



AGENDA

BOARD OF DIRECTORS MEETING
 Wednesday, December 16, 2020
 ELECTRONIC MEETING

Directors: Don Weaver (President), Mike Zelenak (Vice President), Donna Coon (Treasurer), Mark Kelley (Assistant Secretary), Randy Howard (Assistant Treasurer), Christine Gallegos, Bev Lawless, Mark McIntosh, Charlie Sieck, Dale Sprinkle, Sandra Thornton, Gail Vanderhoof, Jen Morningstar (non-voting)

AGENDA TOPIC	DIRECTOR	EXHIBIT	ACTION
1. Call to Order / Roll Call – Establish Quorum	Weaver		Y
2. Adopt Agenda	Weaver	Y	Y
3. Consent Calendar	Weaver		Y
A. October 28, 2020 Minutes		Y	
B. November 13, 2020 Special Meeting Minutes		Y	
C. October 2020 Financial Statements		Y	
4. New Business			
A. Election of Officer – Secretary	Weaver		Y
B. Appoint Policy Governance Chair	Weaver		Y
C. Communications	Kelley		
D. Resource Sharing Agreement GVR/GVR Foundation	Weaver	Y	Y
E. Discussion: 2020 Annual Meeting	Weaver		Y
F. Statutory Agent	Weaver		Y
5. Committee Reports			
A. Board Affairs	Gallegos		
i. Amended and Restated Bylaws		Y	Y
ii. Proposed Bylaws Amendments for 2021 Ballot		Y	Y
iii. Corporate Policy Manual Revision – Advertising		Y	Y
iv. Corporate Policy Manual Revision – Committees		Y	Y
B. Fiscal Affairs	Coon		
C. Planning & Evaluation	Howard		
D. Investments	Lawless		
E. Nominations & Elections	McIntosh		
6. GVR Foundation	Counter		
A. Clubhouse Parking Lot Lease Negotiation	Weaver		Y
7. Member Comments			
8. Adjournment			

**In accordance with GVR Bylaws, all meetings of the Board at which official business of The Corporation is transacted, with the exception of meetings limited to personnel and/or legal matters, shall be open to all members of The Corporation. An executive session "placeholder" is added to each Regular Meeting Board agenda should the Board have personnel and/or legal matters to address. Meetings shall be governed by Roberts Rules of Order unless otherwise determined by the Board of Directors.*



A regular meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Wednesday, October 28, 2020 by teleconference. The President being in the chair and the Secretary being present.

Directors Present by Remote: Don Weaver (President), Mike Zelenak (Vice President), Beverly Tobiason (Secretary), Donna Coon (Treasurer), Mark Kelley (Assistant Secretary), Randy Howard (Assistant Treasurer), Christine Gallegos, Bev Lawless, Mark McIntosh, Charles Sieck, Sandra Thornton, Gail Vanderhoof, Jen Morningstar (Interim CEO) (non-voting)

Visitors: 39

1. Call to Order/Establish Quorum

President Weaver called the meeting to order at 2:06pm MST.
Roll call by Secretary Tobiason; Quorum established.

2. Adopt Agenda

MOTION: Vanderhoof /Seconded. Adopt Agenda as presented.
Passed: unanimous

3. Consent Calendar

MOTION: Coon / Seconded. Approve Consent Calendar as presented.

- A. September 30, 2020 Minutes
- B. October 7, 2020 Special Meeting Minutes
- C. September 2020 Financial Statements

Passed: unanimous

4. Policy Governance Report – Co-Chair Tobiason reported. The next committee meeting is scheduled for November 5 at 10:00am.

MOTION: Tobiason / Seconded. Approve the 9/30/2020 Board Meeting Monitoring Report: Governance Style as presented.

Passed: 9 yes / 2 no (Gallegos, Zelenak) / 1 abstain (McIntosh)

5. Committee Reports

A. Fiscal Affairs – Chair Coon reviewed the Budget Highlights Summary for FY2021.

1. 2021 Budget

MOTION: Coon / Seconded. GVR Board of Directors adopts the 2021 Budget Summary III as presented.

Passed: 7 yes / 5 no (Gallegos, Kelley, Sieck, Thornton, Vanderhoof)

B. Board Affairs – Chair Gallegos reported.

1. CPM Language Changes

MOTION: Gallegos / Seconded. Board Affairs Committee (BAC) recommends the Board of Directors amend the Corporate Policy Manual (CPM) as follows:

**CORPORATE POLICY MANUAL
SECTION II – MEMBERSHIP
SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT
PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated
9/25/2018)**

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.~~
1. Payment plans are available to Members who prefer to pay annual dues in monthly installments rather than in one lump sum, subject to the limitation in (3) below.
 2. The fees for setup and administrative costs associated with a payment plan will be established by the Board.
 3. A GVR property must be owner-occupied in order to qualify for a payment plan.

Passed: unanimous

Chair Zelenak reported on the Bylaws Subcommittee's work on the Amended and Restated Bylaws of Green Valley Recreation, Inc.

C. Investments – Chair Lawless reported.

D. Planning & Evaluation – no report.

E. Nominations & Elections - Chair McIntosh reported.

- Candidate Application available online beginning October 30.
- Zoom Candidate Information Session scheduled November 4 at 10:00am.

F. CEO Search Committee – Chair Howard reported. There are three finalists for the position of GVR CEO. A "Meet & Greet" is scheduled with the candidates on November 6 and 7, closing with full Board member interviews on November 7.

6. New Business

7. GVR Foundation Report - GVRF President Jim Counter reported.

- GVR/GVR Foundation Relationship Ad Hoc Committee met October 26.
- GVRF Donor Wall Celebration: November 12, 1:30pm, West Center Courtyard.
- Greater Green Valley Community Foundation Walk-A-Thon, February 14, Tubac Art Festival, proceeds funding COVID needs.

8. Member Comments – addressed during the meeting

9. Adjournment

MOTION: Coon / Seconded. Adjourn meeting at 3:03pm MST.

Passed: unanimous



GVR Mission Statement: *"To provide recreational, social and leisure education opportunities that enhance the quality of our members' lives."*

A special meeting of the GREEN VALLEY RECREATION, INC. BOARD OF DIRECTORS was held Friday, November 13, 2020 by teleconference. The President being in the chair and the Secretary being present.

Directors Present by Remote: Don Weaver (President), Mike Zelenak (Vice President), Donna Coon (Treasurer), Beverly Tobiason (Secretary), Randy Howard (Assistant Treasurer), Mark Kelley (Assistant Secretary), Christine Gallegos, Bev Lawless, Mark McIntosh, Charles Sieck, Sandra Thornton, Gail Vanderhoof, Jen Morningstar (Interim CEO/non-voting)

Visitors: 40

1. Call to Order/ Establish Quorum

President Weaver called the meeting to order at 3:16pm MST. Roll was called and a quorum established.

2. Adopt Agenda

MOTION: D. Weaver/2nd. Approve agenda as amended.
Passed: unanimously

3. New Business

A. New CEO Announcement – R. Howard

Director Howard read into the minutes the announcement of the hire of GVR's new CEO, Scott Somers (see Attachment 1). Mr. Somers will begin in his new position on January 4, 2021. President Weaver thanked Director Howard and his committee and the Board for all of their hard work.

B. Funding Source: Canoa Hills Clubhouse – D. Coon

MOTION: D Coon/2nd. Request that the GVR Board of Directors approve payment for the purchase of the Canoa Hills Clubhouse from the Initiatives Reserve Fund.
Passed: unanimously

C. Code of Conduct Violation – D. Weaver/M. Zelenak

President Weaver read a statement into the minutes (see Attachment 2).

MOTION: M. Zelenak/2nd. Request an ad hoc committee be formed to be chaired by myself (M. Zelenak) with 2 GVR members for the purpose of conducting an internal investigation into the leak of confidential information

to the local media and that the committee be vested with the authority to hire independent experts, if necessary, to assist in the investigation.

Discussion followed with President Weaver endorsing appointing Director Mike Zelenak as Chair of this committee. Director McIntosh requested that members be appointed who do not have any bias. Director Zelenak noted that an eBlast! will go out seeking interested members, preferably with a background in either law enforcement or legal procedure, and requesting that they submit a brief bio to Interim CEO Morningstar.

There was discussion of financial expenditures in relation to this committee. Director Howard requested amending the motion to recommend that once the committee is formed and has met, that they report back to the Board in regard to funding requirements.

AMENDED MOTION: M. Zelenak/2nd. Request an ad hoc committee be formed, to be chaired by myself (M. Zelenak) with 2 GVR members, for the purpose of conducting an internal investigation into the leak of confidential information to the local media, and that the committee be vested with the authority to hire independent experts, if necessary, to assist in the investigation. That once the committee is formed and met, they will report back to the Board in regard to funding requirements.

Passed: unanimously

4. Member Comments: 8 comments were reviewed and addressed.

5. Adjournment

MOTION: M. Zelenak/2nd. Adjourn the meeting at 3:42pm MST.

Passed: unanimously

Attachments

Attachment 1: (Item 3A)

November 13, 2020

Scott Somers Hired as GVR CEO

Please help us welcome Mr. Scott Somers as Green Valley Recreation's (GVR) CEO. Mr. Somers's tenure with GVR will begin on January 4, 2021.

Mr. Somers comes to us with over seventeen years of city and county management experience. He is a Tucson native and is highly qualified for the position. He will be relocating from College Park, MD where he has served as City Manager for the past five years. From 2012 through 2015, he served as the County Manager of Clatsop County, OR. From 2009 – 2012 he served as City Manager for Reedsport, OR. He also served as Assistant Administrator for Savage, MN, and Assistant to the City Manager for White Bear Lake, MN. Mr. Somers graduated from Arizona State University with a bachelor's degree in Social Work (BSW) and the University of Arizona with a master's degree in Public Administration (MPA). In addition to his stellar experience and education, he has many friends and family members in the area. Green Valley Recreation's process in hiring Mr. Somers began with the GVR Board engaging an executive search firm to recruit qualified candidates, verify information on candidate resumes, perform thorough background investigations, ensure candidates met the requirements set forth by the Board for the position, and to communicate with the candidates who were selected for further consideration by the Board.

Mr. Somers was among seventy-four candidates who were considered for the CEO position. Through extensive resume reviews, background checks, search committee interviews, and prepared candidate presentations, the list of candidates was narrowed to the top three, including Mr. Somers. The top three candidates traveled to Green Valley November 6-8 to tour GVR facilities, meet with staff, and to participate in the final interview with the Board of Directors.

Following this exhaustive process, the Board selected Mr. Somers as GVR's incoming CEO. Mr. Somers looks forward to working with our tremendous staff, the GVR Board, and meeting our wonderful GVR members. "I can't wait to roll up my sleeves and get to work," Somers said. As Green Valley Recreation embarks on its next five-year strategic plan, which will shape the direction of the organization for years to come, Somers said, "This is a perfect time to hit the ground running by working with the Board, staff, and all of our members on shaping this organization to accommodate the growing, changing, and diverse needs of our community."

From the press release soon to be issued by the City of College Park, Maryland:
City of College Park Announces Resignation of City Manager Somers

November 13, 2020, COLLEGE PARK, MD – The City of College Park announces the resignation of its City Manager Scott Somers effective December 23, 2020. Somers has been with the City for more than five years. “This was a very difficult decision;” said City Manager Somers, “the past five years that I have worked for the City have been the most challenging and rewarding period of my career.” During his tenure with the City, Somers has overseen the culmination of numerous City initiatives and projects including City Hall, the College Park Woods Pool property, the Calvert Road Elementary School project, the dog park, Hollywood Gateway Park, Trolley Trail completion, among others. He has also improved and further developed City relations with the University of Maryland, which is showcased in the combined City Hall project expected to be completed next year.

