



## **AGENDA**

### **BOARD OF DIRECTORS REGULAR MEETING**

Wednesday, May 28, 2025 - 2pm

West Center Auditorium / Zoom

\*Code of Conduct

**Directors:** Kathi Bachelor (President), Candy English (Vice President), April Hasson Hillard (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Beth Dingman, Marge Garneau, Bev Lawless, Lanny Smith, Scott Somers (non-voting)

### **AGENDA TOPIC**

- 1. Call to Order / Roll Call – Establish Quorum**
- 2. Amend/Adopt Agenda**
- 3. President's Report**
- 4. CEO Report**
  - A. Capital Improvement Projects
- 5. Committee Reports**
  - A. Audit - Lawless
  - B. Board Affairs - English
  - C. Fiscal Affairs - Johnson
  - D. Investments - Smith
  - E. Nominations & Elections - Hillard
  - F. Planning & Evaluation - Reynolds
- 6. Consent Agenda** – Consent Agenda items are routine items of business that are collectively presented for approval through a single motion. A Board member may request that an item be pulled from the Consent Agenda and placed under Action Items for separate discussion and action.
  - A. Minutes:
    - 1) BOD Regular Meeting Minutes: April 23, 2025
  - B. Financial Statements:
    - 1) April Financials
  - C. Business
    - 1) Committee Action Plans
- 7. Action Items**
  - A. Award Contract for Design/Build Services for Lapidary Club Expansion (Somers)
  - B. Approve a Three-Year Contract with R&A CPAs (Webster)
  - C. Approve Amendment to Lease Agreement with GVR Foundation (Somers)
  - D. Desert Hills 1 Townhomes CCR Amendment (Somers)
- 8. Member Comments** - Please limit comments to two (2) minutes. Speakers are asked to provide their name and GVR member number. This time is for comments, not for questions and answers.
- 9. Adjournment**

GVR

## Capital Improvement Projects Master List

5/20/2025

Project Name	Center Location	Scope of Work	Est. Construct. Start	Est. Construct. Completion	Status	Next Steps	Funding Sources	Budget Total	Expenses To Date	Remaining Balance
West Center Lapidary Club Expansion	West Center	Expand Lapidary Club building to the west. Renovate existing space, including Billiards Room space.	September-25	March-26	Design-60% DD	Interviewed contractors on 4/23. Select contractor and initiate design-build process with architect. Proceed to 100% plans.	Initiatives \$1.034k	\$ 1,034,000	\$ 12,564	\$ 1,021,436
West Center Artisan Shop Expansion	West Center	Expand the Artisan Shop into the old Billiards Room to be split 60/40 with Lapidary Club.	April-25	June-25	Construction-90%	Artisan Shop in construction and to be closed through May. Club members to set up the displays and goods.	Initiatives \$31,515, Club \$4,500	part of Lapidary budget	\$ -	
West Center Metal Shop Expansion	West Center	Expand Metal Shop into west storage building. To become Welding, Machine Shop, Office.	May-25	August-25	Construction-2%	Received re-bid of \$207,278. Signed and approved by BOD includes 10% if needed. Start construction May 19th.	Initiatives	\$ 243,000	\$ 13,116	\$ 229,884
Desert Hills Locker Room Improvements	Desert Hills	Improve/upgrade mens and womens locker rooms- Plan B. No expansion.	May-25	August-25	Construction-0%	Received re-bid of \$343,822. Signed and approved by BOD plus 10% if needed. Start construction May 27th. 10-week closure.	MRR-260k Initia.-84k	\$ 343,822		\$ 343,822
Desert Hills Kiln Room Enhancements	Desert Hills	Strengthen sub-floor for 5 kilns and brick flooring. Upgrade ventilation system and electrical needs.	June-25	August-25	Design-0% SD	Work to be included in Locker Room Renovation project. Get cost proposal from contractor.	Initiatives	\$ 90,000	\$ -	\$ 90,000
Desert Hills Pool Equipment Room Upgrades	Desert Hills	Design and construct pool equipment room upgrades. No structural work.	June-25	August-25	Bidding	100% plans submitted for permitting on 4/25. Permit approved. Bids due May 15th. Review two bids with GVR admin. and make selection.	MRR-A	TBD	\$ 6,200	
West Center Membership Services Expansion	West Center	Expand Membership Services offices in Auditorium lobby. Add lobby counters for events.	On hold	On hold	On hold	Bids came in high. Defer project to next year.	Initiatives	\$ 150,000	\$ 14,116	\$ 135,884
Pickleball Courts Expansion	Pickleball Center and Canoa Ranch	Design and construct 4 new pickleball courts. No restroom or ramada. Club to pay for all.	TBD	TBD	Planning	Continue meeting with club reps and architect. Review design options from architect/WSM.	Private club funds	TBD	\$ -	



## MINUTES

### BOARD OF DIRECTORS MEETING

Wednesday, April 23, 2025 - 2pm

West Center Auditorium / Zoom

**Directors:** Kathi Bachelor (President), Candy English (Vice President), April Hasson Hillard (Secretary), Nellie Johnson (Treasurer), Bart Hillyer (Assistant Secretary), Steve Reynolds (Assistant Treasurer), Dave Barker, Barbara Blake, Marge Garneau, Bev Lawless, Lanny Smith, Scott Somers (non-voting)

**Staff Present:** Nanci Moyo (Administrative Supervisor), David Webster (CFO), Natalie Whitman (COO)

**Visitors:** 10

### AGENDA TOPIC

#### 1. Call to Order / Roll Call – Establish Quorum

The President being in the chair and the Secretary being present.

President Bachelor called the meeting to order at 2pm MST. Secretary Hillard called the roll; quorum established.

#### 2. Amend/Adopt Agenda

**MOTION: Director Blake moved, Director Hillard seconded to adopt the Agenda.**

**Passed: unanimous**

#### 3. President Report

- Volunteer luncheon was held, with 45 volunteers attending.
- Thanked members for attending the Board meeting.

