporation and its members as determined by the PIO. Requests for information from media will be considered on a case-by-case basis, depending on the nature of the request.

~~B. MEMBER COMMUNICATIONS~~

~~Communications with GVR members are intended to keep members informed of news and information, and shall be accurate, truthful, transparent and timely. Members are encouraged to attend GVR governance meetings to become and remain informed. [Ownership Linkage in PG, and GP 3.0](#)~~

1. Response to Member Communications Sent to Staff

Any written, emailed, or telephone communications received by staff from members that are deemed to be of a serious nature shall be forwarded to the CEO who, at his/her discretion, may consult with the Board President prior to authorizing a response.

GVR will not respond to anonymous, obscene, harassing, belligerent or threatening communications received from any individual.

2. Response to Member Communications Sent to the Board of Directors

Member suggestions made at Board of Directors Meetings or sent to the Board via email or other means may be referred to the chair of an appropriate committee for consideration.

3. Member Requests for Information

The books, records and papers of the Corporation shall, for specific and proper purpose, at all reasonable times during business hours be subject to examination by any regular member of The Corporation upon written demand to the Corporation (see *GVR Bylaws, Article XII, Section 2: Availability of Records*) subject to any applicable confidentiality policy. GVR reserves the right to assess a fee for hard copies of documents requested by members. GVR will not create or generate reports that are not already prepared in the regular course of business.

4. Member Comments at GVR Board of Director Meetings

Members are welcome and encouraged to attend regular monthly meetings of the GVR Board of Directors and are permitted to address the Board at designated times during the meetings. (See *Section VI Board/Board Committees, Subsection 3 Board Meetings B. Protocol and Conduct for Board Meetings*).

5. Email Communications with Members

GVR communicates via email with members to respond to inquiries and to provide news and information to the membership. The CEO or CEO's designee(s) shall serve as GVR Email Administrator and is responsible for responding to email correspondence from GVR members and/or forwarding the communication to the appropriate staff for response.

a. General Email

GVR has established and frequently monitors a general email box (Hotline@qvrec.org) for members to use to make comments or ask questions and which is posted on the GVR website and included in each eBlast and newsletter. The Email Administrator is responsible for monitoring this email box and responding to member emails or forwarding them to the appropriate employee for response. Emails received from members shall be saved and archived by staff as designated by the CEO.

b. GVR Email Updates

GVR has an electronic newsletter (e.g. eBlast) that is sent to subscribers who must "opt in" and agree to receive such email communications. GVR respects the privacy of its members and subscribers, and does not rent, sell, or share subscriber's names, information or contact information, including email addresses.

c. GVR Board of Directors Email Policy (upd. 10/25/2016)

To facilitate communications among GVR Board Directors, GVR's Board-approved "Email Policy" provides each member of the Board of Directors with an official GVR email address, which is to be used solely for governance-related communications between Board members and GVR staff only.

A generic email address for members to communicate electronically with the Board of Directors (board@qvrec.org) is posted on the GVR website and published in each GVR Now! Newsletter. Emails addressed to the Board shall be reviewed by the CEO and the designated GVR Email Administrator who shall archive all such email messages, forward them to the Board President, and copy other Directors. Any director who receives a communication in a personal non-GVR email account that concerns GVR business and/or Board matters shall forward same to the CEO for review and if appropriate, archiving by the GVR Email Administrator.

It is the policy of the GVR Board of Directors that individual Board members shall not use email to discuss, debate, or make policy or operational practice statements related to GVR whether in response to a member's comments or for any other purpose except as may be specifically authorized by the Board.

6. Prohibited Email Communications

The following email communications by GVR's Directors, members, employees, and volunteers are strictly prohibited:

- a. Messages containing offensive language, including, but not limited to, defamatory, racist or obscene remarks
- b. Messages intended to or that would cause a reasonable person to be alarmed, annoyed or harassed
- c. Messages containing an attachment that is from someone other than the member sending the email
- d. Any attempt to disguise the sender's identity or an email with an anonymous sender
- e. Potentially damaging messages, including but not limited to, mass or commercial messages, spam, and messages containing viruses
- f. Messages concerning GVR business and/or operations addressed from a GVR Director's personal email account
- g. Personal emails using a GVR email account

C. ELECTRONIC & SOCIAL MEDIA

GVR may utilize electronic and social media sites (e.g. Facebook™, Twitter™, etc.) to share information on the Corporation's activities and events and for any other purpose related to GVR business. To the extent that such media sites allow individuals to post replies and comments, GVR reserves the right to limit and/or remove, at its sole discretion, any reply or comment it deems offensive or contrary to the interests of the Corporation or its members.