Somers has accepted a position as CEO for Green Valley Recreation, Inc., a not-for-profit in southern Arizona that provides recreation, social, and leisure services for its members. Prior to his position with the City, Somers served as County Manager of Clatsop County, Oregon and City Manager for Reedsport, Oregon.

The City intends to begin the search process for a new City Manager by the end of the year. An RFP will be issued soon for a firm to start a nationwide search for a replacement. It is the City’s goal to find and secure a new City Manager by spring of 2021. During this time, Assistant City Manager, Bill Gardiner will assume the role as Acting City Manager.

The City thanks Somers for his hard work, diligence, and dedication during his time with our City. The City wishes him the best in his future endeavors. “Although Scott will be leaving us, his strong legacy as City Manager in College Park will endure well after he is gone;” said Mayor Patrick L. Wojahn, “Scott’s leadership enabled us to bring many key projects to fruition, including the new City Hall, and brought an increasing level of professionalization and diversity to our staff. The residents of College Park owe him a debt of gratitude, and we wish him well as he embarks on this new chapter.”

Attachment 2: (Item 3C)

STATEMENT FOR SPECIAL MEETING

On November 6, 2020, the Green Valley News published an article naming the three finalists that the GVR Board was considering for the position of Chief Executive Officer. Those three candidates had all been referred to GVR by Ralph Andersen Associates, the executive search firm that GVR hired to assist in finding a new CEO.

The Board of Directors and the Search Committee, tasked with preliminary candidate review, made this process confidential as it involved personnel matters. More importantly, however, the candidates being considered did not want their employers to be notified of their having submitted resumes to GVR. For that reason, the candidates' names were not disclosed to anyone in GVR outside of the Board and Search Committee.

Despite the importance of the confidentiality of this process, at least one Board member or Committee member disclosed the names of the three finalists to Dan Shearer of Green Valley News who published the article. From the headline and content of the article, it appears that the disclosure was intended to portray one of the candidates in a negative light for the purpose of disparaging GVR's process for choosing a new CEO.

Regardless of the purpose behind the disclosure, however, what is clear is that there was an intentional breach of confidentiality, and if the breach was committed by one or more directors, it is a serious violation of the Board's Code of Conduct. The purpose of today's meeting is to address what action, if any, GVR should take as a result of this breach. Given the importance of this matter, the Board has decided to address this issue in open session.



Green Valley Recreation, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

The accompanying pages are the Financial Reports for October 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: October 30, 2020 and Dec 31, 2019

	October 30, 2020	Dec 31, 2019
	Total	Total
ASSETS		
Current Assets		
Cash/Cash Equivalents	804,367	2,505,270
Accounts Receivable	284,120	221,922
Prepaid Expenses	326,263	313,753
Unamortized Deferred Compensation	228,846	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	882,247 (1)	880,329 (15)
MRR - Fund	7,515,773 (2)	7,055,756 (16)
Initiatives - Fund	1,566,814 (3)	2,500,602 (17)
Total Designated Investments (CS/SBK)	9,964,834 (4)	10,436,687 (18)
Undesignated Invest. (JP Morgan)	3,412,888 (5)	3,274,640 (19)
Investments	13,377,722 (6)	13,711,327 (20)
Total Current Assets	15,021,318	16,752,273
Fixed Assets		
Contributed Fixed Assets	18,017,085	17,593,785
Purchased fixed Assets	22,769,406	21,995,051
Sub-Total	40,786,491	39,588,836
Less - Accumulated Depreciation	(23,307,871)	(21,918,638)
Net Fixed Assets	17,478,619 (7)	17,670,198 (21)
Total Assets	32,499,937	34,422,471
LIABILITIES		
Current Liabilities		
Accounts Payable	553,903	494,370
Deferred Dues & Fees	1,126,871	4,331,532
Deferred Programs	51,045	285,935
Compensation Liability	228,846	-
Total Current Liabilities	1,960,665	5,111,837
TOTAL NET ASSETS	30,539,272 (8)	29,310,635 (22)
NET ASSETS		
Temporarily Designated:		
Board Designated:		
Emergency	882,247 (9)	880,329 (23)
Maint - Repair - Replacement	7,515,773 (10)	7,055,756 (24)
Initiatives	1,566,814 (11)	2,500,602 (25)
Sub-Total	9,964,834 (12)	10,436,687
Unrestricted Net Assets	19,345,801	18,873,948
Net change Year-to-Date	1,228,637 (13)	-
Unrestricted Net Assets	20,574,438 (14)	18,873,948
TOTAL NET ASSETS	30,539,272	29,310,635



Green Valley Recreation, Inc. Summary Statement of Activities

YTD Period: 10 month period ending October 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	5,594,768	5,622,536	27,768	0%	5,622,536	5,597,604	24,932	0%	6,717,125	1,094,589
LC, Trans., Crd Fees.	640,490	517,773	(122,717)	(19%)	517,773	507,527	10,247	2%	618,000	100,227
Capital Revenue	1,971,834	2,038,712	66,878	3%	2,038,712	2,209,611	(170,899)	(8%)	2,535,200	496,488
Programs	191,860	122,272	(69,588)	(36%)	122,272	261,346	(139,074)	(53%)	336,000	213,728
Instructional	339,169	209,537	(129,633)	(38%)	209,537	385,197	(175,660)	(46%)	460,000	250,463
Recreational Revenue	531,029	331,808	(199,221)	(38%)	331,808	646,542	(314,734)	(49%)	796,000	464,192
Investment Income	256,714	232,359	(24,355)	(9%)	232,359	294,718	(62,359)	(21%)	377,651	145,291
Advertising Income	109,556	109,427	(129)	(0%)	109,427	96,668	12,758	13%	110,000	573
Cell Tower Lease Inc.	29,395	34,164	4,769	16%	34,164	29,674	4,491	15%	36,000	1,836
Comm. Revenue	138,951	143,591	4,640	3%	143,591	126,342	17,249	14%	146,000	2,409
Other Income	86,382	46,792	(39,590)	(46%)	46,792	97,811	(51,019)	(52%)	100,500	53,708
Facility Rent	53,817	24,827	(28,991)	(54%)	24,827	75,245	(50,418)	(67%)	100,000	75,173
Marketing Events	-	-	-	0%	-	3,000	(3,000)	(100%)	3,000	3,000
In-Kind Contributions	-	63,913	63,913	0%	63,913	-	63,913	0%	-	(63,913)
Other Revenue	140,199	135,532	(4,667)	(3%)	135,532	176,056	(40,524)	(23%)	203,500	67,968
Total Revenue	9,273,986	9,022,312	(251,674)	(3%)	9,022,312	9,558,400	(536,088)	(6%)	11,393,476	2,371,164
Expenses										
Major Proj.-Rep. & Maint.	556,719	227,458	329,260	59%	227,458	214,048	(13,410)	(6%)	265,148	37,690
Facility Maintenance	142,585	333,417	(190,832)	(134%)	333,417	591,862	258,445	44%	704,554	371,137
Fees & Assessments	36,420	(470)	36,890	101%	(470)	77,923	78,392	101%	78,716	79,186
Utilities	730,345	544,088	186,256	26%	544,088	736,253	192,164	26%	892,031	347,943
Depreciation	1,356,246	1,389,233	(32,988)	(2%)	1,389,233	1,533,907	144,673	9%	1,869,644	480,410
Furniture & Equipment	224,641	132,455	92,186	41%	132,455	183,173	50,718	28%	264,764	132,309
Vehicles	57,224	45,129	12,095	21%	45,129	65,053	19,924	31%	73,624	28,495
Facilities & Equipment	3,104,179	2,671,312	432,867	14%	2,671,312	3,402,219	730,907	21%	4,148,481	1,477,169
Wages, Benfts., PR Exp.	3,895,534	3,844,913	50,621	1%	3,844,913	3,906,287	61,373	2%	4,616,520	771,607
Conferences & Training	33,301	12,983	20,317	61%	12,983	55,683	42,699	77%	88,000	75,017
Personnel	3,928,835	3,857,897	70,938	2%	3,857,897	3,961,969	104,073	3%	4,704,520	846,624
Food & Catering	28,106	20,697	7,409	26%	20,697	38,149	17,452	46%	45,031	24,334
Recreation Contracts	440,443	323,241	117,202	27%	323,241	569,309	246,068	43%	632,750	309,509
Bank & Credit Card Fees	76,928	68,107	8,821	11%	68,107	90,994	22,887	25%	96,146	28,039
Program	545,477	412,045	133,432	24%	412,045	698,452	286,407	41%	773,927	361,882
Communications	79,516	90,902	(11,386)	(14%)	90,902	86,311	(4,591)	(5%)	104,149	13,247
Printing	64,609	46,237	18,373	28%	46,237	72,427	26,191	36%	94,497	48,260
Advertising	-	630	(630)	0%	630	5,000	4,370	87%	5,000	4,370
Communications	144,125	137,769	6,356	4%	137,769	163,739	25,970	16%	203,646	65,877
Supplies	220,500	151,250	69,250	31%	151,250	282,830	131,580	47%	344,127	192,876
Postage	15,029	8,922	6,107	41%	8,922	9,619	697	7%	18,500	9,578
Dues & Subscriptions	11,792	7,885	3,908	33%	7,885	6,774	(1,111)	(16%)	8,102	217
Travel & Entertainment	6,306	4,768	1,538	24%	4,768	9,604	4,837	50%	16,580	11,812
Other Operating Expense	83,955	224,864	(140,908)	(168%)	224,864	143,445	(81,419)	(57%)	178,260	(46,604)
Operations	337,582	397,689	(60,107)	(18%)	397,689	452,273	54,584	12%	565,568	167,879
Information Technology	55,739	61,453	(5,715)	(10%)	61,453	49,191	(12,263)	(25%)	114,900	53,447
Professional Fees	235,854	155,204	80,650	34%	155,204	251,847	96,643	38%	311,749	156,544
Commercial Insurance	240,688	253,397	(12,709)	(5%)	253,397	255,107	1,710	1%	280,000	26,603
Taxes	20,367	11,575	8,792	43%	11,575	18,000	6,425	36%	18,000	6,425
Provision for Bad Debt	29,745	-	29,745	100%	-	20,000	20,000	100%	24,000	24,000
Corporate Expenses	582,393	481,630	100,762	17%	481,630	594,145	112,515	19%	748,649	267,018
Expenses	8,642,591	7,958,341	684,250	8%	7,958,341	9,272,796	1,314,455	14%	11,144,791	3,186,450
Gross surplus(Rev-Exp)	631,395	1,063,971	432,575	69%	1,063,971	285,604	778,366	273%	248,685	(815,286)
Net. Gain/Loss on Invest.	589,890	164,667	(425,223)		164,667	-	164,667		-	(164,667)
Net from Operations	1,221,285	1,228,637	7,352	1%	1,228,637	285,604	943,033	330%	248,685	(979,953)



Green Valley Recreation, Inc.
Statement of Changes in Net Assets
As of Date: October 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	1,228,975 (13)	1,228,975	-	-	-	-
Transfers between unrestricted and reserves:						
Reserve Study Allocation	-	-	-	-	-	-
Principal Transfers	-	(1,407,376)	-	-	1,005,942	401,434
Depreciation	-	1,389,233	(1,389,233)	-	-	-
Purchase & Contributed Fixed Assets	-	(374,060)	1,197,655	-	(381,364)	(442,231)
Withdrawals	-	1,526,826	-	(15,000)	(539,173)	(972,653)
Allocations of Net Change components:						
Investment income	-	(202,258)	-	10,249	150,996	41,013
Investment Expenses	-	65,265	-	(4,552)	(47,418)	(13,295)
Net Gains (Losses) in Investments	-	(334,198)	-	11,220	271,034	51,944
Repairs and replacements	-	-	-	-	-	-
Net Change to October 30, 2020	1,228,975 (13)	1,892,407	(191,579)	1,918	460,017	(933,788)
Net Assets at, Dec 31, 2019	29,310,635 (22)	1,203,749	17,670,198 (21)	880,329 (23)	7,055,756 (24)	2,500,602 (25)
Net Assets as at, October 30, 2020	30,539,610 (8)	3,096,156	17,478,619 (7)	882,247 (9)	7,515,773 (10)	1,566,814 (11)
		20,574,776 (14)			9,964,834 (12)	