#### 4. CEO Report

##### A. CEO Monthly Report

- West Center Lapidary Club expansion is at 60 percent design. Working to get a Design/Build Contractor for the Lapidary expansion. A bid was put out and the contractors are being interviewed. A contract will be awarded at the May meeting.
- West Center Artisan Shop construction is moving forward. The shop will be closed till the end of May.
- Metal Shop expansion project is moving forward with a contract on the Action Items at today's meeting.
- Desert Hills Locker Room expansion project and the supporting joist for the Kiln Club is moving forward with a contract on the Action Items at today's meeting.
- Desert Hills pool is at 60 percent design with equipment completed. Cost estimates will be coming, then a permitting and going out for bid.
- Pickleball Court expansion project (a club funded project) is moving forward.

#### 5. Presentations

##### A. Quarterly Financial Report

- This is the first quarter financial summary for 2025.
- Revenue is 4.3 percent behind from the budget. Currently Recreation (programs and instructional classes) budget is 25 percent down, and the expenses for Recreation are also down. Recreation team is working on reversing these numbers.
- Capital Revenue is up by 2.7 percent due to housing sales being up slightly. The projection for the rest of the year is under budget by 3.2 percent due to uncertainty in the housing market.
- Expenses are down by 7 percent of the budget.
- There are inflationary pressures with costs of maintenance and building costs.
- Conservatively projecting a \$105,000 deficit for the year. Conservative approach to forecasting for the next three quarters.
- Investments performance are down from the benchmark and this will be watched by the Investment Advisors.

**6. Committee Reports – Reports were received and placed on file.**

- A. Audit
- B. Board Affairs
- C. Fiscal Affairs
- D. Investments
- E. Nominations & Elections
- F. Planning & Evaluation

**7. Consent Agenda**

**MOTION: Director Blake moved, Director Johnson seconded to approve Consent Agenda.**

**Passed: unanimous**

- A. Minutes:
  - BOD Regular Meeting Minutes: March 19, 2025
  - BOD Special Board Minutes: March 26, 2025
  - BOD Special Board Minutes: April 9, 2025
  - BOD Work Session Minutes: April 16, 2025
- B. Financial Statements:
  - March Financials

**8. Action Items**

- A. Acceptance of Draft Audit

**MOTION: Director English moved, Director Blake seconded to accept the Draft Audit.**

**Passed: unanimous**

- B. Award Contract for Metal Arts Improvements

**MOTION: Director English moved, Director Blake seconded to approve a budget adjustment in the amount of \$243,000, award a contract for the Metal Arts Improvements Project to Building Excellence in an amount of \$207,278 and authorize staff to expend up to an additional ten percent in change orders, if necessary.**

**Passed: unanimous**

- C. Approve Desert Hills Locker Room Concept and Award Contract for Both Locker Room and Ceramics Kiln Room Improvements

**MOTION: Director English moved, Director Blake seconded to award a contract for the Desert Hills Locker Room and the Ceramic Club Kiln Room Improvements to Building Excellence in an amount of \$343,822, and authorize staff expend up to an additional ten percent in change orders, if necessary.**

**Passed: unanimous**

D. Announce Committee Members to the Board  
President Bachelor shared the Committee members for the 2025-26 Board year as listed in the Meeting Book.

E. Discuss Approval of Annual Meeting Minutes

**MOTION: Director Johnson moved, Director Blake seconded to approve the Annual Meeting Minutes from the 2024 Annual Meeting.**

**Passed: unanimous**

F. Approve the Proposed Board Calendar

**MOTION: Director Johnson moved, Director English seconded to approve the Annual Board Calendar by meeting each month except for July and December.**

**Passed: 10 yes / 1 no (Hillyer)**

G. Lapidary Expansion Budget Adjustment

**MOTION: Director Hillard moved, Director English seconded to adjust the 2025 Capital Budget by moving the \$43,000 from the gas manifold line item to the Lapidary/Artisan Shop Expansion line item.**

**Passed: unanimous**

9. Member Comments - 0

10. Adjournment

**MOTION: Director Blake moved, Director Hillyer seconded to adjourn the meeting at 3:11pm.**

**Passed: unanimous**



Green Valley Recreation, Inc.  
**Board of Directors Meeting**  
**April Financial Highlights**

**Prepared By:** David Webster, CFO

**Meeting Date:** May 28, 2025

**Presented By:** David Webster, CFO

**Originating Committee / Department:**

Administration

**Action Requested:**

Review Financial highlights.

**Strategic Plan:**

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members

**Background Justification:**

The Board has requested a separate staff report stating the highlights for each month.

**Key Points/Highlights for April 2025:**

1. YTD revenue under budget (unfavorable) 3.3% or \$152,660
2. YTD expenses under budget(favorable) 4.0% or \$165,677
3. April unrealized Loss on Investments \$34,106 YTD losses are \$178,569
4. April MCF Fees under budget 94 actual vs 96 budgeted
  - a. YTD MCF fees 328 actual vs 316 budgeted
5. Utilities are 13% under budget \$385,388 actual vs \$442,953 budget
6. GVR personnel under budget 3% YTD
7. Recreation Revenue under budget by \$160,576 primarily due to under budget Program revenue