SUBSECTION 2. PETITIONS FOR BOARD CANDIDATES AND PROPOSED BYLAW AMENDMENTS

A. Petition Process

1. Petitioning Member will contact the Director of Administrative Services (or designated staff member) at Administrative Offices to review the process and will sign, in the presence of that staff member, the Statement of Agreement. The Statement indicates that the petitioner has read and agrees to the petition process contained in this section of the CPM for the handling of petitions.
2. All petitions shall be on the proper form available from the Director of Administrative Services. After the form has been signed and witnessed by the Chief Executive officer or designee, the petitioner may make multiple copies of the form and shall pre-number each. The petitioner may then begin obtaining signatures with addresses, and GVR numbers.
3. Signatures may be collected on GVR properties, but not in dedicated club spaces, nor in auditoriums during GVR-sponsored events, concerts or performances. Petitioners are reminded to be respectful of members.

B. Requirements for Signatures

1. Signatures on the petition shall be made in the presence of the petitioner or their designee.
2. As with voting, in the event that more than one (1) signature is cast for a particular GVR property, none of the signatures from that property shall be counted.
3. After the required number of signatures is collected, the Petition forms shall be returned for validation to the Secretary of the Corporation at GVR Administrative Offices.
4. After validation is complete, the petitioner will be notified as to whether the Petition forms meet the requirements for the matter to be placed on the ballot.
5. All petitions must conform to GVR Bylaws and the Arizona Revised Statutes.

~~SUBSECTION 3. MISTAKE OR TYPOGRAPHICAL ERROR IN PRINTED MATERIAL IN THE CORPORATE POLICY MANUAL~~ Board agreed this was no longer needed since the CPM will no longer exist.

- ~~A. When a GVR member or employee discovers or is made aware of an apparent mistake or typographical error in the Corporate Policy Manual, that person is directed to forward that information to the Chair, Board Affairs Committee.~~
- ~~B. Upon receipt of that information, the Chair, Board Affairs Committee, or a Board Affairs Committee member designated by the Chair for such purpose, shall examine the reported error and:
 - ~~1. If the error in any way changes or confuses the intended meaning of the section, it shall be referred to the Board Affairs Committee. The Committee shall take appropriate corrective action.~~
 - ~~2. If the error does not alter or confuse the intended meaning of the section, the reviewing person shall forward the information to the Director of Administrative Services, who may cause the item to be placed in a tickler file for corrective action to be taken the next time the page containing the error is otherwise revised.~~~~

APPENDIX I – BOARD POLICIES

SUBSECTION 1. BUDGET DEVELOPMENT POLICY (updated 1/31/2017)

OBJECTIVE

This Policy Statement provides the framework for annual budget development, review, and adoption. Included in this Statement are the budget development milestones and the recommended timetable for their completion to ensure that all necessary contributions and approvals are completed and on schedule.

A. Policy

1. References.

- a. GVR Bylaws - Art. III, Sections 1 - 5
- b. GVR Bylaws - Art. VI, Section 2
- c. GVR Bylaws - Art. VII, Section 4D
- d. Corporate Policy Manual - Section II, Subsections 3A - 3F
- e. Corporate Policy Manual - Section V, Fiscal/Accounting
- f. Corporate Policy Manual - Section VII, Subsections 4C2 & 4C3
- g. Corporate Policy Manual - Section VII, Subsection 1A
 1. Reference 1a above states: "Membership dues and operating and capital budgets shall be established by the Board of Directors."
 2. References 1e - 1i provide responsibilities in establishing and executing budgets for GVR, Inc. These guidelines should be followed by the CEO/staff in developing budgets for GVR, Inc.

2. Schedule for annual budget preparation and approval process (structured for a calendar year):

a. January/February.

1. CEO/staff will solicit any capital or operational needs from GVR clubs and programs. A list of operational and capital needs will be developed. Staff will provide cost estimates for these projects.
2. Staff begin the annual Facilities Center Assessments process.

b. March. The Planning & Evaluation (P&E) Committee reviews and prioritizes Club requests greater than \$2,500 for current Fiscal Year implementation. Projects less than \$2,500 are included in the Center Assessments. Clubs will be notified by P&E (or designee) of the status of their projects (either funded or unfunded).

c. April/May. Staff prepare, prioritize and provide cost estimates for Center Assessment maintenance and capital replacement project lists.

d. June/July. CEO/staff prepare operations and capital budgets.

e. August/September

1. Staff provides recommendations for Center Assessment priorities from center assessments and reserve study. (maintenance and capital replacements)
2. P&E Committee considers 10-year strategic master plan projects for upcoming fiscal year.
3. Fiscal Affairs (FA) Committee considers staff proposal for fiscal year operating budget, and schedule of dues and fees. After review, Fiscal Affairs Committee will forward to the Board of Directors with the recommendation that the budget be accepted as presented.
4. FA Committee considers P&E Committee recommendations for new capital improvement projects from the 10-year strategic master plan.
5. Staff determines and notifies the P&E Committee of budget available for capital club requests for the following calendar year.

f. September/October.