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 Jan 1, 2019:					
Principal additions	2,907,376	1,500,000	-	1,005,942	401,434
Investment income	240,027	37,768	10,249	150,996	41,013
Withdrawals	(3,580,410)	(1,229,990)	(15,000)	(920,537)	(1,414,884)
Investment Expenses	(65,265)	-	(4,552)	(47,418)	(13,295)
Net Change for 10 Months	(498,272)	307,778	(9,302)	188,983	(985,732)
Balance before Market Change at October 30, 2020	13,213,055	3,582,419	871,027	7,244,739	1,514,870
10 Months Net Change in Investments Gain/(Loss)	164,667 ⁽²⁶⁾	(169,531)	11,220	271,034	51,944
Balance at October 30, 2020 (at Market)	\$ 13,377,722 ⁽⁶⁾	3,412,888 ⁽⁵⁾	882,246.99 ⁽¹⁾	7,515,773 ⁽²⁾	1,566,814 ⁽³⁾

9,964,834 ⁽¹²⁾

Footnotes refer to Statement of Financial Position and Statement of Activities

EXHIBIT "A"
TO
CONSENT OF THE
BOARD OF DIRECTORS OF
GVR FOUNDATION

FORM OF
RESOURCE SHARING AGREEMENT
between
GREEN VALLEY RECREATION INC.
and
GVR FOUNDATION

This Resource Sharing Agreement (the "Agreement") is made as of _____ (the "Effective Date"), by and between Green Valley Recreation, Inc. ("GVRI"), an Arizona nonprofit corporation, and GVR Foundation (the "Foundation"), an Arizona nonprofit corporation.

WHEREAS:

- A. GVRI and the Foundation (collectively, the "Parties") both are nonprofit organizations that strive to enhance the lifestyle, health, and well-being of the Greater Green Valley, Arizona community; and**
- B. 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**
- C. 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**
- D. GVRI is staffed by full-time and part-time employees who carry out GVRI's programs and activities under the supervision of GVRI's Chief Executive Officer, who reports to GVRI's board of directors; and**
- E. The Foundation is a non-staffed charitable organization whose purposes and activities are carried out by its volunteer board of directors; and**
- F. 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; and**

G. GVRI's board of directors has determined that sharing resources with the Foundation will serve and advance GVRI's 501(c)(4) corporate purposes, as set forth in its Articles of Incorporation, 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 other such purposes as set forth in GVRI's Articles of Incorporation;

H. The Foundation's board of directors has determined that sharing resources with GVRI will serve and advance the Foundation's 501(c)(3) corporate purposes, as set forth in its Articles of Incorporation, 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;"

I. Both GVRI's board of directors and the Foundation's board of directors have determined that the sharing of resources by and between the two organizations will further the community benefits and public purposes of GVRI's 10-Year Strategic Master Facility Plan;

NOW, THEREFORE, the Parties hereby mutually deem it advantageous to share certain resources, as follows:

A. Shared Resources

1. Employees

- a. 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.
- b. No Reimbursement Required. The Foundation shall not be required to reimburse GVRI for such services.
- c. 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.
- d. 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.

2. Office Space and Facilities

- a. Dedicated Space. GVRI owns and/or leases office space, recreational facilities, and other real property in Green Valley, Arizona (the "Premises"). 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").
- b. 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.
- c. Additional Space. GVRI from time to time may also designate additional space or facilities for the Foundation's exclusive or shared use, on a temporary or indefinite basis, including exclusive use of Shared Space by the Foundation on a temporary basis (such as for a specific event) ("Additional Space"). Any use of Additional Space must be requested or otherwise memorialized in writing and must be coordinated in advance with GVRI's Chief Executive Officer.
- d. Rent and Cost Accounting for Dedicated Space and Shared Space. The Foundation's use of Dedicated Space and Shared Space shall be rent-free. For tax and accounting purposes, the Foundation's fair share of GVRI's costs of owning, renting, and/or operating the Premises used by the Foundation may be calculated, from time to time and at GVRI's discretion, on such basis as may be deemed reasonable and appropriate by GVRI but said calculations may not be requested more often than 5-year intervals from the date of this original agreement and as may be approved by the Foundation (such ratio to be referred to as the "Foundation Ratio").
- e. 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.
- f. 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.

3. 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. However, for tax and accounting purposes, the Foundation's fair share of such utilities, property insurance, and other items of overhead may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of such items by the Foundation Ratio.

4. **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. As may be applicable and appropriate, each Party and each Party's directors, officers, agents, representatives, employees, and volunteers may be named as additional insured on the other Party's insurance policies. For tax and accounting purposes, the Foundation's fair share of expenses relating to such insurance expenses may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of such insurance expenses by the Foundation Ratio, or by such other means as GVRI may determine to be appropriate.
5. **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. However, for tax and accounting purposes, the Foundation's fair share of expenses relating to such use may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of use of such items by the Foundation Ratio.
6. **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. However, for tax and accounting purposes, the Foundation's fair share of expenses relating to the use of such software may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of use of such software by the Foundation Ratio. The acquisition and use of specialized software for specific purposes shall be evaluated on a case-by-case basis, with such terms and conditions as may be necessary and appropriate negotiated and set forth in a supplemental agreement.
7. **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 regarding specific items and expenses to be provided by GVRI for or on behalf of the Foundation, at no charge or for an agreed-upon price, which shall not exceed fair market value as established on an objective independent basis. The Foundation shall not be required to reimburse GVRI for normal use of office supplies or other miscellaneous consumable goods and services, including supplies and expenses relating to incidental printing and mailing.

8. Travel and Transportation. Each party shall separately bear its own travel and transportation expenses, unless otherwise provided for in a separate supplemental agreement regarding specific items and expenses to be paid for by GVRI for or on behalf of the Foundation, at no charge or based on an agreed-upon reimbursement or payment schedule, which shall not exceed fair market value as established on an objective independent basis. Expenses relating to travel or transportation by employees, contractors, or volunteers, where work is performed on behalf of both parties, ordinarily shall be allocated to each party in proportion to the hours of work performed on the trip by the traveler, for that party, as compared to the total number of hours of work performed on the trip by the traveler.
9. Telecommunications. The Foundation shall not be required to reimburse GVRI for use of network and telecommunications equipment and facilities licensed or owned by GVRI, including networking equipment, software, bandwidth, ISP and hosting services, and the like. However, for tax and accounting purposes, the Foundation's fair share of expenses relating to the use of such equipment and facilities may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of use of such equipment and facilities by the Foundation Ratio.
10. 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. However, for tax and accounting purposes, the Foundation's fair share of expenses relating to such professional services may be calculated, from time to time and at GVRI's discretion, by multiplying the total cost to GVRI of such professional services by the Foundation Ratio, or by other such means as GVRI may determine to be appropriate. This paragraph shall not preclude the Foundation from separately engaging legal counsel or other professional advisors to advise the Foundation's board of directors on specific matters, as the Foundation's board of directors may deem necessary and prudent.

B. Intellectual Property and License of Marks

1. **Definitions.** The following definitions apply for purposes of this Agreement:
 - a. **Mark** shall mean any trademark, design mark, trade name, business name, service mark, or logo, whether registered or unregistered, belonging to GVRI or the Foundation.
 - b. **GVRI Marks** shall mean all Marks belonging to GVRI.
 - c. **Foundation Marks** shall mean all Marks belonging to the Foundation.
2. **Grant of License of GVRI Marks.** Subject to the terms and conditions herein, GVRI grants to the Foundation a non-exclusive, non-transferable, royalty-free license for the duration of this Agreement to duplicate and use GVRI Marks in connection with the Foundation's tax-exempt purposes.
3. **Grant of License of Foundation Marks.** Subject to the terms and conditions herein, the Foundation grants to GVRI a non-exclusive, non-transferable, royalty-free license for the duration of this Agreement to duplicate and use the Foundation Marks in connection with GVRI's tax-exempt purposes, provided that such use furthers the public purposes of the Foundation and GVRI, and that all use of the Foundation Marks by GVRI shall inure to the Foundation's benefit.
4. **Ownership.** Each Party, as the grantee of the license granted under this Agreement (each a "Licensee") acknowledges that ownership of the Marks belonging to the granting Party (the "Licensor") remains with the Licensor. Neither Party, as Licensee, shall use or authorize any third party to use the Marks of the Licensor except as set forth in this Agreement or as may be otherwise approved in advance in writing.
5. **Quality Standards.** Each Party, as Licensee, agrees to maintain such quality standards as may be prescribed by the Licensor in the conduct of the business operations with which the Marks are used.
6. **Infringement.** In the event that either Party learns of any infringement, threatened infringement, or passing-off of the Marks, or that any third party claims or alleges that any of the Marks are likely to cause deception or confusion to the public, the Party discovering such information shall notify GVRI's Chief Executive Officer, giving particulars thereof, and GVRI shall provide direction and assistance in determining the appropriate course of action, including whether proceedings should be commenced or defended. The ultimate decision as to how to proceed with respect to any infringement or alleged infringement rests with the board of directors of the organization that owns the Mark.

C. Mailing Lists

1. Availability. GVRI shall make its full mailing list available to the Foundation for the Foundation's use, subject to the restrictions contained within this Agreement.
2. Consideration. 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.

D. Fundraising; Contributions; Foundation Transfers to or for the Benefit of GVRI

1. Fundraising. Any joint fundraising efforts shall be conducted pursuant to one or more separate written agreements, and/or board-approved development and fundraising policies, and/or resolutions approved by the board of directors of each organization, and structured in a manner that protects the tax-exempt status of each organization and addresses the specific rules governing the operations of 501(c)(3) organizations, including fundraising activities, and the specific rules governing contributions to 501(c)(3) organizations.
2. 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.
3. 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, for a specified community purpose, approved in advance by the Foundation board of directors, made pursuant to the Foundation's policies and procedures governing grants and financial assistance to other organizations.

E. General Terms and Conditions

1. Tracking, Billing and Payment. GVRI shall be responsible for tracking, calculating, allocating, and billing any amounts that may be charged to or owed to the Foundation under this Agreement. GVRI shall provide periodic reports to the Foundation's board of directors regarding items and expenses allocated, billed, and paid pursuant to this Agreement.
2. Term and Termination. This Agreement shall continue until terminated by either party with ~~ninety (90)~~ one hundred eighty (180) days prior written notice on any five (5) year anniversary of the original agreement.
3. Governing Law. This Agreement shall be governed by the internal laws of the State of Arizona.

4. **Entire Agreement.** This Agreement represents the entire agreement of the parties with respect to its subject matter and supersedes any prior or contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter.
5. **Severability.** If any provision of this Agreement is conclusively determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby.
6. **Amendments.** This Agreement may be amended only by a written instrument signed by an authorized representative of each Party. Any supplement to this Agreement must be in writing and signed by an authorized representative of each Party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Green Valley Recreation, Inc. ("GVRI")

//FOR BOARD APPROVAL ONLY//

**By: _____
Its: President**

Date

GVR Foundation ("FOUNDATION")

//FOR BOARD APPROVAL ONLY//

**By: _____
Its: President**

Date



**Board of Directors
December 16, 2020**

EXHIBIT

**Board Affairs Committee
Approved at a Special Meeting - November 5, 2020**

**Recommendation to Approve Placing Amended and Restated Bylaws
of Green Valley Recreation, Inc. on 2021 Ballot**

Overview:

After legal review by GVR Corporate Attorney Wendy Ehrlich, the Board Affairs Committee met in a Special Meeting on November 5, 2020, and approved the Amended and Restated Bylaws of Green Valley Recreation, Inc. for recommendation to the GVR Board of Directors.

