



AGENDA

SPECIAL BOARD OF DIRECTORS MEETING
Tuesday, December 29, 2020 2pm
ELECTRONIC MEETING

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

| Agenda Topic | Director | Exhibit | Action |
|--|----------|---------|--------|
| 1. Call to Order / Quorum | Weaver | | |
| 2. Adopt Agenda | Weaver | X | X |
| 3. New Business | | | |
| A. Proposed Bylaws Restatement | Zelenak | X | X |
| B. Clubhouse Purchase History | Howard | X | |
| C. Discussion: Investigation Committee | Zelenak | | |
| D. Discussion: Director Correspondence with Insurance Broker | Weaver | | |
| 4. Member Comments | | | |
| 5. Adjournment | | | X |

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.



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.