1. Board of Directors will approve the Schedule of Dues and Assessments; Board of Directors reviews and approves annual operating and capital budgets.
2. The Board of Directors will have an approved budget available for execution no later than November 15.

g. Approved Annual Operating & Capital Budget Implementation

Once the annual operating and capital budget is approved, the CEO will execute the budgets within the overall budget totals. Any proposed additions to the annual budget after approval by the Board of Directors will be forwarded to the Board for authorization prior to execution.

B. Limitations

1. The CEO is guided by references cited in the *Policy Statement* in developing dues and assessments. These should not be exceeded unless approved by the Board of Directors.
2. The CEO is guided by the development process cited above in paragraph three. From time-to-time the CEO will apprise the Board of Directors of the status of the budgets being developed.
3. Once approved by the Board of Directors, the CEO may execute the annual budgets within the overall budgeted amount.
4. The CEO may shift amounts between line items in the Board-approved budget to meet current or anticipated needs. Any line item that is decreased or increased by more than 15% or \$15,000, whichever is greater, should be reported to the Board of Directors.

6. The status of reserve funds will be reported in the annual budget development process. After Board approval, reserve funds will be an integral part of GVR budget development. The CEO is encouraged to bring the most appropriate funds and their execution forward for approval.

SUBSECTION 2. GVR FACILITIES POLICY STATEMENT (8/25/2015)

Whereas, Green Valley Recreation, Inc. (GVR) recognizes that planning and development of all GVR facilities and dedicated space is predicated on 'Peak Season' use; and

Whereas, The Corporation also acknowledges that all of its facilities and dedicated space were established with great intention and financial commitment for sanctioned GVR club, sport, and other activities 'that enhances the quality of our members' lives' (from *GVR Mission Statement*); and

Whereas, periodic review of member facilities and dedicated space use is strategically important to ensure that member needs are consistently met; and

Whereas, any re-appropriation or rededication of existing spaces or facilities can only occur when circumstances of markedly diminished use or need for affected facilities can be clearly demonstrated.

Therefore, Be It Resolved, It is the Policy of GVR:

- A. To not repurpose or expropriate existing facilities and previously dedicated space without prior consultation with and proper notification to affected membership stakeholder groups;
- B. To consider repurposing facilities and dedicated space when, in the determination of the Board of Directors, there is sufficient documented decline in usage over the course of several years, which may be mirrored by similar decline in club membership. Specifically, when contemplating repurposing facilities or space, the Board of Directors will consider:
 1. Clearly demonstrated need for new or expanded GVR facilities and/or designated space;
 2. Usage data for GVR facilities and designated space provided by staff (staff-reported data may reference data gathered by affected groups); and,
 3. No less than three (3) years of prior usage data.
- C. To consider repurposing facilities and dedicated space for other GVR purposes when, in the determination of the Board of Directors, there are ample facilities available of the type to be removed, reclaimed or repurposed sufficient to ensure that member needs are consistently met.

SUBSECTION 3. GVR INVESTMENT POLICY (updated 4/24/2019)

1. Introduction

In making investment decisions, the Board of Directors (the "Board"), Investments Committee, GVR's Chief Executive officer (the "CEO") and Chief Financial officer (the "CFO") and GVR's financial advisor(s), if any, shall act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner they reasonably believe to be in the best interests of Green Valley Recreation, Inc. (the "GVR") and manage the assets of GVR in accordance with the Arizona Prudent Investor Act (AZ Rev Stat § 14-10901 et. seq.) and the Arizona Management of Institutional Funds Act (AZ Rev Stat § 10-11801 et. seq.)

2. Purpose and Scope

The purpose of this Investment Policy Statement (the "IPS") is to provide a framework for ensuring that GVR investments are managed consistently with GVR's short-term and long-term financial objectives. At the same time, this IPS is intended to provide for sufficient investment flexibility to adjust to operational and market changes. This IPS applies to all investments of GVR's excess operating cash and **Reserve Funds** and supersedes GVR's Corporate Policy Manual concerning investments.

3. Definitions

Defined words used in this IPS are capitalized and written in **Bold** typeface.

See Appendix A for definitions of defined words.

4. Management of Investments.

GVR's Board has fiduciary responsibility for GVR's investments. The Board, Investments Committee, GVR's CEO and CFO and financial advisor(s), if any, are bound by (1) this IPS unless changed or amended by Board resolution and (2) all federal and state laws and regulations.

5. Investment Objectives, Risk Tolerance, Investment Strategy, Asset Allocation, Liquidity, and Rebalancing.

The primary investment principle is to maintain the safety of GVR’s assets.

The secondary investment principle is to have invested operating cash and **Reserve Funds** available when needed by GVR’s operations without incurring an unwarranted loss of value or costs. The maturity horizon for each **Fund** shall be determined by each **Fund’s** purpose, use, and needs.