Recommendation:

GVR Board of Directors approve placing the Amended and Restated Bylaws of Green Valley Recreation, Inc. on the 2021 Ballot.

To: GVR Members
Date: [INSERT DATE]
Re: Amending and Restating GVR's Bylaws

GVR's Bylaws were originally drafted in 1973 when GVR was first incorporated. Since that time, numerous amendments have been adopted, on a piecemeal basis, which added to or changed the original document. Many of those amendments (prior to 2004) were not drafted or reviewed by an attorney. As a result, the current Bylaws are not well-organized, and in some instances, create ambiguities that have been subject to differing interpretations over the years. In order to resolve these issues and modernize the document consistent with current Arizona law, GVR's general counsel drafted proposed Amended and Restated Bylaws, with the direction and guidance of the Bylaws Committee. These Proposed Amended and Restated Bylaws have been recommended by the Board of Directors to be put to a vote of the members for adoption.

Under the Arizona Nonprofit Corporation Act, amendments to the bylaws are treated in the same manner as amendments to the articles of incorporation (A.R.S. §§10-11021 and 10-11003), requiring the approval of members representing a majority of the total votes in the corporation or two-thirds of those members voting on the matter, whichever is less. The Act also provides that restatements may contain multiple amendments, as is the case in the Amended and Restated Bylaws being proposed to GVR members (A.R.S. §10-11007).

The proposed Amended and Restated Bylaws are posted on GVR's website along with an annotated version. The annotated version does the following: (1) with respect to provisions that have been kept the same as the current Bylaws, it references the current Bylaw provision; (2) with respect to provisions that have been added, it explains the reason for the addition; and with respect to provisions that have been changed, it explains the purpose of the change. As to the latter, the Bylaws Committee's goal was to ensure that no *material, substantive, or controversial* changes were made to ensure that the Amended and Restated Bylaws would have the best chance of being approved by the membership.

The Board of Directors encourages all GVR members to review the proposed Amended and Restated Bylaws in their entirety and to use the annotated version to assist you. GVR will also hold informational meetings, via Zoom (video conference or telephone), which will allow members to address any questions or concerns they may have directly with GVR's attorney. The

informational meetings will be held on _____, 2021 at _____ am/pm and on _____, 2021 at _____ am/pm. Due to the limitations of videoconferencing, members may only attend one of the informational meetings, and must RSVP at least five (5) days prior to the meeting. If you would like to attend one of these meetings, please send an email to _____ or call _____ at least five (5) days prior to the meeting you wish to attend.

EXHIBIT A

**Amended and Restated Bylaws of
Green Valley Recreation, Inc.**

**ARTICLE 1
DEFINITIONS**

- 1.1 Additional Card Holder.** "Additional Card Holder" is an individual who shares a common household with a GVR Member.
- 1.2 Assigned Member.** "Assigned Member" is an individual who has been assigned the right to use GVR's facilities, vote and serve on the Board pursuant to Article 3, Section 3.3(A).
- 1.3 Board.** "Board" shall mean the board of directors of Green Valley Recreation, Inc., an Arizona nonprofit corporation.
- 1.4 Commercial Residential Care Facility (CRCF); CRCF Resident.** "Commercial Residential Care Facility" or "CRCF" shall mean a commercial property within The Corporation's jurisdictional boundaries that leases residential units and/or provides its residents with care-related services. A CRCF Resident is an individual residing in a CRCF.
- 1.5 Corporate Policy Manual.** The "Corporate Policy Manual" is the document containing the rules, policies and procedures of The Corporation as established by the Board.
- 1.6 Corporation or GVR.** "The Corporation" or "GVR" shall mean and refer to Green Valley Recreation, Inc., an Arizona nonprofit corporation.
- 1.7 Guest.** "Guest" is a temporary visitor of a GVR Member, CRCF Resident, Life Care Member or Tenant who lives more than twenty (20) miles outside The Corporation's jurisdictional boundaries who may use GVR's recreational facilities upon payment of a fee.
- 1.8 GVR Member; GVR Membership.** "GVR Member" shall mean and refer to an Owner or Assigned Member. "GVR Membership" shall mean and refer to all Owners and Assigned Members, collectively.
- 1.9 GVR Property.** "GVR Property" shall mean and refer to real property within The Corporation's Jurisdictional Boundaries as set forth in Article 3, Section 3.1.

1.10 Life Care Member. "Life Care Member" is a former GVR Member who resides in a residential care facility in the greater Green Valley area and has been extended privileges to use GVR's recreational facilities by the Board.

1.11 Master Deed Restriction. "Master Deed Restriction" shall mean the Green Valley Recreation, Inc. Amended Master Deed Restriction recorded in Docket 11371 at page 2595 of the official records of Pima County, Arizona.

1.12 Owner. "Owner" is the record holder of legal title to the fee interest of a GVR Property, including each person who has legal title of a GVR Property in joint tenancy, tenancy in common, or as community property. When a GVR Property is held in a trust, the trustee is the Owner unless otherwise stated in the trust.

1.13 Tenant. "Tenant" shall mean an individual leasing a GVR Property who is assigned the right to use GVR's facilities pursuant to Article 3, Section 3.3(B).

ARTICLE 2 BUSINESS AND JURISDICTION OF THE CORPORATION

2.1 Business of The Corporation. The Corporation shall provide recreational, cultural and educational programs for the enjoyment of GVR Members. The Corporation shall purchase, lease, own and maintain recreational facilities in support of the programs stated above.

2.2 Jurisdiction of The Corporation. The jurisdiction of The Corporation shall include the real property designated within the Corporate Boundary Document kept on file at the office of The Corporation.

2.3 Expansion of Jurisdiction. Real property that is not within The Corporation's jurisdiction may be brought within the jurisdiction of The Corporation with the approval of a majority of those GVR Members voting on the matter. Any such expansion of The Corporation's boundaries shall be certified by the President or Secretary and entered into the Corporate Boundary Document.

2.4 New Housing Developments. Any expansion of The Corporation's jurisdictional boundaries for new subdivision development pursuant to Section 2.2 above shall conform to the following criteria:

(a) The developer of the subdivision shall agree to place a restriction in the subdivision's covenants, conditions and restrictions requiring perpetual membership in The Corporation for each property.

(b) The developer of the subdivision shall place an “age restriction” with regard to familial status exemptions as outlined by Housing and Urban Development (HUD).

(c) Each developer must give guaranty through financial assurances that it will make contributions to GVR in terms of front-end cash or donation of land and contribution of recreational and social facilities to be built and dedicated to GVR free of encumbrances, whichever serves the best interest of the GVR Membership as determined by the Board. Both cash contributions and donations of land and improvements shall be based, at a minimum, upon the grand total of GVR fees charged in connection with potential homes in each development. In the case of the donation of land and improvements, adequate security shall first be furnished to GVR in the form of a letter of credit, certificate of deposit, bond, or other commercially reasonable and adequate security.

(d) The Board shall negotiate on behalf of the GVR Membership with respect to the new development and bind each developer with independent contracts.

(e) Each new development must be adjacent/contiguous to the existing GVR boundaries at the time of entry.

ARTICLE 3 MEMBERSHIP AND USE OF FACILITIES

3.1 GVR Property. A GVR Property is any of the following:

(a) Residential real estate located within The Corporation's jurisdiction against which a voluntary deed restriction agreement has been recorded requiring perpetual membership in GVR;

(b) Residential real estate located within a subdivision that requires membership in GVR by virtue of recorded covenants, conditions and restrictions; or

(c) Commercial residential property within The Corporation's jurisdiction ("CRCF").

3.2 Membership Rights. Subject to the provisions of Section 3.5 of this Article III, an Owner shall be entitled to all of the rights of membership in The Corporation which shall include the right to use GVR's facilities, vote in GVR Membership matters, and serve on the Board.

3.3 Assignment of Membership Rights. Upon payment of a fee established by the Board, an Owner may do either of the following:

A. Surrender the right to use GVR's facilities, vote in GVR Membership matters, and serve on the Board and assign such rights to an individual who occupies his/her GVR Property without payment of rent ("Assigned Member"); or

B. Surrender the right to use GVR's facilities and assign such right to an individual who leases his/her GVR Property ("Tenant").

3.4 Use of Recreational Facilities. GVR Members, CRCF residents, Tenants, Additional Card Holders, Life Care Members and Guests may use GVR's recreational facilities subject to the then current rules and regulations established by the Board.

3.5 Suspension of Rights.

A. The right of an individual to use GVR's recreational facilities may be suspended for any infraction of these Amended and Restated Bylaws, policies, and/or rules and regulations of The Corporation in conformance with procedures adopted by the Board. The suspension of an individual's right to use GVR's facilities shall not affect such individual's obligation to pay dues or any other amounts owed to GVR during the period of suspension.

B. The right of a GVR Member or Assigned Member to use GVR facilities, vote in GVR Membership matters, and be nominated in an election of directors shall be suspended during any period in which such GVR member or Assigned Member is delinquent in the payment of dues, fees, or special assessments.

3.6 Membership Responsibility. It shall be the duty of each GVR Member to keep The Corporation advised of his/her current mailing address.

**ARTICLE 4
MEMBERSHIP FEES AND DUES**

4.1 Fees. GVR Members shall be required to pay admission fees, transfer fees, and such administrative fees as established by the Board.

4.2 Dues. Annual dues shall be levied against each GVR Property each calendar year in such amounts as determined by the Board; provided, however, that annual dues shall be prorated for the year in which a GVR Property is acquired by an Owner. In establishing the amount of the annual dues, the Board shall be guided by the expense of operating The Corporation and a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis. On or before December 10th of each year, the Board shall announce the schedule of dues and the operating and capital budgets for the next calendar year.

4.3 Special Assessments. The Board may levy a special assessment against each GVR Property; provided, however, that such assessment is approved by a majority of GVR Members voting on the matter.

4.4 Delinquencies. Annual dues, fees or special assessments that remain unpaid more than ten (10) days after their due date shall be subject to a late fee as determined by the Board. All attorney's fees and costs incurred by The Corporation in collecting dues, fees or special

assessments shall be the personal obligation of the delinquent Owner and a charge upon such Owner's GVR Property pursuant to the Master Deed Restriction.

ARTICLE 5 MEMBERSHIP MEETINGS AND VOTING

5.1 Annual Meeting. The annual meeting of The Corporation shall be held within ninety days (90) after the end of the fiscal year and shall include a report of The Corporation's most recent financial audit.

5.2 Special Meetings. Special meetings of The Corporation may be called at any time by either the President, a majority of directors, or upon a petition signed by GVR Members representing at least ten percent (10%) of GVR Properties. Special Meetings called as a result of a petition shall be held within ninety days (90) of delivery of same upon The Corporation.

5.3 Notice of Meetings. Written notice of the date, time and place of the annual meeting or any special meeting shall be given to each eligible GVR Member no less than thirty (30) days nor more than sixty (60) days prior to the meeting, and in the case of a special meeting, the notice shall set forth the nature of the business to be transacted.

5.4 Record Date. The record date for determining a GVR Member's eligibility to vote in any matter shall be thirty (30) days prior to the first day that votes may be cast in such matter.

5.5 Voting Rights. GVR Members who are eligible to vote may cast one (1) vote in any matter put to a vote of the GVR Membership; provided, however, there shall be no more than one (1) vote cast for each GVR Property. The vote for each GVR Property must be cast as a unit and fractional votes shall not be permitted. If a vote is cast on behalf of a GVR Property, it will thereafter be conclusively presumed for all purposes that the individual casting such vote was acting with the authority and consent of all co-owners of such GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, none of the votes shall be counted and all of the votes for such GVR Property shall be deemed void.