**Fiscal Affairs  
Financial Report  
As of April 30, 2025**

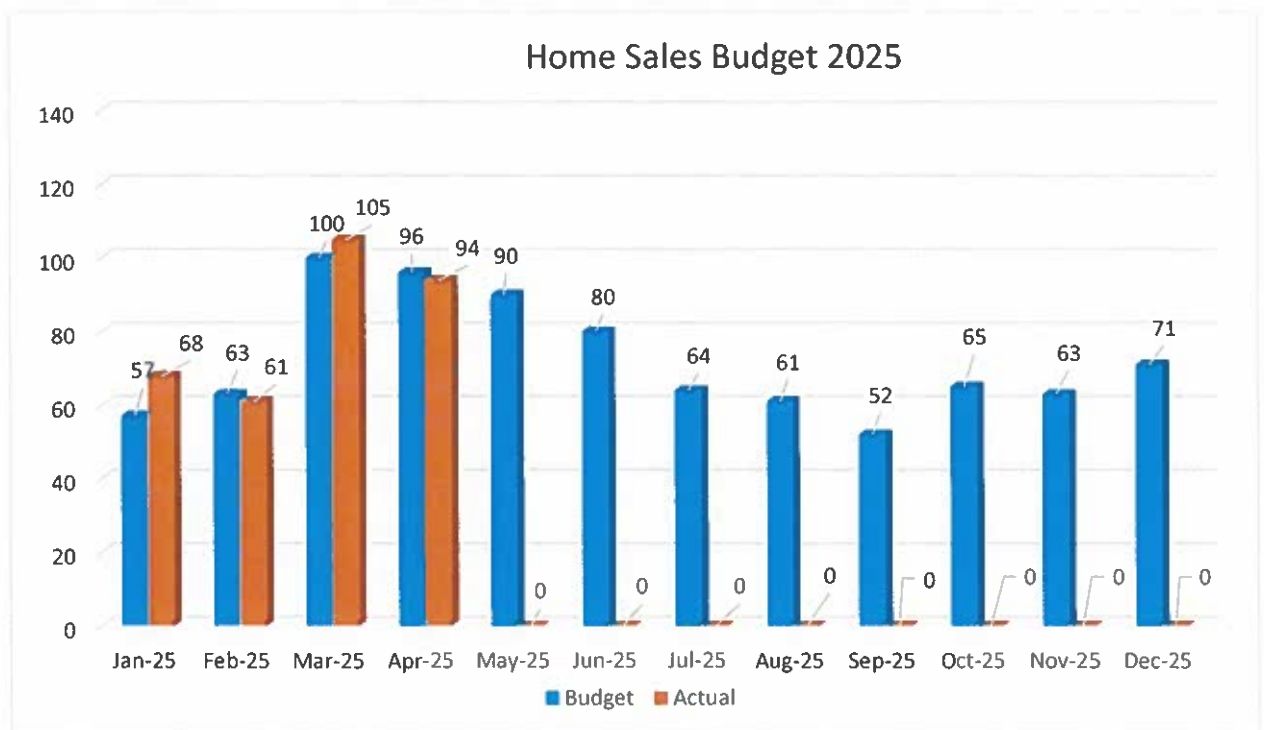
The enclosed Financial Statements and supplemental schedules provide relevant information Year to Date through April, 2025 and include the financial statements as of April 30, 2025. These statements include the Statement of Financial Position, Statement of Activities, Statement of Change in Net Assets, and Investment Portfolio.

- The following table summarizes the April 30, 2025 total year to date Increase in Net Assets based on GVR's 2025 Financial Statements:

Month	Operating Increase Net Assets	Unrealized Gains on Investments	GVR 2025		Budget Variance	
			Total Increase in Net Assets	Homes Sold	Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-25	\$133,252	\$163,241	\$296,493	68	\$28,958	\$88,851
Feb-25	\$197,621	(\$54,698)	\$142,923	61	(\$106,588)	\$173,361
Mar-25	\$49,086	(\$253,006)	(\$203,920)	105	(\$71,726)	(\$28,963)
Apr-25	\$109,237	(\$34,106)	\$75,131	94	(\$3,304)	(\$67,602)
May-25			\$0			
Jun-25			\$0			
Jul-25			\$0			
Aug-25			\$0			
Sep-25			\$0			
Oct-25			\$0			
Nov-25			\$0			
Dec-25			\$0			
<b>Total YTD '25</b>	<b><u>\$489,196</u></b>	<b><u>(\$178,569)</u></b>	<b><u>\$310,627</u></b>	<b><u>328</u></b>	<b><u>(\$152,660)</u></b>	<b><u>\$165,647</u></b>

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- While the preceding table illustrates the performance for the year 2025 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds that are included in GVR's 2025 budget.
- There were 94 Home Resales during the month of April. This number of sales is 2 (4%) less than budgeted for April and 5 (5%) less than April of the prior year. Year to date, GVR is 12 home sales greater than budgeted. GVR offsets home sales with an allowance for Membership Change Fee Refunds for Members who transition from a primary residence. The Property Report is on page 6 and the current allowance is \$133,000 (page 2). The following graph illustrates the actual compared to the monthly budgeted number of home sales with actual sales updated through April, 2025.



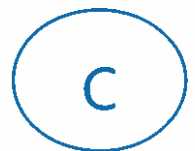
- The number of homes sold through the first two weeks of May are 54 and we expect another 38 by the end of the month for a total of 92 homes during May 2025. The budget for May is 90 and the surplus will result in 2 (2%) homes over budget for May. This projection will result in GVR being an estimated 14 (3.5%) homes over budget for the first 5 months of 2025.
- GVR has added 7 new Member Households so far this year (page 6). The 2025 Budget includes 18 new households for the entire year.

B

May 2025



- The April 2025 Statement of Financial Position (page 2) reports the Total Net Assets to be \$34,048,441 which is a \$310,627 increase for the year (page 2 and 3) and includes \$178,569 of Unrealized Losses on Investments for April 2025 year to date.
- The April 30 Operational cash on hand is \$548,219 (page 2). When combined with Operational Cash Investments in both JP Morgan accounts, total Operational Cash equals \$5,363,859 which is a \$319,893 decrease during the month of April. The cash projections for 2025 are on pages 7 and 8.
- The Net Fixed Assets are \$22,442,751 as of April 30, 2025 (page 2). Total net Capital Purchases for the year to date are \$392,413.
- Total Current Liabilities are \$5,981,057 (page 2). This includes 8 months of Deferred Dues revenue for 2025.
- Designated Net Assets equal \$11,567,011 (detailed on pages 4 – 5) which reflects a net decrease of \$76,008 for the month of April, 2025. The year-to-date net unrealized investment losses on investments are \$178,569 and are included in these balances.
- The Statement of Activities (page 3) indicates that Total Year to Date Revenue is \$4,476,153 which is 3.3% under budget and 6% more than the prior year.
- The total expenses for the year are \$3,986,958 which is \$165,677 (4%) under budget and 0.4% more than the prior year (page 3). The following is a high-level summary of the amounts and percentage variance to budget for the year-to-date April 30, 2025:



EXPENSES YTD APRIL 2025				
<u>Expense Category</u>	<u>Total Expenses</u>	<u>Variance Pos. (Neg.)</u>	<u>%</u>	<u>Summary</u>
Facilities & Equipment	1,204,869	(37,464)	-3%	Utilities are 13% under budget. Furniture & Equipment is 59% over budget
Program Expenses	354,790	120,374	25%	Program expenses are \$120K under budget Recreational income is \$161K under budget
Communi-cations	79,294	(4,328)	-6%	Printing is \$8K over budget
Operational Expenses	218,148	15,452	7%	Supplies are \$22K under budget
Corporate Expenses	245,319	9,007	4%	IT Software expenses are \$22K under budget and Professional fees are \$21K over budget
Personnel & Benefits	<u>1,884,538</u>	<u>62,635</u>	3%	Wages are \$85K (5%) under budget. Benefits are \$25K over budget.
<b>TOTAL EXPENSES</b>	<b><u>3,986,958</u></b>	<b><u>165,676</u></b>	<b><u>4.0%</u></b>	under budget

- The Capital Improvements Project Master list is included on page 9
- The tasks carried over from the prior year FAC is included on pages 10 and 11 with the Fiscal Affairs Committee 2025-2026 Action Plan
- The revised list of ideas for Revenue Enhancements is included on pages 12 through 14.
- A history of GVR's fee schedule is included on page 15.
- The Staff Report listing current financial summary items is included on page 16.

D



# Green Valley Recreation, Inc.

## CONSOLIDATED FINANCIAL STATEMENTS

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The accompanying pages are the Financial Reports for April 30, 2025. The four statements are:

### **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.

**MRR-B Pools and Spas** - Board designated reserve for end of life replacement of Pools and Spas

**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: April 30, 2025 and Dec 31, 2024

	<u>April 30, 2025</u>	<u>Dec 31, 2024</u>
	<u>Total</u>	<u>Total</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash/Cash Equivalents	548,219	2,642,024
Accounts Receivable	565,321	293,785
Prepaid Expenses	96,172	242,974
Maintenance Inventory	21,927	-
Designated Investments (Charles S./SBH)		
Emergency - Fund	495,486 (1)	635,469 (18)
MRR - Fund	8,479,442 (2)	7,586,789 (19)
Initiatives - Fund	1,106,741 (3)	993,706 (20)
Pools & Spas - Fund	1,485,342 (4)	1,200,643 (21)
Total Designated Investments (CS/SBH)	11,567,011 (5)	10,416,607 (22)
Undesignated Invest. (JP Morgan Long Term)	1,571,041 (6)	1,008,091 (23)
Undesignated Invest. (JP Morgan)	3,244,599 (7)	1,008,955 (24)
Investments	16,382,651 (8)	12,433,653 (25)
<b>Total Current Assets</b>	<u>17,614,289</u>	<u>15,612,436</u>
<b>Fixed Assets</b>		
Contributed Fixed Assets	18,017,085	18,017,085
Purchased fixed Assets	33,601,747	33,209,334
Sub-Total	51,618,831	51,226,419
Less - Accumulated Depreciation	(29,176,081)	(28,756,044)
<b>Net Fixed Assets</b>	<u>22,442,751 (9)</u>	<u>22,470,375 (26)</u>
Operating Lease ROU, Net of Accum. Amortization	-	-
Finance Lease ROU, Net of Accum. Amortization	36,447	36,447
<b>Total Assets</b>	<u>40,093,487</u>	<u>38,119,258</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	667,175	384,710
Deferred Dues Fees & Programs	4,989,866	3,452,625
Accrued Payroll	154,384	247,487
Compensation Liability	-	-
MCF Refund Liability	133,000	195,000
In-Kind Lease Liability - Current	3,000	4,000
Operating ROU Liability - Current	-	-
Financing ROU Liability - Current	33,633	33,633
<b>Total Current Liabilities</b>	<u>5,981,057</u>	<u>4,317,455</u>
In-Kind Lease Liability - LT	42,667	42,667
Notes Payable	11,000	11,000
Financing ROU Liability - LT	10,321	10,321
<b>Total Long Term Liabilities</b>	<u>63,988</u>	<u>63,988</u>
<b>TOTAL NET ASSETS</b>	<u>34,048,441 (10)</u>	<u>33,737,815 (27)</u>
<b>NET ASSETS</b>		
Temporarily Designated:		
Board Designated:		
Emergency	495,486 (11)	635,469 (28)
Maint - Repair - Replacement	8,479,442 (12)	7,586,789 (29)
Initiatives	1,106,741 (13)	993,706 (30)
Pools & Spas	1,485,342 (14)	1,200,643 (31)
Sub-Total	11,567,011 (15)	10,416,607
Unrestricted Net Assets	22,170,804	23,321,207
Net change Year-to-Date	310,627 (16)	-
<b>Unrestricted Net Assets</b>	<u>22,481,430 (17)</u>	<u>23,321,207</u>
<b>TOTAL NET ASSETS</b>	<u>34,048,441</u>	<u>33,737,815</u>



**Green Valley Recreation, Inc.**  
**Summary Statement of Activities**  
**YTD Period: 4 month period ending April 30, 2025**  
**FY Budget Period: Jan 1, 2025 - Dec 31, 2025**