Specifically, the target **Asset Allocations** and anticipated allocation ranges for each **Fund** are below:

Fund A (Initiatives Reserve Fund)	Target	Range
Equities	10%	5-20%
Fixed Income	80%	80-100%
Cash	10%	0-20%

Fund B (Maintenance Repair/Replace Reserve Fund)	Target	Range
Equities	25%	15-35%
Fixed Income	70%	65-75%
Cash	5%	0-10%

Fund C (Emergency Reserve Fund)	Target	Range
Equities	70%	60-80%
Fixed Income	30%	15-35%
Cash	0%	0-15%

A specific **Risk Tolerance** to match the purpose and use of operating cash investments and each **Reserve Fund** shall be determined. Within the constraints of the primary and secondary investment principles and **Risk Tolerance**, a written **Investment Strategy** for operating cash investments and each **Reserve Fund** shall be designed, constructed and implemented to achieve the following.

- a. Match the purpose and use of operating cash investments and each **Reserve Fund**.

- b. Provide a relatively predictable and growing stream of annual income and **Capital Appreciation** after inflation, taxes, if any, fees and costs while minimizing the impact of market Volatility.
- c. Investments in any one single security shall not exceed \$500,000 of any **Fund's** assets.

Portfolios shall be **Rebalanced** as appropriate but at least annually. **Liquidity** of all investments shall be trade-date plus two (2) business days ("T+2").

6. Permitted Investments:

- a. U.S. Treasury Bills, Notes and Bonds and Certificates of Deposit issued by a bank insured by the Federal Deposit Insurance Corporation
- b. Securities of Federal Agencies that carry the direct or implied guarantee of the U.S. Government including Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association, Student Loan Marketing Association, World Bank and Tennessee Valley Authority.
- c. U.S. and foreign corporate bonds and notes denominated in US Dollars rated **Investment Grade** including short, medium- and long-term notes rated of Baa3 or better at time of purchase.
- d. Municipal bonds rated Baa3 or BBB- or better at time of purchase.
- e. U.S. corporate common stock.
- f. Small-Capitalization Stocks (defined as market-capitalization below \$2 billion) shall not represent more than 10% of the equity segment of any **Fund**.
- g. International Stocks shall not represent more than 15% of the equity segment of any **Fund**.
- h. American **Depository Receipts (ADR)** of a foreign corporation.

Investments in mutual funds, Exchange Traded Funds ("EFT") and index funds are permitted provided 85% or more of their investments are in permitted investments shown above and such funds do not use **Leverage**.

Overnight investment in money market funds at GVR's bank and broker/dealer, if any, are permitted.

7. Investments NOT listed as Permitted are Not permitted (For example)

- a. Derivatives other than foreign exchange contracts and swaps and interest rate swaps
- b. Futures contracts and any commodities contracts
- c. Collateralized Debt Obligations (CDO)/Collateralized Mortgage Obligations (CMO) and similar collateralized debt instruments.
- d. Any bonds below **Investment Grade** (Baa3/BBB-) at time of purchase.
- e. Private notes
- f. Hedge funds
- g. Options

8. Review and Monitoring

- a. GVR's Board of Directors is responsible for GVR's Investment policies, activities, and performance.
- b. The Chief Executive officer (CEO) shall have oversight of and the Chief Financial officer (CFO) is responsible for: a) Monitoring the activities of GVR's financial advisor(s) b) Day-to-day coordination with Advisor regarding investment activity and decisions.
- c. The Investments Committee's responsibilities are listed below.
 1. Select, hire and terminate professional outside investment advisor(s) with notice to the CEO
 2. Revise GVR's Investment Policy Statement subject to Board approval
 3. Monitor, measure, and report on investment advisor's or advisors' performance(s)
 - a) For Equities the following benchmarks shall be considered:
 - i. Russell 1000 (large-cap equities)
 - ii. Russell 2000 (small cap equities)
 - iii. MSCI EAFE (international equities)
 - b) For Fixed Income the following benchmark shall be considered:
 - i. Bloomberg Barclays US Intermediate Govt/Credit Index
 4. Ensure GVR management implements and complies with GVR's Investment Policy Statement
 5. Meet at least once each calendar quarter to perform its assigned duties and report to the Board.

9. The responsibilities of the Client

- a. The client will authorize specific employees to serve as liaisons between the Client and Advisor.
- b. Client's authorized staff is responsible to ensure the smooth transition of the Client's investment portfolio to Advisor.
- c. Client's authorized staff will oversee that the Advisor's reporting requirements are met.
- d. Client's authorized staff will ensure that communications to Advisor from Client's Board of Directors or Investments Committee are presented to Advisor in a timely manner.
- e. Client's authorized staff will facilitate the Advisor's face-to-face and videoconference presentations to Client's Board of Directors or Investments Committee.
- f. Any proposed changes to this investment policy statement will be discussed with the Advisor promptly.
- g. The client will inform the Advisor, as soon as possible of anticipated additions to or withdrawals from the Portfolio.