5.6 Voting Procedure; Quorum Requirement. All action by GVR Members shall be taken by written ballot in conformance with the procedures and requirements set forth in A.R.S. §10-3708. Except as otherwise specified in these Amended and Restated Bylaws, the quorum requirement for a vote on any matter shall be ballots cast by GVR Members representing ten percent (10%) of the total eligible votes in The Corporation.

ARTICLE 6 BOARD OF DIRECTORS

6.1 Number of Directors; Qualifications. The Board shall consist of twelve (12) directors who shall be GVR Members residing within the jurisdiction of The Corporation, and the chief executive officer who shall serve as an ex-officio, non-voting member of the Board.

6.2 Term of Directors. The term of a director elected by the GVR Membership shall be three (3) years. The terms of directors shall be staggered such that each year, the term of four (4) directors shall expire. No Director may serve more than two (2) consecutive terms, with any part of a term served as an appointed director constituting a term for this purpose. A former director may be re-elected after one (1) or more years' absence from the Board.

6.3 Nomination of Directors.

A. By Committee. The Nominations & Elections Committee shall compile a list of eligible GVR Members who are qualified to serve on the Board and have submitted a candidate application. The slate of candidates shall be made available to the GVR Membership at least ninety (90) days before the annual meeting.

B. By GVR Members. Additional nominations may be made by a nomination petition delivered to The Corporation no less than sixty (60) days before the annual meeting and which contains the signed consent of the nominee and the signatures of eligible GVR Members representing not less than two-hundred (200) GVR Properties. The names of nominees submitted through such a petition shall be added to the slate of candidates compiled by the Nominations and Elections Committee.

6.4 Vacancies. Any vacancy on the Board created by the resignation, removal, or death of a director, shall be filled by the unsuccessful candidate of the last election, who received the greatest number of votes and is qualified and willing to serve. If none of said unsuccessful candidates is qualified and willing to serve, a majority of the remaining directors shall appoint a director to serve for the unexpired term of his/her predecessor.

6.5 Compensation; GVR Employment. Directors shall not receive compensation for their services on the Board but may be reimbursed by The Corporation for authorized expenses and disbursements made on its behalf. Directors and members of their immediate families may not provide services to The Corporation in exchange for financial compensation except for ancillary services related to instruction or the arts.

6.6 Powers. In addition to exercising all the powers of The Corporation as set forth in A.R.S. §10-3302 and GVR's Amended and Restated Articles of Incorporation, the Board shall have the authority to do the following:

(1) Adopt rules and regulations governing the use of GVR's facilities and the personal conduct of all persons thereon which shall be published in the Corporate Policy Manual.

(2) Adopt policies and procedures in order to carry out the provisions of these Amended and Restated Bylaws which shall be published in the Corporate Policy Manual.

(3) Declare a vacancy on the Board should any director miss three (3) regularly scheduled Board meetings in any twelve-month period without good cause.

6.7 Limitations on Powers.

A. The following actions shall require the prior approval of a majority of GVR Members voting on the matter:

(1) A contract requiring an annual payment that exceeds ten percent (10%) of the annual budgets for that fiscal year; provided, however, that a vote on any such matter shall have a quorum requirement of twenty percent (20%); or

(2) A change in services which would result in either an increase or decrease of five percent (5%) or more of the current operating budget; provided, however, that increases in services relating to new facilities provided by and at the expense of a developer or funded by existing reserves intended for such purposes shall not require the approval of GVR members.

B. The following actions shall require the approval of a majority of directors in office:

(1) Appointing and removing the chief executive officer and fixing his/her compensation;

(2) Establishing the amount of admission fees, dues, and special assessments;
or

(3) Adopting operating and capital budgets, which shall include a contribution to reserves.

**ARTICLE 7
BOARD MEETINGS**

7.1 Regular Meetings. Regular meetings of the Board shall be held at least four (4) times per fiscal year and shall be fixed on a schedule determined by the Board and published to the GVR Membership.

7.2 Special Meetings. Special meetings of the Board may be called by the President, the Vice President, or at the request of any two (2) directors.

7.3 Notice of Meetings.

A. Regular Meetings. Regular meetings of the Board may be held without additional notice to directors or GVR Members.

B. Special Meetings. Written notice of the date, time and place of a special meeting shall be provided to each director at least two days prior to the meeting and if any portion of the

meeting is to be open to GVR Members, such notice shall also be provided electronically to the GVR Membership.

C. Waiver of Notice. A director may waive any notice in writing before or after the date and time stated in the notice. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

7.4 Quorum. The presence, in person, by video conference, or by telephone conference, of a majority of the number of directors in office shall constitute a quorum for the transaction of business at a meeting. Except as otherwise specified in these Amended and Restated Bylaws, the vote of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board.

7.5 Open Meetings. Meetings of the Board at which official business of The Corporation is transacted shall be open to GVR Members; provided, however, that the Board, at the discretion of the President, may hold a meeting or any portion thereof in executive session to address any of the following:

- (1) Personnel matters; or
- (2) Legal matters.

7.6 Conduct of Meetings. Roberts Rules of Order shall prevail unless otherwise determined by the Board.

ARTICLE 8 OFFICERS AND CHIEF EXECUTIVE OFFICER

8.1 Enumeration of Officers. The officers of The Corporation shall be the President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer, the sequence of which determines their seniority.

8.2 Election and Term. Within thirty (30) days after the annual meeting of the GVR Membership, the officers shall be elected from among the directors by a majority vote of the Board and each such officer shall serve, at the pleasure of the Board, for a term of one (1) year or until the successor is elected.

8.3 Resignation and Removal; Vacancies. An officer may resign at any time by delivering notice to The Corporation and an officer may be removed from office by the Board at any time, with or without cause. An officer elected by the Board to fill a vacancy caused by resignation, removal or death shall serve for the unexpired term of his/her predecessor.

8.4 Duties of Officers.

A. President. The President shall preside at all meetings of the Board and at meetings of the GVR Membership and shall carry out all orders and resolutions of the Board and shall sign all formal written instruments such as notes, leases, mortgages, deeds, and contracts other than recurring operational contracts which the Board by appropriate resolution has exempted from this requirement. Contracts signed by the President shall receive prior legal review and Board approval. In the absence of the President, the Vice President shall perform all the duties of the President. Should the Vice President also be absent, the duties of the President shall be performed by the most senior officer present and when so acting, shall have all the powers of the President.

B. Vice President. The Vice President shall carry out duties as assigned by the President. In the absence of the President, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of the President.

C. Secretary. The Secretary shall ensure that minutes are kept of meetings of the GVR Membership and the Board. The Secretary shall cause to be given all notices in accordance with provisions of these Amended and Restated Bylaws or as required by law. The Secretary shall see that all records of The Corporation are properly kept and preserved and that the names and addresses of all GVR members are on file in the office of The Corporation. In the absence of the Secretary, the Assistant Secretary shall perform all the duties of the Secretary.

D. Treasurer. The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Board and that the financial records of The Corporation are audited. In the absence of the Treasurer, the Assistant Treasurer shall perform all the duties of the Treasurer.

8.5 Chief Executive Officer. The chief executive officer shall be accountable to the Board and shall serve as the chief operating officer of The Corporation responsible for the management of the day-to-day operations of GVR. The chief executive officer shall work cooperatively with the Board to ensure that GVR's policies are carried out effectively without exceeding the limits of authority delegated by the Board and shall ensure that operations are in conformance with these Amended and Restated Bylaws and the CPM.

8.6 Signing of Checks. Any check in the amount of \$2,500.00 or more shall be signed by two (2) officers of The Corporation or by one (1) officer and the chief executive officer. Any check in an amount of less than \$2,500.00 may be signed by the CEO with the stipulation that a log is kept reflecting the two (2) department heads that reviewed the checks prior to its execution. Month-end statements shall be reviewed by two (2) officers of The Corporation as soon as practicable after their completion.

ARTICLE 9 COMMITTEES

9.1 Standing Committees. The Board shall establish the following committees which shall make policy recommendations to the Board, and have such duties as set forth in the Corporate Policy Manual:

- (1) Board Affairs;
- (2) Fiscal Affairs;
- (3) Nominations & Elections;
- (4) Planning and Evaluation;
- (5) Audit; and
- (6) Investment.

9.2 Special Committees. The President may establish special or ad hoc committees to assume specific, short-term responsibilities. The duties and responsibilities of such committees shall be approved by the Board.

9.3 Composition of Committees.

A. Chairperson. The chairperson of each committee shall be a director selected by the President subject to Board approval; provided, however, that the chairperson of the Audit Committee shall not be an officer of The Corporation or a member of the Fiscal Affairs Committee.

B. Members. Committee members shall be selected by the chairperson of the committee from among GVR Members and operations staff. The President shall be an ex-officio member of all committees except the Nominations & Elections and Audit Committees.

9.4 Subcommittees. Except for the Nominations & Elections and Audit Committees, each committee shall have the power to establish subcommittees and may delegate to such subcommittees any of its duties and powers.

9.5 Meetings. Meetings of committees and subcommittees shall be open to GVR Members at the discretion of each committee or subcommittee.

ARTICLE X MISCELLANEOUS

10.1 Amendments.

A. Proposed by GVR Members. Amendments to these Amended and Restated Bylaws may be proposed by a petition containing the signatures of GVR Members representing at least ten percent (10%) of the total eligible votes in The Corporation submitted to the Secretary no

less than sixty (60) days before the Annual or Special Meeting. Amendments proposed by GVR members shall be submitted to a vote of the GVR Membership within sixty (60) days of submission of such a petition.

B. Proposed by Board. The Board may propose amendments to these Amended and Restated Bylaws with the approval of two-thirds (2/3) of the directors in office.

C. Approval of Amendments. Any amendment to these Amended and Restated Bylaws shall be approved by GVR Members representing a majority of the total eligible votes in The Corporation or two-thirds (2/3) of those GVR Members voting on the matter, whichever is less.

10.2 GVR Clubs. Any group of GVR Members interested in pursuing a particular field of interest may join together for the purpose of pursuing such interest and may request that the Board grant them status as a GVR club. The Board shall establish policies and procedures for creating and revoking club status and the rules and regulations governing the operation of GVR clubs.

10.3 Fiscal Year. The fiscal year and GVR Membership year of The Corporation shall be January 1 through December 31.

10.4 Annual Audit. The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm.

10.5 Records. The books, records and papers of The Corporation shall be available to GVR Members for inspection pursuant to the provisions of A.R.S. §§10-11602 and 10-11603.

10.6 Conflict. In the event of any conflict between these Amended and Restated Bylaws and GVR's Amended and Restated Articles of Incorporation, or between these Amended and Restated Bylaws and the Arizona Nonprofit Corporation Act (A.R.S. §10-3101, *et seq.*), the latter of the two shall control. In the event of any conflict between these Amended and Restated Bylaws and the Corporate Policy Manual, the former shall control.

10.7 Topical Headings. The topical headings of the paragraphs contained in these Amended and Restated Bylaws are for convenience only and do not define, limit or construe the content of the paragraphs or of this document.

This annotated document includes notes and cross-references to current Bylaw provisions (in brackets at the end of each provision where applicable) which appear in red. A copy of the proposed Amended and Restated Bylaws without annotations is available on GVR's website. The Arizona Revised Statutes referenced in this document by the letters "A.R.S." are in the Arizona Nonprofit Corporation Act which is available online at: <https://www.azleg.gov/arsDetail/?title=10>. If the Amended and Restated Bylaws are approved by GVR members, a table of contents will be added.