	PRIOR YEAR COMPARISON			%	BUDGET COMPARISON				%	Fiscal Year Budget	Remaining FY Budget
	2024 YTD Actual	2025 YTD Actual	Year to Year Variance		YTD Actual	YTD Budget	YTD Variance				
Revenue											
Member Dues	2,379,880	2,455,373	75,492	3%	2,455,373	2,450,013	5,359	0.2%	7,350,040	4,894,667	
LC,Trans , Crd Fees.	301,979	312,028	10,049	3%	312,028	299,985	12,043	4%	729,472	417,444	
Capital Revenue	913,186	1,037,432	124,246	14%	1,037,432	998,200	39,232	4%	2,724,900	1,687,468	
Programs	143,636	163,372	19,736	14%	163,372	280,878	(117,506)	(42%)	629,718	466,346	
Instructional	234,506	254,474	19,968	9%	254,474	297,544	(43,070)	(14%)	480,000	225,526	
Recreational Revenue	378,142	417,845	39,704	10%	417,845	578,422	(160,576)	(28%)	1,109,718	691,873	
Investment Income	168,767	172,928	4,162	2%	172,928	158,954	13,974	9%	435,000	262,072	
Advertising Income	-	-	-	0%	-	-	-	0%	-	-	
Cell Tower Lease Inc.	16,152	16,666	515	3%	16,666	16,306	360	2%	48,919	32,253	
Comm. Revenue	16,152	16,666	515	3%	16,666	16,306	360	2%	48,919	32,253	
Other Income	49,061	54,603	5,542	11%	54,603	111,767	(57,164)	(51%)	169,100	114,497	
Facility Rent	11,705	7,945	(3,760)	(32%)	7,945	13,833	(5,888)	(43%)	41,500	33,555	
Marketing Events	-	-	-	0%	-	-	-	0%	-	-	
In-Kind Contributions	1,333	1,333	-	0%	1,333	1,333	-	0%	4,000	2,667	
Del Sol Café Revenue	-	-	-	0%	-	-	-	0%	-	-	
Other Revenue	62,099	63,881	1,782	3%	63,881	126,933	(63,052)	(50%)	214,600	150,719	
Total Revenue	4,220,204	4,476,153	255,949	6%	4,476,153	4,628,814	(152,660)	(3.3%)	12,612,649	8,136,496	
Expenses											
Major Proj.-Rep. & Maint.	131,590	62,382	69,208	53%	62,382	69,214	6,832	10%	206,143	143,761	
Facility Maintenance	134,277	172,515	(38,238)	(28%)	172,515	132,077	(40,438)	(31%)	396,230	223,715	
Fees & Assessments	3,722	150	3,572	96%	150	667	517	78%	2,000	1,850	
Utilities	457,293	385,388	71,905	16%	385,388	442,953	57,565	13%	1,091,735	706,347	
Depreciation	409,547	453,260	(43,713)	(11%)	453,260	422,840	(30,420)	(7%)	1,268,520	815,260	
Furniture & Equipment	96,851	105,486	(8,634)	(9%)	105,486	66,321	(39,165)	(59%)	198,963	93,477	
Vehicles	38,433	25,688	12,746	33%	25,688	33,333	7,646	23%	100,000	74,312	
Facilities & Equipment	1,271,714	1,204,869	66,845	5%	1,204,869	1,167,405	(37,464)	(3%)	3,263,591	2,058,722	
Wages	1,430,621	1,466,444	(35,823)	(3%)	1,466,444	1,551,095	84,652	5%	4,653,287	3,186,843	
Payroll Taxes	123,108	120,486	2,622	2%	120,486	123,405	2,919	2%	370,215	249,729	
Benefits	251,633	297,609	(45,975)	(18%)	297,609	272,673	(24,935)	(9%)	790,114	492,505	
Personnel	1,805,362	1,884,538	(79,176)	(4%)	1,884,538	1,947,174	62,635	3%	5,813,616	3,929,078	
Food & Catering	32,105	11,595	20,510	64%	11,595	42,760	31,165	73%	92,310	80,715	
Recreation Contracts	269,130	305,854	(36,724)	(14%)	305,854	369,224	63,370	17%	712,086	406,232	
Bank & Credit Card Fees	63,484	37,341	26,143	41%	37,341	63,180	25,839	41%	81,500	44,159	
Program	364,719	354,790	9,929	3%	354,790	475,164	120,374	25%	885,896	531,106	
Communications	41,931	34,735	7,195	17%	34,735	36,633	1,898	5%	109,900	75,165	
Printing	49,047	40,847	8,199	17%	40,847	32,333	(8,514)	(26%)	97,000	56,153	
Advertising	1,984	3,712	(1,728)	(87%)	3,712	6,000	2,288	38%	18,000	14,288	
Communications	92,961	79,294	13,667	15%	79,294	74,967	(4,328)	(6%)	224,900	145,606	
Supplies	176,581	162,678	13,903	8%	162,678	185,033	22,356	12%	547,100	384,422	
Postage	8,853	13,282	(4,429)	(50%)	13,282	6,500	(6,782)	(104%)	19,500	6,218	
Dues & Subscriptions	5,768	13,913	(8,145)	(141%)	13,913	4,967	(8,946)	(180%)	14,900	987	
Travel & Entertainment	-	-	-	0%	-	1,467	1,467	100%	4,400	4,400	
Other Operating Expense	32,424	28,275	4,149	13%	28,275	35,633	7,358	21%	106,900	78,625	
Operations	223,625	218,148	5,478	2%	218,148	233,600	15,452	7%	692,800	474,652	
Information Technology	13,346	23,926	(10,579)	(79%)	23,926	45,680	21,755	48%	137,041	113,116	
Professional Fees	78,429	78,200	229	0%	78,200	56,833	(21,367)	(38%)	170,500	92,300	
Commercial Insurance	117,662	137,007	(19,344)	(16%)	137,007	139,062	2,055	1%	417,185	280,178	
Taxes	-	-	-	0%	-	-	-	0%	53,002	53,002	
Conferences & Training	1,870	4,198	(2,328)	(124%)	4,198	8,583	4,385	51%	25,750	21,552	
Employee Recognition	2,775	1,988	786	28%	1,988	4,167	2,178	52%	12,500	10,512	
Provision for Bad Debt	-	-	-	0%	-	-	-	0%	-	-	
Corporate Expenses	214,082	245,319	(31,236)	(15%)	245,319	254,325	9,007	4%	815,978	570,659	
Expenses	3,972,464	3,986,958	(14,494)	(0%)	3,986,958	4,152,635	165,677	4.0%	11,696,781	7,709,823	
Gross Surplus(Rev-Exp)	247,741	489,196	241,455	97%	489,196	476,179	13,017	3%	915,868	426,672	
Net Gain/Loss on Invest.	29,362	(178,569)	(207,931)		(178,569)	-	(178,569)		-	178,569	
Net from Operations	277,103	310,627	33,523	12%	310,627	476,179	(165,552)		915,868	605,241	