10. The responsibilities of the Advisor

- a. Any deviation from these guidelines will be discussed in advance with the Client unless market conditions require immediate action. The Advisor will, within these guidelines, have full discretion to buy, sell, invest and reinvest in assets on behalf of the Client.
- b. Advisor has a fiduciary responsibility to make investment decisions based upon what is best for the Client and within Investment Policy Guidelines approved by the Client, the Advisor will have discretion to buy, sell, invest, and reinvest in investment assets on behalf of the Client, with notification to the Client of such transactions.
- c. The Investment Advisor will make in-person presentations about the Client's investment portfolio to the Client's Board of Directors and/or Investments Committee in Green Valley, AZ at Advisor's expense at least twice a year, unless otherwise mutually agreed in writing between Advisor and Client.
- d. The Advisor will participate in audio and/or videoconference meetings with the Client's Investments Committee on a quarterly basis each year, when not meeting in person, unless otherwise mutually agreed in writing between Advisor and Client.

11. Acknowledgments

We, the Board of Directors, recognize the importance of adhering to this Investment Policy Statement and agree to fulfill its objectives to the best of our ability.

APPENDIX A – Definition of Terms

Investment Policy Statement

Green Valley Recreation, Inc.

Investopedia.com is the primary source of definitions. Some definitions have been paraphrased or they are a composite from several sources.

American Depository Receipt (ADR) is a negotiable certificate issued by a U.S. bank representing a specific number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. Dollars, with the underlying security held by a U.S. financial institution overseas. This is an excellent way to buy an investment in a foreign-based company while realizing any dividend and capital gains in U.S. Dollars. However, ADRs do NOT eliminate currency, economic and country risks attributable to the foreign-based company. There are other ADR risks too. Consult your financial advisor(s).

Asset Class means a group of securities that exhibit similar characteristics. The three (3) main asset classes are stocks, fixed income securities (bills, notes, bonds & other debt) and cash and cash equivalents. Some investment professional would include real estate and commodities and, possibly, other types of investments. Whatever the asset lineup, each one is expected to reflect different risk and return characteristics and will perform differently.

Asset Allocation is an **Investment Strategy** aimed to balance risk and reward by apportioning a portfolio's assets according to an investor's goals, **Risk Tolerance**, and investment time horizon. There is no simple formula that can find the right asset allocation for every investor. However, the consensus among most financial professionals is asset allocation is one of the most important decisions an investor can make. In other words, an investor's selection of individual securities is secondary to the way investments are allocated among the various securities.

Capital Appreciation is a rise of an asset price based on a rise in market price.

Credit Rating is a grade composed of a letter or letters and numbers given to a particular security by a **Nationally Recognized Statistical Rating Organization** (a credit agency) that ranks investment according to its ability to meet its obligations.

Diversification is a process of allocating capital in a way that reduces exposure to any one particular asset or risk.

Fund or Fund's and Funds or Funds' means operating cash investments and each **Reserve Fund**.

Investment Grade is a **Credit Rating** that indicates the issuer of a debt security has relatively low probably of default. In the case of stocks, investment grade indicates the financial soundness of the issuer. The investment industry has well-established credit rating standards for investment grade.

Investment Strategy is an investor's plan of attack to guide its investment decisions based on its goals, **Risk Tolerance** and future needs for invested money. The components of most investment strategies include

Asset Allocation, buy and sell guidelines and **Risk Tolerance**. Investment strategies can differ greatly from a rapid growth strategy to a **Capital**

Appreciation strategy. The most important part of an investment strategy is that it aligns with the investor's goal and it is followed closely by the investor and his financial advisor.

Leverage is the use of various financial instruments or borrowed capital such as margin to increase a potential return of an investment.

Liquidity means how quickly and easily an investment can be converted into cash.

Nationally Recognized Statistical Rating Organization (NRSRO) is a term used by the U.S. Federal government in several regulatory areas to define a credit rating company like Standard & Poor's, Moody's, Fitch and others.

Rebalancing is the process of realigning the weightings of a portfolio's assets to match its **Asset Allocation** model's weightings. Over time, the prices of investments rise and fall unevenly thus changing the weighting of a portfolio's assets. For example: If an **Asset Allocation** model is 40% stocks, 50% fixed income and 10% cash and the current portfolio assets are distributed 45% stocks, 35% fixed income and 20% cash, rebalancing buys and sells investments to align the current portfolio's asset weightings with the **Asset Allocation** model. If a different **Asset Allocation** model is applied to a portfolio, rebalancing adjusts the portfolio's assets to the new **Asset Allocation** model's weightings.

Reserve Fund and Reserve Funds mean a reserve fund as defined in GVR's Corporate Policy Manual, Section V- Fiscal/Accounting, Subsection 2 – Reserve Policy – adopted 11/18/2014, subparagraph B – Maintenance Of GVR Financial Reserve System Updated 8/25/15.

Risk Tolerance is an investor's willingness to risk a potential loss for a potential gain. For example: How comfortable is an investor taking a potential 10% loss for a potential gain of 20%? The investor's risk tolerance is tested at various levels of loss v. gain to assess the investor's overall tolerance for risk and reward.