**Amended and Restated Bylaws of
Green Valley Recreation, Inc.**

**ARTICLE 1
DEFINITIONS**

- 1.1 Additional Card Holder.** "Additional Card Holder" is an individual who shares a common household with a GVR Member. [Art. II, Sec. 3(A)]

- 1.2 Assigned Member.** "Assigned Member" is an individual who has been assigned the right to use GVR's facilities, vote and serve on the Board pursuant to Article 3, Section 3.3(A). [Art. II, Sec. 3(B)]

- 1.3 Board.** "Board" shall mean the board of directors of Green Valley Recreation, Inc., an Arizona nonprofit corporation.

- 1.4 Commercial Residential Care Facility (CRCF); CRCF Resident.** "Commercial Residential Care Facility" or "CRCF" shall mean a commercial property within The Corporation's jurisdictional boundaries that leases residential units and/or provides its residents with care-related services. A CRCF Resident is an individual residing in a CRCF. [Art. II, Sec. 3(D) and (E)]

- 1.5 Corporate Policy Manual.** The "Corporate Policy Manual" is the document containing the rules, policies and procedures of The Corporation as established by the Board. [Art. XII, Sect. 1]

- 1.6 Corporation or GVR.** "The Corporation" or "GVR" shall mean and refer to Green Valley Recreation, Inc., an Arizona nonprofit corporation.

- 1.7 Guest.** "Guest" is a temporary visitor of a GVR Member, CRCF Resident, Life Care Member or Tenant who lives more than twenty (20) miles outside The Corporation's jurisdictional boundaries who may use GVR's recreational facilities upon payment of a fee. [Art. II, Sec. 3(F) and Art. II, Sec. 4(A)(3)]

- 1.8 GVR Member; GVR Membership.** "GVR Member" shall mean and refer to an Owner or Assigned Member. "GVR Membership" shall mean and refer to all Owners and Assigned Members, collectively.

1.9 GVR Property. "GVR Property" shall mean and refer to real property within The Corporation's Jurisdictional Boundaries as set forth in Article 3, Section 3.1. [Art. II, Sec. 1]

1.10 Life Care Member. "Life Care Member" is a former GVR Member who resides in a residential care facility in the greater Green Valley area and has been extended privileges to use GVR's recreational facilities by the Board. [Art. II, Sec. 3(I) and Art. II, Sec. 4(B)]

1.11 Master Deed Restriction. "Master Deed Restriction" shall mean the Green Valley Recreation, Inc. Amended Master Deed Restriction recorded in Docket 11371 at page 2595 of the official records of Pima County, Arizona.

1.12 Owner. "Owner" is the record holder of legal title to the fee interest of a GVR Property, including each person who has legal title of a GVR Property in joint tenancy, tenancy in common, or as community property. When a GVR Property is held in a trust, the trustee is the Owner unless otherwise stated in the trust. [Art. II, Sec. 2(A)]

1.13 Tenant. "Tenant" shall mean an individual leasing a GVR Property who is assigned the right to use GVR's facilities pursuant to Article 3, Section 3.3(B). [Art. II, Sec. 3(C)]

This first Article provides definitions for all of the capitalized terms used in the document. A new term, "Owner," has been added to distinguish between individuals who are members by virtue of their ownership of a GVR property, as opposed to Assigned Members. The term "GVR Member" includes both Owners and Assigned Members.

Article I, Section 1 of the current Bylaws has been removed as it is addressed in the Amended and Restated Articles of Incorporation. Article 1, Sections 4 (GVR Clubs) and 7 (Fiscal Year) of the current Bylaws have been moved to Article X (Miscellaneous). Sections 5 and 6 of the current Bylaws (addressing the jurisdiction of GVR) are now in Article 2.

ARTICLE 2 BUSINESS AND JURISDICTION OF THE CORPORATION

2.1 Business of The Corporation. The Corporation shall provide recreational, cultural and educational programs for the enjoyment of GVR Members. The Corporation shall purchase, lease, own and maintain recreational facilities in support of the programs stated above. [Art. I, Sec. 2]

2.2 Jurisdiction of The Corporation. The jurisdiction of The Corporation shall include the real property designated within the Corporate Boundary Document kept on file at the office of The Corporation. [Art. I, Sec. 5(A)]

2.3 Expansion of Jurisdiction. Real property that is not within The Corporation's jurisdiction may be brought within the jurisdiction of The Corporation with the approval of a majority of those GVR Members voting on the matter. Any such expansion of The Corporation's boundaries shall be certified by the President or Secretary and entered into the Corporate Boundary Document. [Art. I, Sec. 5(B)]

2.4 New Housing Developments. Any expansion of The Corporation's jurisdictional boundaries for new subdivision development pursuant to Section 2.2 above shall conform to the following criteria:

(a) The developer of the subdivision shall agree to place a restriction in the subdivision's covenants, conditions and restrictions requiring perpetual membership in The Corporation for each property.

(b) The developer of the subdivision shall place an "age restriction" with regard to familial status exemptions as outlined by Housing and Urban Development (HUD).

(c) Each developer must give guaranty through financial assurances that it will make contributions to GVR in terms of front-end cash or donation of land and contribution of recreational and social facilities to be built and dedicated to GVR free of encumbrances, whichever serves the best interest of the GVR Membership as determined by the Board. Both cash contributions and donations of land and improvements shall be based, at a minimum, upon the grand total of GVR fees charged in connection with potential homes in each development. In the case of the donation of land and improvements, adequate security shall first be furnished to GVR in the form of a letter of credit, certificate of deposit, bond, or other commercially reasonable and adequate security.

(d) The Board shall negotiate on behalf of the GVR Membership with respect to the new development and bind each developer with independent contracts.

(e) Each new development must be adjacent/contiguous to the existing GVR boundaries at the time of entry.

[Art. I, Sec. 6]

ARTICLE 3 MEMBERSHIP AND USE OF FACILITIES

3.1 GVR Property. A GVR Property is any of the following:

(a) Residential real estate located within The Corporation's jurisdiction against which a voluntary deed restriction agreement has been recorded requiring perpetual membership in GVR;

(b) Residential real estate located within a subdivision that requires membership in GVR by virtue of recorded covenants, conditions and restrictions; or

(c) Commercial residential property within The Corporation's jurisdiction ("CRCF").
[Art. II, Sec. 1]

3.2 Membership Rights. Subject to the provisions of Section 3.5 of this Article III, an Owner shall be entitled to all of the rights of membership in The Corporation which shall include the right to use GVR's facilities, vote in GVR Membership matters, and serve on the Board.

3.3 Assignment of Membership Rights. Upon payment of a fee established by the Board, an Owner may do either of the following:

A. Surrender the right to use GVR's facilities, vote in GVR Membership matters, and serve on the Board and assign such rights to an individual who occupies his/her GVR Property without payment of rent ("Assigned Member"); or

B. Surrender the right to use GVR's facilities and assign such right to an individual who leases his/her GVR Property ("Tenant").

[Art. II, Sec. 2(B) and Sec. 6(D)]

3.4 Use of Recreational Facilities. GVR Members, CRCF residents, Tenants, Additional Card Holders, Life Care Members and Guests may use GVR's recreational facilities subject to the then current rules and regulations established by the Board. [Art. II, Sec. 4(A) and (B)]

3.5 Suspension of Rights.

A. The right of an individual to use GVR's recreational facilities may be suspended for any infraction of these Amended and Restated Bylaws, policies, and/or rules and regulations of The Corporation in conformance with procedures adopted by the Board. The suspension of an individual's right to use GVR's facilities shall not affect such individual's obligation to pay dues or any other amounts owed to GVR during the period of suspension. [Art. II, Sec. 5]

B. The right of a GVR Member or Assigned Member to use GVR facilities, vote in GVR Membership matters, and be nominated in an election of directors shall be suspended during any period in which such GVR member or Assigned Member is delinquent in the payment of dues, fees, or special assessments. [Art. II, Sec. 7(B)]

3.6 Membership Responsibility. It shall be the duty of each GVR Member to keep The Corporation advised of his/her current mailing address. [Art. II, Sec. 6(B)]

ARTICLE 4
MEMBERSHIP FEES AND DUES

4.1 Fees. GVR Members shall be required to pay admission fees, transfer fees, and such administrative fees as established by the Board. [Art. II, Sec. 7(A) and Article III]. The specific types of fees that have been approved by the Board are set forth in the CPM and fall within these three categories: admission fees are Initial Fees and Property Acquisition Capital Fees; transfer fees are the fees charged for resale of GVR Properties; and administrative fees are guest fees, tenant fees, etc.

4.2 Dues. Annual dues shall be levied against each GVR Property each calendar year in such amounts as determined by the Board; provided, however, that annual dues shall be prorated for the year in which a GVR Property is acquired by an Owner. In establishing the amount of the annual dues, the Board shall be guided by the expense of operating The Corporation and a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis. On or before December 10th of each year, the Board shall announce the schedule of dues and the operating and capital budgets for the next calendar year. [Art. III, Sec. 1, 2 and 4]. The word “facilities” has been changed to “The Corporation” in the second sentence for clarification purposes.

4.3 Special Assessments. The Board may levy a special assessment against each GVR Property; provided, however, that such assessment is approved by a majority of GVR Members voting on the matter. [Art. III, Sec. 5]

4.4. Delinquencies. Annual dues, fees or special assessments that remain unpaid more than ten (10) days after their due date shall be subject to a late fee as determined by the Board. All attorney's fees and costs incurred by The Corporation in collecting dues, fees or special assessments shall be the personal obligation of the delinquent Owner and a charge upon such Owner's GVR Property pursuant to the Master Deed Restriction. This provision was added to address the penalties for late payment of dues, fees and assessments addressed in the Master Deed Restriction recorded against all GVR Properties.

ARTICLE 5
MEMBERSHIP MEETINGS AND VOTING

5.1 Annual Meeting. The annual meeting of The Corporation shall be held within ninety days (90) after the end of the fiscal year and shall include a report of The Corporation's most recent financial audit. [Art. IX, Sec. 1]

5.2 Special Meetings. Special meetings of The Corporation may be called at any time by either the President, a majority of directors, or upon a petition signed by GVR Members representing at least ten percent (10%) of GVR Properties. Special Meetings called as a result of a petition shall be held within ninety days (90) of delivery of same upon The Corporation. [Art. IX, Sec. 2 and Art. VI, Sec. 1(A)]

5.3 Notice of Meetings. Written notice of the date, time and place of the annual meeting or any special meeting shall be given to each eligible GVR Member no less than thirty (30) days nor more than sixty (60) days prior to the meeting, and in the case of a special meeting, the notice shall set forth the nature of the business to be transacted. [Art. IX, Sec. 3]. The maximum notice of 60 days was added to meet the requirements of A.R.S. 10-3705(A).

5.4 Record Date. The record date for determining a GVR Member's eligibility to vote in any matter shall be thirty (30) days prior to the first day that votes may be cast in such matter. A record date is the date upon which members must be current in the payment of their dues, fees and assessments in order to qualify for notice of the annual meeting and to vote. This provision was added (as permitted under A.R.S. §10-3707) so that the Board will not have to fix a record date each year.

5.5 Voting Rights. GVR Members who are eligible to vote may cast one (1) vote in any matter put to a vote of the GVR Membership; provided, however, there shall be no more than one (1) vote cast for each GVR Property. The vote for each GVR Property must be cast as a unit and fractional votes shall not be permitted. If a vote is cast on behalf of a GVR Property, it will thereafter be conclusively presumed for all purposes that the individual casting such vote was acting with the authority and consent of all co-owners of such GVR Property. In the event that more than one (1) vote is cast for a particular GVR Property, none of the votes shall be counted and all of the votes for such GVR Property shall be deemed void. [Art. II, Sec. 6(A)]. The last sentence was added to prohibit fractional voting pursuant to A.R.S. 10-3721(B).