**Green Valley Recreation, Inc.**  
**Statement of Changes in Net Assets**  
**As of Date: April 30, 2025 and Dec 31, 2024**

	Totals	<u>Unrestricted</u>		Emergency Reserve Fund	Maint - Repair - Replacement Reserve Fund	Initiatives Reserve Fund	Pools & Spas Reserve Fund
		Unrestricted	Fixed Assets				
<b>Net change in net assets-GVR</b>	310,627 (16)	310,627	-	-	-	-	-
Transfers between unrestricted and reserves:							
Reserve Study Allocation	-	-	-	-	-	-	-
Principal Transfers							
Transfers For Funding	-	(1,786,379)	-	-	1,324,805	141,215	320,358
Transfers Prev. Yr. Surplus	-	-	-	-	-	-	-
Transfers Curr. Yr. Surplus	-	-	-	-	-	-	-
Transfers Between Funds	0	30,449	-	-	(24,703)	(5,746)	-
Depreciation	-	420,036	(420,036)	-	-	-	-
Disposal of Fixed Assets	-	-	-	-	-	-	-
Purchase & Contributed Fixed Assets	-	80,398	102,020	-	(338,426)	(21,351)	-
Purchases Withdrawals Outstanding	(0)	172,942	-	(135,469)	(37,098)	(375)	-
Allocations of Net Change components:							
Investment income	-	(91,036)	-	3,314	72,393	8,213	7,117
Investment Expenses	-	39,347	-	(1,855)	(28,902)	(3,826)	(4,763)
Net Gains (Losses) in Investments	-	124,496	-	(5,972)	(75,416)	(5,095)	(38,013)
<b>Net Change to April 30, 2025</b>	310,627 (16)	(699,119)	(318,017)	(139,983)	892,653	113,035	284,699
Net Assets at, Dec 31, 2024	33,737,815 (27)	850,833	22,470,375 (26)	635,469 (28)	7,586,789 (29)	993,706 (30)	1,200,643 (31)
<b>Net Assets as at, April 30, 2025</b>	<b>34,048,441 (10)</b>	<b>151,713</b>	<b>22,152,358 (9)</b>	<b>495,486 (11)</b>	<b>8,479,442 (12)</b>	<b>1,106,741 (13)</b>	<b>1,485,342 (14)</b>
Footnotes refer to Statement of Financial Position and Statement of Activities		<b>22,304,071 (17)</b>			<b>11,567,011 (15)</b>		



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	Pools & Spas Reserve Fund
Balance Dec 31, 2024 (at Market)	12,433,653 (25)	2,017,046 (24)	635,469 (18)	7,586,789 (19)	993,706 (20)	1,200,643 (21)
Changes since January 1, 2025						
Principal Transfers	4,555,929	2,800,000	-	1,300,102	135,469	320,358
Investment income	143,702	52,667	3,314	72,393	8,213	7,117
Withdrawals	(532,718)	-	(135,469)	(375,524)	(21,726)	-
Investment Expenses	(39,347)	-	(1,855)	(28,902)	(3,826)	(4,763)
Net Change for 4 Months	4,127,567	2,852,667	(134,011)	968,069	118,130	322,712
Balance before Market Change at April 30, 2025	16,561,220	4,869,713	501,458	8,554,858	1,111,836	1,523,355
4 Months Net Change in Investments Gain/(Loss)	(178,569)	(54,073)	(5,972)	(75,416)	(5,095)	(38,013)
Balance at April 30, 2025 (at Market)	\$ 16,382,651 (8)	4,815,640 (7)	495,485.77 (1)	8,479,442 (2)	1,106,741 (3)	1,485,342 (4)

11,567,011 (15)