Volatility is the dispersion of a security's price from its mean price over time. A high deviation from a security's mean indicates high volatility. A low deviation indicates low volatility. Commonly, higher the volatility means higher the risk.

**SUBSECTION 4. GVR GVR FOUNDATION RESOURCE SHARING
AGREEMENT (11/29/2016)**

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.

SUBSECTION 5. GVR ADVERTISING & SPONSORSHIP POLICY (1/31/2017)

Purpose

To realize maximum benefit from non-dues revenue from advertising and sponsorship sales as a means of defraying expenses associated with maintaining and improving the corporation.

Applicability

This policy is applicable to GVR staff designated to manage GVR's advertising and sponsorship program and/or outside contractors hired by GVR to administer its advertising and sponsorship.

A. Advertising & Sponsorship Sales

1. Commercial Sales - Space is available for paid advertising and sponsorships by for-profit commercial businesses and non-profit organizations at published rates determined by staff. GVR reserves the right to barter or trade out advertising with businesses in exchange for an equal value of goods or services.
2. GVR Clubs - Recognized GVR clubs receive a 20 percent (20%) discount on published commercial rates, provided space is available and unsold.
3. GVR Member-owned Businesses - GVR member-owned businesses receive a 10 percent (10%) discount on published commercial rates, provided space is available and unsold.

B. Member Service Announcements (MSA) & Public Service Announcements (PSA)

The Corporation reserves the right to use any unpaid advertising space to promote GVR programs, services and activities that it organizes or offers in partnership with the GVR Foundation or any other another organization.

C. Limitations and Restrictions

The Advertising and Sponsorship Program shall be managed in a manner that produces as much net revenue as practical, while ensuring that advertising and sponsorship does not:

1. Diminish GVR, its reputation in the community or its members
2. In any way interfere with GVR's operations
3. Promote and/or endorse tobacco or tobacco-related products, including E-Cigarettes
4. Promote and/or endorse anything that is contrary to state or federal law

5. Promote any political ballot issue, cause or candidate
6. Discriminate against age, race, color, ancestry, country of origin, disability, ethnicity, marital status, family status, veteran status, gender, religion, sexual orientation or gender identity (see *GVR Non-Discrimination Policy, adopted 11/18/2015*)

D. Permitted Sales

Commercial Advertising and Sponsorship Program sales may involve products and services often associated with adult and senior communities, including but not limited to the following:

1. Pharmaceuticals pertaining to personal health problems (e.g., arthritis; high blood pressure; etc.)
2. Pharmaceuticals pertaining to sexual activity (e.g., Viagra; Cialis; Amoril; etc.)
3. Alcoholic beverage

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Agenda Item

Clay Studio Expansion

The Facilities Expansion Subcommittee has spent the last few months looking at the request from the Clay Studio Club to expand into the existing Fiesta Room at Santa Rita Springs. They looked at existing needs of the club, usage data and preliminary plans for the space. They have worked closely with studio members on design and cost for the conversion. The committee recommended to the whole P/E Committee to support this expansion. Motion passed unanimously.

Recommendation

To approved the following motion: To approve the recommendation from the P/E Committee to allow the Clay Studio to expand into the existing Fiesta Room at Santa Rita Springs. Staff will contact current users of the Fiesta Room and will work with these members to find suitable room space at other locations.

Agenda Item

Social Gathering Space Pilot Program

The Facilities Expansion Subcommittee has been researching options to create a social gathering space at one of the GVR Centers. This idea was ranked high in the 2018 Survey of members. Their recommendation was presented to the P/E Committee earlier this month and passed unanimously. Their recommendation is for staff to explore a trial coffee bar/breakfast bar with accompanying gathering area to be up and running by November 2020 and serve the members through March 2021. The preferred location for this pilot program would be the West Center. The intent would be to contract with a cater to provide this service to the membership. GVR would be responsible for creating the “gathering space”.

Recommendation

To move that GVR staff explore and implement a pilot program creating a social gathering space which would be operational from November 2020 through March 2021.



Fiscal Affairs Committee

Transfer to Operating Fund for Maintenance Repair and Replace Projects closed during the period of October 1, 2019 – December 31, 2019

Overview

GVR Inc. has completed several projects that are included in the Maintenance Repair and Replace Reserve Study for the 2019 Fiscal year. These projects were finalized during the fourth quarter of 2019 and are included in the MRR Reserve Projects 2019 report issued at the February 18, 2020 Fiscal Affairs Committee meeting. All costs relating to these projects were paid for out of GVR Operating funds.

The capital costs of these completed projects equal \$280,117 for the fourth quarter of 2019.