5.6 Voting Procedure; Quorum Requirement. All action by GVR Members shall be taken by written ballot in conformance with the procedures and requirements set forth in A.R.S. §10-3708. Except as otherwise specified in these Amended and Restated Bylaws, the quorum requirement for a vote on any matter shall be ballots cast by GVR Members representing ten percent (10%) of the total eligible votes in The Corporation. [Art. II, Sec. 6(C) and Art. XI, Sec. 1 and 2]. A quorum requirement - the minimum number of members who must participate in a vote in order for the vote to be valid - has been added. Ten percent (10%) has been the default quorum requirement used to date pursuant to A.R.S. §10-3722.

ARTICLE 6 BOARD OF DIRECTORS

6.1 Number of Directors; Qualifications. The Board shall consist of twelve (12) directors who shall be GVR Members residing within the jurisdiction of The Corporation, and the chief executive officer who shall serve as an ex-officio, non-voting member of the Board. . [Art. IV, Sec. 1 and Art. VII, Sec. 1]

6.2 Term of Directors. The term of a director elected by the GVR Membership shall be three (3) years. The terms of directors shall be staggered such that each year, the term of four (4) directors shall expire. No Director may serve more than two (2) consecutive terms, with any part of a term served as an appointed director constituting a term for this purpose. A former director may be re-elected after one (1) or more years' absence from the Board. [Art. V, Sec. 1(A)]

6.3 Nomination of Directors.

A. By Committee. The Nominations & Elections Committee shall compile a list of eligible GVR Members who are qualified to serve on the Board and have submitted a candidate application. The slate of candidates shall be made available to the GVR Membership at least ninety (90) days before the annual meeting. [Art. V, Sec. 2 and Art. II, Sec. 7(B)]. This provision was changed to clarify that the Committee's duty is to produce a slate of *candidates* (not "directors") and that nominees must be eligible GVR Members which includes Owners and Assigned Members who are current in the payment of their dues and fees pursuant to Section 3.5(B).

B. By GVR Members. Additional nominations may be made by a nomination petition delivered to The Corporation no less than sixty (60) days before the annual meeting and which contains the signed consent of the nominee and the signatures of eligible GVR Members representing not less than two-hundred (200) GVR Properties. The names of nominees submitted through such a petition shall be added to the slate of candidates compiled by the Nominations and Elections Committee.

Provisions related to the election of directors (Art. V, Sec. 3 of the current Bylaws) was removed as the voting procedure for elections is the same as it is for any other matter. The provision related to "cumulative voting" was unnecessary, as A.R.S. §10-3725 states that cumulative voting is prohibited unless specifically authorized in the Bylaws.

6.4 Vacancies. Any vacancy on the Board created by the resignation, removal, or death of a director, shall be filled by the unsuccessful candidate of the last election, who received the greatest number of votes and is qualified and willing to serve. If none of said unsuccessful candidates is qualified and willing to serve, a majority of the remaining directors shall appoint a director to serve for the unexpired term of his/her predecessor. [Art. VI, Sec.1(F)].

6.5 Compensation; GVR Employment. Directors shall not receive compensation for their services on the Board but may be reimbursed by The Corporation for authorized expenses and disbursements made on its behalf. Directors and members of their immediate families may not provide services to The Corporation in exchange for financial compensation except for ancillary services related to instruction or the arts. [Art. IV, Sec. 7 and 8]. This provision has been modified to allow directors and their family members to teach classes and provide entertainment at events.

6.6 Powers. In addition to exercising all the powers of The Corporation as set forth in A.R.S. §10-3302 and GVR's Amended and Restated Articles of Incorporation, the Board shall have the authority to do the following:

(1) Adopt rules and regulations governing the use of GVR's facilities and the personal conduct of all persons thereon which shall be published in the Corporate Policy Manual.

(2) Adopt policies and procedures in order to carry out the provisions of these Amended and Restated Bylaws which shall be published in the Corporate Policy Manual.

(3) Declare a vacancy on the Board should any director miss three (3) regularly scheduled Board meetings in any twelve-month period without good cause.

[Art. VI, Sec. 1(B),(C), and (D)]. The phrase "without good cause" was added in subsection (3) to prevent the removal of directors who miss meetings due to health issues or other similar reasons.

6.7 Limitations on Powers.

A. The following actions shall require the prior approval of a majority of GVR Members voting on the matter:

(1) A contract requiring an annual payment that exceeds ten percent (10%) of the annual budgets for that fiscal year; provided, however, that a vote on any such matter shall have a quorum requirement of twenty percent (20%); or

(2) A change in services which would result in either an increase or decrease of five percent (5%) or more of the current operating budget; provided, however, that increases in services relating to new facilities provided by and at the expense of a developer or funded by existing reserves intended for such purposes shall not require the approval of GVR members.

[Art. VI, Sec. 2 and Art. III, Sec. 3]

Subsection (1) was modified: "operating budget" was changed to "annual budgets" so as to include reserve budgets.

Subsection (2) was modified to resolve ambiguities and add an exception for services funded by existing reserves.

B. The following actions shall require the approval of a majority of directors in office:

(1) Appointing and removing the chief executive officer and fixing his/her compensation;

(2) Establishing the amount of admission fees, dues, and special assessments;
or

(3) Adopting operating and capital budgets, which shall include a contribution to reserves.

[Art. VI, Sec. 1(B)]

**ARTICLE 7
BOARD MEETINGS**

7.1 Regular Meetings. Regular meetings of the Board shall be held at least four (4) times per fiscal year and shall be fixed on a schedule determined by the Board and published to the GVR Membership. [Article IV, Sec. 2]. Publication of the schedule was added to provide notice to members.

7.2 Special Meetings. Special meetings of the Board may be called by the President, the Vice President, or at the request of any two (2) directors. [Art. IV, Sec. 3]

7.3 Notice of Meetings.

A. Regular Meetings. Regular meetings of the Board may be held without additional notice to directors or GVR Members.

B. Special Meetings. Written notice of the date, time and place of a special meeting shall be provided to each director at least two days prior to the meeting and if any portion of the meeting is to be open to GVR Members, such notice shall also be provided electronically to the GVR Membership.

C. Waiver of Notice. A director may waive any notice in writing before or after the date and time stated in the notice. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting or promptly on the director's arrival at the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Notice provisions were added as required by A.R.S. §§10-3822 and 10-3823.

7.4 Quorum. The presence, in person, by video conference, or by telephone conference, of a majority of the number of directors in office shall constitute a quorum for the transaction of business at a meeting. Except as otherwise specified in these Amended and Restated Bylaws, the vote of a majority of directors present at any meeting at which a quorum is present shall be the act of the Board. [Art. IV, Sec. 4]

7.5 Open Meetings. Meetings of the Board at which official business of The Corporation is transacted shall be open to GVR Members; provided, however, that the Board, at the discretion of the President, may hold a meeting or any portion thereof in executive session to address any of the following:

- (1) Personnel matters; or
- (2) Legal matters.

[Art. IV, Sec. 5]

7.6 Conduct of Meetings. Roberts Rules of Order shall prevail unless otherwise determined by the Board. [Art. XII, Sec. 3]

ARTICLE 8 OFFICERS AND CHIEF EXECUTIVE OFFICER

8.1 Enumeration of Officers. The officers of The Corporation shall be the President, Vice President, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer, the sequence of which determines their seniority. [Art. VII, Sec. 1]

8.2 Election and Term. Within thirty (30) days after the annual meeting of the GVR Membership, the officers shall be elected from among the directors by a majority vote of the Board and each such officer shall serve, at the pleasure of the Board, for a term of one (1) year or until the successor is elected. [Art. VII, Sec. 2 and 3]

8.3 Resignation and Removal; Vacancies. An officer may resign at any time by delivering notice to The Corporation and an officer may be removed from office by the Board at any time, with or without cause. An officer elected by the Board to fill a vacancy caused by resignation, removal or death shall serve for the unexpired term of his/her predecessor. **This provision was added in conformance with A.R.S. §10-3843.**

8.4 Duties of Officers.

A. **President.** The President shall preside at all meetings of the Board and at meetings of the GVR Membership and shall carry out all orders and resolutions of the Board and shall sign all formal written instruments such as notes, leases, mortgages, deeds, and contracts other than recurring operational contracts which the Board by appropriate resolution has exempted from this requirement. Contracts signed by the President shall receive prior legal review and Board approval. In the absence of the President, the Vice President shall perform all the duties of the President. Should the Vice President also be absent, the duties of the President shall be performed by the most senior officer present and when so acting, shall have all the powers of the President.

B. **Vice President.** The Vice President shall carry out duties as assigned by the President. In the absence of the President, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of the President.

C. **Secretary.** The Secretary shall ensure that minutes are kept of meetings of the GVR Membership and the Board. The Secretary shall cause to be given all notices in accordance with provisions of these Amended and Restated Bylaws or as required by law. The Secretary shall see that all records of The Corporation are properly kept and preserved and that the names and addresses of all GVR members are on file in the office of The Corporation. In the absence of the Secretary, the Assistant Secretary shall perform all the duties of the Secretary.

D. Treasurer. The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Board and that the financial records of The Corporation are audited. In the absence of the Treasurer, the Assistant Treasurer shall perform all the duties of the Treasurer.

[Art. VII, Sec. 4]

8.5 Chief Executive Officer. The chief executive officer shall be accountable to the Board and shall serve as the chief operating officer of The Corporation responsible for the management of the day-to-day operations of GVR. The chief executive officer shall work cooperatively with the Board to ensure that GVR's policies are carried out effectively without exceeding the limits of authority delegated by the Board and shall ensure that operations are in conformance with these Amended and Restated Bylaws and the CPM. [Art. VII, Sec. 5]

8.6 Signing of Checks. Any check in the amount of \$2,500.00 or more shall be signed by two (2) officers of The Corporation or by one (1) officer and the chief executive officer. Any check in an amount of less than \$2,500.00 may be signed by the CEO with the stipulation that a log is kept reflecting the two (2) department heads that reviewed the checks prior to its execution. Month-end statements shall be reviewed by two (2) officers of The Corporation as soon as practicable after their completion. [Art. VII, Sec. 4(E)]

ARTICLE 9 COMMITTEES

9.1 Standing Committees. The Board shall establish the following committees which shall make policy recommendations to the Board, and have such duties as set forth in the Corporate Policy Manual:

- (1) Board Affairs;
- (2) Fiscal Affairs;
- (3) Nominations & Elections;
- (4) Planning and Evaluation;
- (5) Audit; and
- (6) Investment.

[Art. VIII, Sec. 1]

9.2 Special Committees. The President may establish special or ad hoc committees to assume specific, short-term responsibilities. The duties and responsibilities of such committees shall be approved by the Board. [Art. VIII, Sec. 2(A)]

9.3 Composition of Committees.

A. Chairperson. The chairperson of each committee shall be a director selected by the President subject to Board approval; provided, however, that the chairperson of the Audit

Committee shall not be an officer of The Corporation or a member of the Fiscal Affairs Committee. [Art. VIII, Sec. 2(B) and Sec. 3]

B. Members. Committee members shall be selected by the chairperson of the committee from among GVR Members and operations staff. The President shall be an ex-officio member of all committees except the Nominations & Elections and Audit Committees. [Art. VIII, Sec. 3]

9.4 Subcommittees. Except for the Nominations & Elections and Audit Committees, each committee shall have the power to establish subcommittees and may delegate to such subcommittees any of its duties and powers. [Art. VIII, Sec. 4]

9.5 Meetings. Meetings of committees and subcommittees shall be open to GVR Members at the discretion of each committee or subcommittee. [Art. VIII, Sec. 5]

ARTICLE X MISCELLANEOUS

10.1 Amendments

A. Proposed by GVR Members. Amendments to these Amended and Restated Bylaws may be proposed by a petition containing the signatures of GVR Members representing at least ten percent (10%) of the total eligible votes in The Corporation submitted to the Secretary no less than sixty (60) days before the Annual or Special Meeting. Amendments proposed by GVR members shall be submitted to a vote of the GVR Membership within sixty (60) days of submission of such a petition.