Footnotes refer to Statement of Financial Position and Statement of Activities



**GVR Cash Requirements Report  
FY 2025**

<b>ACTUAL / PROJECTED</b>	<b>Actual Jan-25</b>	<b>Actual Feb-25</b>	<b>Actual Mar-25</b>	<b>Actual Apr-25</b>	<b>Projected May-25</b>	<b>Projected Jun-25</b>	<b>Projected Jul-25</b>	<b>Projected Aug-25</b>	<b>Projected Sep-25</b>	<b>Projected Oct-25</b>	<b>Projected Nov-25</b>	<b>Projected Dec-25</b>
<b>Operating Cash at CHASE</b>												
Beginning of Month Balance	2,605,550	779,611	657,901	335,530	549,024	882,718	916,411	641,525	662,155	785,849	909,543	1,071,180
Transfer In	-	-	-	400,000	700,000	400,000	600,000	400,000	500,000	500,000	500,000	-
Transfer Out	(3,200,000)	-	-	-	-	-	-	-	-	-	-	(2,500,000)
Cash Receipts	3,872,858	630,928	523,835	514,502	441,439	441,439	478,377	428,377	431,439	431,439	480,628	3,937,437
Cash Disbursements	(2,498,797)	(752,638)	(846,206)	(701,008)	(807,746)	(807,746)	(1,353,263)	(807,746)	(807,746)	(807,746)	(818,990)	(818,990)
Net Operating Cash Flow	1,374,061	(121,710)	(322,371)	(186,506)	(366,306)	(366,306)	(874,887)	(379,369)	(376,306)	(376,306)	(338,363)	3,118,447
Ending of Month Balance	779,611	657,901	335,530	549,024	882,718	916,411	641,525	662,155	785,849	909,543	1,071,180	1,689,627
<b>Operating Investment Accounts (A&amp;B)</b>												
Beginning of Month Balance	2,017,045	5,239,242	5,271,459	5,249,824	4,815,639	4,123,665	3,730,538	3,136,755	2,741,983	2,246,553	1,750,297	1,253,214
Transfer In	3,200,000	-	-	-	-	-	-	-	-	-	-	2,500,000
Transfer Out	-	-	-	(400,000)	(700,000)	(400,000)	(600,000)	(400,000)	(500,000)	(500,000)	(500,000)	-
Earned Income on Investment	22,197	32,216	(21,635)	(34,185)	8,026	6,873	6,218	5,228	4,570	3,744	2,917	2,089
Ending of Month Balance	5,239,242	5,271,459	5,249,824	4,815,639	4,123,665	3,730,538	3,136,755	2,741,983	2,246,553	1,750,297	1,253,214	3,755,303
<b>MRR Reserve</b>												
Beginning of Month Balance	7,586,789	8,932,180	8,792,174	8,544,684	8,479,442	8,354,484	8,203,642	8,016,731	7,923,496	7,809,601	7,728,795	7,657,417
Transfer In MRR Funding	1,300,102	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(62,207)	(92,950)	(126,240)	(104,707)	(195,020)	(220,020)	(245,020)	(150,020)	(170,020)	(145,020)	(135,020)	(145,020)
Net Earned Income on Investment	107,496	(47,056)	(121,250)	39,464	70,063	69,178	58,109	56,785	56,125	64,214	63,642	54,240
Ending of Month Balance	8,932,180	8,792,174	8,544,684	8,479,442	8,354,484	8,203,642	8,016,731	7,923,496	7,809,601	7,728,795	7,657,417	7,566,637
<b>MRR - B Pool and Spa Replacement Reserve</b>												
Beginning of Month Balance	1,200,643	1,542,072	1,530,524	1,488,718	1,485,342	1,498,368	1,511,460	1,519,018	1,526,613	1,534,246	1,541,917	1,549,626
Transfer In MRR B Pool & Spa Funding	320,358	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	21,071	(11,547)	(41,807)	(3,376)	13,027	13,092	7,557	7,595	7,633	7,671	7,710	7,748
Ending of Month Balance	1,542,072	1,530,524	1,488,718	1,485,342	1,498,368	1,511,460	1,519,018	1,526,613	1,534,246	1,541,917	1,549,626	1,557,375
<b>Initiatives Reserve</b>												
Beginning of Month Balance	993,706	1,127,758	1,127,489	1,113,666	1,106,741	1,201,527	1,234,973	1,228,662	1,222,298	1,140,881	1,008,786	950,590
Transfer In	135,469	-	-	-	141,813	104,684	45,648	45,648	45,648	45,648	45,648	45,648
Other Funding	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	4,583	182	(4,678)	(795)	15,223	16,013	10,291	10,239	10,186	9,507	8,407	9,922
Transfer Out	(6,000)	(450)	(9,146)	(6,130)	(62,250)	(87,250)	(62,250)	(62,250)	(137,250)	(187,250)	(112,250)	(103,668)
Ending of Month Balance	1,127,758	1,127,489	1,113,666	1,106,741	1,201,527	1,234,973	1,228,662	1,222,298	1,140,881	1,008,786	950,590	902,491
<b>Emergency Reserve</b>												
Beginning of Month Balance	635,469	513,004	509,235	496,139	495,486	501,289	507,131	510,512	513,915	517,341	520,790	524,262
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	(135,469)	-	-	-	-	-	-	-	-	-	-	-
Net Earned Income on Investment	13,004	(3,768)	(13,097)	(653)	5,803	5,842	3,381	3,403	3,426	3,449	3,472	3,495
Ending of Month Balance	513,004	509,235	496,139	495,486	501,289	507,131	510,512	513,915	517,341	520,790	524,262	527,757
<b>Total Reserve Accounts</b>	<b>12,115,013</b>	<b>11,959,423</b>	<b>11,643,207</b>	<b>11,567,010</b>	<b>11,555,668</b>	<b>11,457,206</b>	<b>11,274,922</b>	<b>11,186,322</b>	<b>11,002,069</b>	<b>10,800,288</b>	<b>10,681,896</b>	<b>10,554,260</b>
<b>Total Operating Cash</b>	<b>6,018,853</b>	<b>5,929,360</b>	<b>5,585,354</b>	<b>5,364,663</b>	<b>5,006,383</b>	<b>4,646,949</b>	<b>3,778,280</b>	<b>3,404,139</b>	<b>3,032,402</b>	<b>2,659,840</b>	<b>2,324,395</b>	<b>5,444,930</b>
<b>Grand Total Cash &amp; Investments</b>	<b>18,133,866</b>	<b>17,888,783</b>	<b>17,228,561</b>	<b>16,931,673</b>	<b>16,562,051</b>	<b>16,104,155</b>	<b>15,053,202</b>	<b>14,590,461</b>	<b>14,034,471</b>	<b>13,460,128</b>	<b>13,006,290</b>	<b>15,999,190</b>



# GVR Cash Requirements Report FY 2025

## ACTUAL / PROJECTED

Actual Days Oper. Cash on Hand (net of MCF Allowance)

Actual Jan-25	Actual Feb-25	Actual Mar-25	Actual Apr-25	Projected May-25	Projected Jun-25	Projected Jul-25	Projected Aug-25	Projected Sep-25	Projected Oct-25	Projected Nov-25	Projected Dec-25
193	190	178	171	159	147	118	106	93	81	70	173