Recommendation

The Fiscal Affairs Committee recommends that the Board of Directors authorizes and executes a transfer from the Maintenance Repair and Replace Fund to the Operating Fund for the costs of the completed capitalized projects for the fourth quarter of 2019. The calculation of this reimbursement is as follows:

4 th Quarter 2019 completed MRR Projects	<u>\$280,117</u>
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Total Amount to be reimbursed to the Operating Fund \$280,117

Approved by Fiscal Affairs Committee

Carol Crothers, Chairperson

Date



EXHIBIT

February 26th, 2020

Board Meeting

Proposal for moving Credit Card Processing and Banking to Bank of America

Overview

GVR staff were tasked with getting competitive pricing for credit card processing (merchant services) and business banking fees. Nine banks were contacted and asked to provide pricing based on our last two months of statements. Bank of America was the most competitive with an estimated annual savings of \$17,660 on credit card processing and no fees for one (1) savings and one (1) checking account. Other savings on cash back and a preferred rewards program is estimated at a total savings of over \$20,000 per year. Under the Bank of America programs we could also accept American Express cards at the same fees (our current provider (Wells Fargo) charges an additional fee for American Express cards).

Recommendation

Endorse GVR transferring its merchant services and bank account provider to Bank of America; further, the Board of Directors will determine account signers related to the transfer.



EXHIBIT

Board of Directors

February 26, 2020

Event Ticketing Software

Background:

A 2018 audit of GVR's internal controls revealed our current process for event ticket printing and redemption should be reviewed and updated.

Staff is prepared to implement an improved ticketing software program for GVR event ticketing that will include barcode scanning of tickets at the events to insure validity. Executive Office, IT and Recreation Department staff participated in a recent demonstration of the ticketing software.

IT Staff designed a ticketing solution that includes:

- A unique barcode printed on each ticket;
- A portable barcode scanner utilized to authenticate each ticket, identifying its validity;
- Power and network cabling installed for system operation.

Installation is expected to be complete by April 1, 2020, provided that funding is made available by the Board of Directors for implementation request. The cost implementation is estimated at \$12,000 for the following:

- 7-Stima CLS Ticket Printers with hopper
- 3-Barcode Scanners
- 2-Chromebook Computers
- Ticket Stock (10,000)
- Cart (storage & Security)
- Cabling and labor

Recommendation:

Authorize up to \$12,000 from the Initiatives Reserves to cover expenses pertaining to an improved ticketing software program for GVR event ticketing that will include barcode scanning of tickets at events to insure validity.



Request from The Springs HOA Board and Capital Preserve Committee for GVR Financial Assistance to Maintain Roads around GVR's Santa Rita Springs Center.

A formal request was received from the Springs Homeowners Association for financial assistance from GVR to help maintain the HOA's roads that surround GVR's Santa Rita Springs Center.



The Springs Homeowners Association

951 West Via Rio Fuerte

Green Valley, AZ 85614

Phone: 520.648-1699

February 5, 2020

Kent Blumenthal, GVR Chief Executive Officer

David Jund, GVR Director of Facilities, Aaron Young, GVR Senior Maintenance Supervisor

Denise Nichols, GVR Director and Chair of Planning and Evaluation Committee

Don Weaver, GVR Director and Member of Planning and Evaluation Committee

Dear GVR Leaders and Staff,

As representatives of The Springs at Santa Rita HOA, we are writing to continue the *facilitation* of discussion regarding expenses for the maintenance of the roads adjacent to The Springs GVR buildings and parking lots.

The Springs is unique in its setting with privately owned and maintained roads surrounding the GVR facility. Hundreds of GVR members utilize these roads daily.

Rebecca Keenan, President of The Springs HOA, has made several attempts (6) to come to a resolution regarding sharing of costs of our road repairs, without success.

It was indicated by Mr. Jund (October 9, 2018), "I will speak to my CEO and CFO tomorrow about the shared expense of street maintenance. I believe it is something we will accommodate. I want to be sure that belief is correct. I will write back to you as soon as I have confirmation of how we are to address this maintenance subject."

Road repair on Fuerte is to begin in 2021. It is in everyone's best interest to plan ahead and organize repairs to allow ample time to get budgets in line and be considerate of those GVR members who enter on our roads each day (to use the popular Clay Studio, Computer Club, Camera Club, Art League, meeting rooms, pool, and fitness facility).

We have included a map which indicates the roads which are appropriate for financial sharing.

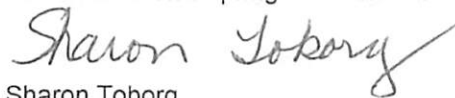
This is a formal request for assistance from GVR for The Springs HOA Board and Capital Reserve Committee. We are in the planning stage of our 2021 expenditures. A reply to our request by February 24, 2020 would be appreciated.