B. Proposed by Board. The Board may propose amendments to these Amended and Restated Bylaws with the approval of two-thirds (2/3) of the directors in office.

C. Approval of Amendments. Any amendment to these Amended and Restated Bylaws shall be approved by GVR Members representing a majority of the total eligible votes in The Corporation or two-thirds (2/3) of those GVR Members voting on the matter, whichever is less.

[Art. X]

10.2 GVR Clubs. Any group of GVR Members interested in pursuing a particular field of interest may join together for the purpose of pursuing such interest and may request that the Board grant them status as a GVR club. The Board shall establish policies and procedures for creating and revoking club status and the rules and regulations governing the operation of GVR clubs. [Art. I, Sec. 4]

10.3 Fiscal Year. The fiscal year and GVR Membership year of The Corporation shall be January 1 through December 31.

10.4 Annual Audit. The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm. [Art. I, Sec. 7]

10.5 Records. The books, records and papers of The Corporation shall be available to GVR Members for inspection pursuant to the provisions of A.R.S. §§10-11602 and 10-11603. The current Bylaw provision (Art. XII, Sec. 2) is inconsistent with Arizona law. It has been changed to reference the applicable statutes.

10.6 Conflict. In the event of any conflict between these Amended and Restated Bylaws and GVR's Amended and Restated Articles of Incorporation, or between these Amended and Restated Bylaws and the Arizona Nonprofit Corporation Act (A.R.S. §10-3101, *et seq.*), the latter of the two shall control. In the event of any conflict between these Amended and Restated Bylaws and the Corporate Policy Manual, the former shall control. [Art. XII, Sec. 3]. This provision was changed to comply with A.R.S. §10-3206(B).

10.7 Topical Headings. The topical headings of the paragraphs contained in these Amended and Restated Bylaws are for convenience only and do not define, limit or construe the content of the paragraphs or of this document. This provision was added.



**Board of Directors
December 16, 2020**

EXHIBIT

**Board Affairs Committee
Approved at a Special Meeting - November 5, 2020**

Recommendation for Bylaws Amendments on the 2021 Ballot

Overview:

After legal review by GVR Corporate Attorney Wendy Ehrlich, the Board Affairs Committee met in a Special Meeting on November 5, 2020, and approved recommendations for 2021 Ballot Bylaws Amendments.

Recommendation:

Board Affairs Committee recommends the Board of Directors approve the following separate Bylaws Amendments on the 2021 Ballot to the Amended and Restated Bylaws of Green Valley Recreation, Inc.:

Article 8. Officers and Chief Executive Officer

8.6 Signing of Checks

Replace the second sentence with the following: Any check in an amount of less than \$2,500.00 shall be signed by the Chief Executive Officer in conformance with procedures as shall be set forth in the Corporate Policy Manual.

Article 9. Committees

9.4 Subcommittees

Add the following second sentence: Subcommittee members shall be appointed by the parent committee chair in consultation with the subcommittee chair.



**Board of Directors
December 16, 2020**

EXHIBIT

**Board Affairs Committee Approved
November 5, 2020**

**Recommendation for Changes to Corporate Policy Manual (CPM)
GVR Advertising & Sponsorship Policy**

Overview:

After legal review by GVR Corporate Attorney Wendy Ehrlich, the Board Affairs Committee met on November 5, 2020, and approved recommendations for revisions to the Corporate Policy Manual (CPM) APPENDIX I. Subsection 5.

Recommendation:

Board Affairs Committee recommends the Board of Directors amend the Corporate Policy Manual (CPM) as follows:

**CORPORATE POLICY MANUAL
APPENDIX I – BOARD POLICIES
SUBSECTION 5. GVR ADVERTISING & SPONSORSHIP POLICY**

E. DIRECTORS

A company or other for-profit entity in which a GVR Director has a financial interest is prohibited from participating in the Advertising and Sponsorship Program.



**Board of Directors
December 16, 2020**

EXHIBIT

**Board Affairs Committee Approved via Unanimous Consent
December 3, 2020**

**Recommendation for Changes to Corporate Policy Manual (CPM),
Section VI.4.B. Committees of The Board of Directors**

Overview:

After legal review by GVR Corporate Attorney Wendy Ehrlich, the Board Affairs Committee approved via unanimous consent on December 3, 2020, the recommendations for revisions to the Corporate Policy Manual (CPM) Section VI. Subsection 4. B. Committees of The Board of Directors.

Recommendation:

Board Affairs Committee recommends the Board of Directors amend the Corporate Policy Manual (CPM) as follows:

CORPORATE POLICY MANUAL

Section VI. BOARD/BOARD COMMITTEES

Subsection 4. BOARD COMMITTEES' DUTIES AND RESPONSIBILITIES

B. Committees of The Board of Directors

1. Standing and Special/Ad Hoc Committee Chairpersons must be Directors. Chairpersons shall be nominated by the President, subject to approval of 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. 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 meetings, whether open or closed, except those of an ad hoc or special committee, the nature of which involves addressing sensitive information as determined by the Board. 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.



Canoa Hills Clubhouse Renovation Report

Canoa Hills Clubhouse Renovation Report

Timeline and History of Canoa Hills Building Project:

In 2019, the facilities expansion needs for GVR became a focal point for the Planning & Evaluation Committee.

For many years, the expansion needs for seven of GVR's dedicated space clubs, several fitness centers, and classroom/meeting rooms have been discussed without any solutions or concrete plans to solve these needs.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report



In October 2019, the Facilities Expansion Subcommittee, under the P&E Committee, identified the former Canoa Hills Golf Course Clubhouse as a potential opportunity to meet some of GVR's expansion needs. This kicked off the discussion for the possible acquisition of the clubhouse building and adjoining parking lot. Subcommittee members made their first tour of the building.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

In November 2019, the Facilities Expansion Subcommittee had further discussions and concluded that the existing Canoa Hills interior building layout would require substantial renovation to meet the needs of specific club uses, but such a renovation appeared very doable. Possibilities for several clubs were also discussed.

In February 2020, the GVR Board authorized a total building inspection and an appraisal of the Canoa Hills Clubhouse.

In March 2020, the Facilities Expansion Subcommittee passed a motion to establish a task force/ad hoc committee to address the space needs for Lapidary and Glass Arts. The basic assumption was to further explore the acquisition of the Canoa Hills Clubhouse to meet those needs. A task force was not created, however the Facilities Expansion Subcommittee and P&E continued to explore and study the opportunity.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

In June, July, and August 2020, there were numerous tours of the building by the leadership and other members of the Lapidary, Glass Arts and Ceramic Clubs as well as members of the GVR Board. Eventually Lapidary determined that the space did not meet their long-term goal of the consolidation of their existing three facilities.

Ceramics and Glass Arts remained very interested and were excited about relocating into larger facilities. Both clubs have prepared preliminary space plans that will be used in the preparation of design documents for the interior renovation.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

Further inspections of the building conditions were conducted in this same time frame by Jack Howard, a GVR member and retired professional structural design engineer; representatives from a local commercial building contractor; WSM Architects; GVR Facilities Director David Jund; and P&E Committee Chair Randy Howard, retired construction executive with 45 years of commercial, institutional and infrastructure experience.

The inspections of the building confirmed that the structure and the shell are in good condition, suitable for a major interior renovation to meet the needs of both Ceramics and Glass Arts. It should also be noted that the owner of the building replaced the flat and clay tile roofing in the Spring of 2020.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

The building and parking lot are situated on approximately 3 acres of properly zoned land.

There are two parking lots on site that can accommodate approximately 110 cars.

The existing building footprint includes approximately 8,400 square feet that can be expanded to 10,000 by enclosing roof overhang spaces on the front of the building and portions of the balcony on the back of the building.

There is also room on the site for a future building expansion.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

GVR has received a budget estimate for complete renovation from a local contractor based on the preliminary space plans provided by Ceramics and Glass Arts along with design clarifications provided by WSM Architects, for approximately \$1.1 million. The budget estimate includes new HVAC, plumbing, electrical, an elevator and all interior build-out and finishes.

Current local estimates for comparable new construction, including total site development, parking and a 10,000 square foot building are approximately \$3,000,000. This was confirmed by both the contractor and WSM Architects. Ultimately the construction contract will be competitively bid by local, prequalified building contractors.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

Total cost of the project will be funded by the Initiatives Reserve, not the Operating Budget.

No dues increase will be required to complete the project.

Initiatives Reserve was established years ago specifically to pay for new facilities. It is funded by a portion of the capital fees that are included in the closing costs of deed-restricted home sales. The current balance of the Initiatives Reserve is approximately \$1.6 million and grows \$500-600,000 per year from home sales.

The cost of construction will be paid incrementally as construction proceeds, so spending will be spread out over approximately two years.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

The building is classified as Class C Masonry construction. The listing price for the building and parking lot was \$700,000. The appraised value was approximately \$540,000 before the roof replacement, which added approximately \$10,000 in value to the building. Ultimately GVR offered \$500,000 with the condition that the owner gift the parking lot at no cost to GVR Foundation as a tax credit.

The offer was accepted and GVR and GVR Foundation both closed on November 19, 2020. GVR will enter into a long-term lease agreement with the Foundation for the entire large parking lot.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report



GVR Foundation was established by the GVR Board of Directors in 2014. It is a separate legal entity. The GVR Foundation’s mission is “to enhance the lives of GVR members and community residents through programs, advocacy, and financial support that promote health and wellness in Green Valley, Arizona.”

The Foundation has successfully established two endowments. The MAP Endowment provides much needed funds to GVR members who are in financial need. The Operational Endowment was established to support and help ensure the success of the Foundation.



Canoa Hills Clubhouse Renovation Report

It is anticipated that design will start in January 2021. Bidding documents should be completed mid-year and construction will start shortly thereafter. Once underway, the total construction should be completed in approximately 12-15 months.

The purchase and upcoming renovation of the Canoa Hills building will represent a good start to resolve several other much needed expansion requests that have been lingering for years. In addition to the relocation and expansion of the dedicated space for Ceramics, there will be added benefits when they vacate their existing facility at Desert Hills.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

The Ceramics Club currently occupies approximately 2,200 square feet in the Desert Hills Center.

The Lapidary Club, which occupies approximately 1,100 square feet in Desert Hills, has requested approval to relocate into the Ceramics' space once they complete their relocation to Canoa Hills. This will double their space at Desert Hills and will help relieve serious overcrowding in their existing space.

This plan has been approved by P&E. When Lapidary eventually relocates into the former Ceramics' space, this will leave 1,100 square feet that can be renovated into a new classroom/meeting room.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

The Poker Club currently uses a card room at Desert Hills. There is enough space on the 1st floor of Canoa Hills to accommodate Ceramics and create a new card room for the Poker Club. The new card room will be partitioned off from Ceramics and will have a separate exterior entrance.

The Fitness Center at Desert Hills has been in need of expansion for years and is located next door to the Poker Club card room. By moving the Poker Club to Canoa Hills, the Fitness Center can be expanded to provide for the much needed, larger facility.

The recently revised Resource Sharing Agreement with the GVR Foundation has a provision for GVR to provide a small office space. When Glass Arts relocates to the Clubhouse Property, the small storage space they occupy at West Center will become available. At that time, GVR may offer the space to the Foundation for a permanent office.



GREEN VALLEY RECREATION, INC.

Canoa Hills Clubhouse Renovation Report

End result of purchasing Canoa Hills has given GVR the opportunity to:

- Meet expansion needs of four dedicated space clubs;
- Expand Desert Hills Fitness Center; and
- Add back one more classroom/meeting space.

All this to better serve hundreds of GVR members in a reasonably economical fashion versus the high cost of new construction.



GREEN VALLEY RECREATION, INC.