Thanking you in advance for GVR's cooperation in this matter,



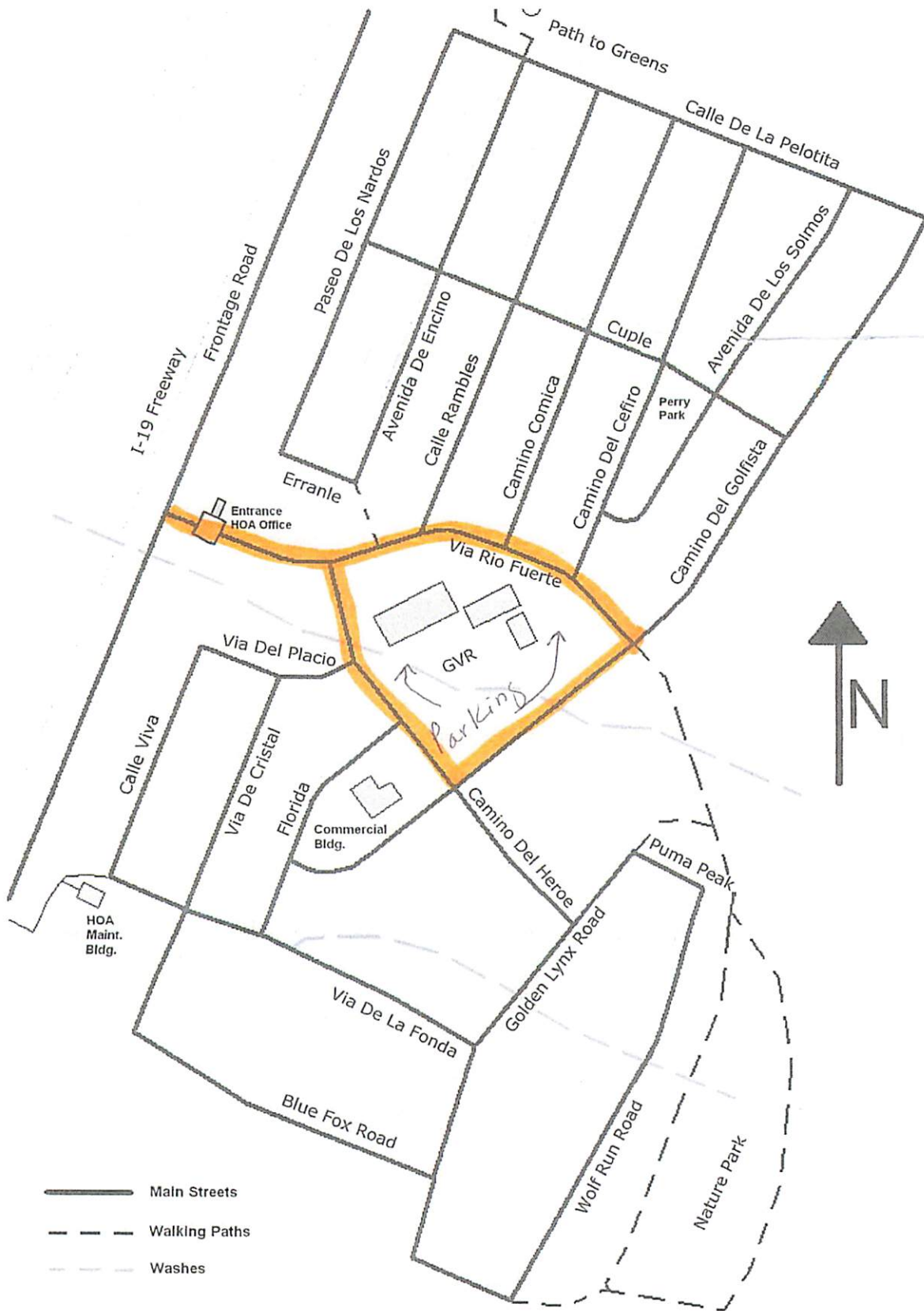
Rebecca Keenan

President of The Springs at Santa Rita HOA



Sharon Toborg

Chairman of the Capital Reserve Committee for The Springs at Santa Rita HOA



In January, 2019, the Board approved spending up to \$1.25M on the construction of a new Pickleball Complex.

The CEO has approval to proceed with development of the Pickleball Complex if this amount is not exceeded.

Now that the Pickleball Complex is completed, the question remains on how much has been spent and what else is needed?

I move that the CEO report the total amount spent on the construction of the Pickleball Complex to the Board at the March 18th, 2020 Board of Directors meeting.

GVR Feb 2020 BoD meeting motion

The “nursery” property was purchased for the Facilities Maintenance Facility so that room could be freed up in the Member Service Center (now called Administrative Offices) for staff expansion, consolidation of staff and extra space for clubs. Non-reserve capital funding was approved for the remodeling of the vacated space. The IT staff sits in 500 sq ft of the Desert Hills Social Center where additional club space and/or additional meeting rooms are needed. Instead of following through on this commitment, the space is being remodeled for new executive offices and a conference room.

I move that the 1500 sq ft space in the Administrative Offices be redesigned to accommodate IT so that the Desert Hill space can be repurposed for our members. The board requests the remodeling plans, projected costs for the administrative offices and the recommended member use alternatives for the Desert Hills space by the next board meeting.