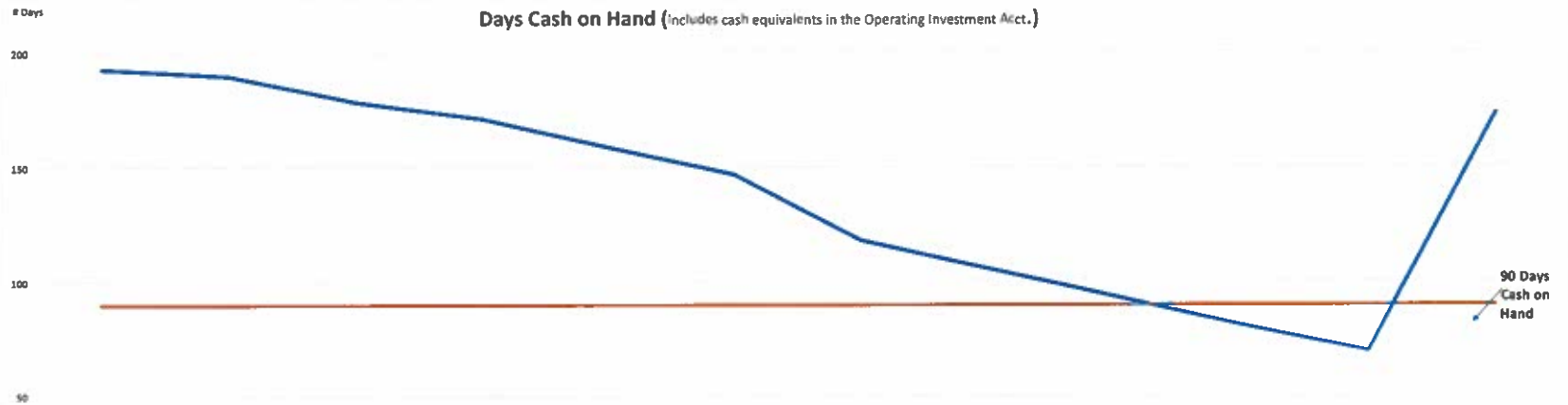
January 1, 2025 Beg. Balance:

Total Reserve Accounts	9,215,964
Total Operating Cash	4,622,595
Grand Total Cash & Investme	13,838,558

Projected Ending Balance 2025

Total Reserve Accounts	8,996,885
Total Operating Cash	5,444,930
Grand Total Cash & Investments	14,441,816

The Cash Requirements Report is for projecting cash balances of the Operating and Designated Cash Accounts only. This report is exclusively for the purpose of determining cash requirements and short term investment planning.





## GVR MEMBER PROPERTIES MONTHLY REPORT

2025	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	YTD
<b>NEW MEMBERS</b>	1	2	2	2	-	-	-	-	-	-	-	-	7
<b>Total Members (2025)</b>	13,873	13,875	13,877	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879	13,879
<b>Members Last Year (2024)</b>	13,852	13,853	13,857	13,858	13,862	13,862	13,863	13,864	13,866	13,871	13,872	13,872	13,872
<b>Members Before Last Year (2023)</b>	13,825	13,829	13,832	13,833	13,834	13,835	13,837	13,841	13,842	13,844	13,847	13,850	13,850
<b>Membershi Change Fee</b>	68	61	105	94	-	-	-	-	-	-	-	-	328
<b>Initial Fee</b>	1	1	1	2	-	-	-	-	-	-	-	-	5
<b>Transfer Fee (new build no Initial fee)</b>	-	1	-	-	-	-	-	-	-	-	-	-	1
<b>Transfer Fee (Voluntary Deed Restriction w/Initial fee)</b>	1	1	1	2	-	-	-	-	-	-	-	-	5
<b>Transfer Fee (estate planning)</b>	-	-	-	2	-	-	-	-	-	-	-	-	2
<b>Transfer Fee (resale)</b>	68	61	105	94	-	-	-	-	-	-	-	-	328
<b>Transfer Fee Non-Resale</b>	4	8	8	3	-	-	-	-	-	-	-	-	23
<b>Budget Monthly Resales (2025)</b>	57	63	100	96	90	80	64	61	52	65	63	71	862
<b>Monthly Resales (2025)</b>	68	61	105	94	-	-	-	-	-	-	-	-	328
<b>Monthly Delta Actual vs Budget (2024)</b>	↑ 11	↓ (2) ↑	5 ↓	(2)								↑	12
<b>Monthly Resales Last Year (2024)</b>	62	55	100	98	94	64	69	58	62	61	43	67	833
<b>Monthly Resales 2 years prior (2023)</b>	75	63	103	118	121	94	83	80	58	75	64	71	1,005
<b>YTD Budget (2025)</b>	57	120	220	316	406	486	550	611	663	728	791	862	862
<b>YTD Resales (2025)</b>	68	129	234	328	-	-	-	-	-	-	-	-	328
<b>YTD Over/(Under) Budget</b>	↑ 11	↑ 9	↑ 14	↑ 12								↓	(534)
<b>YTD Over/(Under) Budget</b>	19%	8%	6%	4%									(62%)
<b>YTD Resales Last Year (2024)</b>	62	117	217	315	409	473	542	600	662	723	766	833	833
<b>YTD Resales Before 2 years prior (2023)</b>	75	138	241	359	480	574	657	737	795	870	934	1,005	1,005
<b>Total Sales (new and resale) (2025)</b>	69	63	107	96	-	-	-	-	-	-	-	-	335
<b>Total Sales (new and resale) Last Year (2024)</b>	64	56	104	99	98	64	70	59	64	66	44	67	855
<b>Total Sales (new and resale) Before 2 years prior (2023)</b>	72	65	103	116	118	93	84	76	59	74	67	74	1,001
<b>MCF Refund</b>	4	8	10	12									34
<b>HB 2119 (no MCF assessed)</b>	1	2	2	1									6



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Approval of Committee Action Plans**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** May 28, 2025

**Presented By:** Kathi Bachelor, President

**Consent Agenda:** Yes

<b>Originating Committee / Department:</b> Board of Directors
<b>Action Requested:</b> Review the Committee Action Plans from the Audit Committee, Board Affairs Committee (BAC), Fiscal Affairs Committee (FAC), Investment Committee, Nominations and Elections Committee (N&E), and Planning and Evaluation Committee (P&E).
<b>Strategic Plan Goal:</b> GOAL 5: Provide sound, effective governance and leadership for the corporation
<b>Background Justification:</b> The Corporate Policy Manual (CPM) in Part 3 Committees, Section 1 General – 3.1.1.H states: Responsibilities of Committee Chairpersons, along with Committee members, and staff liaison, are to identify goals in conjunction with the Strategic Plan; provide Committee Action Plans to the Board for approval; provide, at least, quarterly updates to the Board; and at year-end identify accomplishments of the Committee and continuing tasks for the next year.
<b>Fiscal Impact:</b> N/A
<b>Board Options:</b> <ol style="list-style-type: none"> <li>1) Approve the Committee Action Plan as presented in the Consent Agenda.</li> <li>2) Provide amendments to the proposed Committee Action Plan and approve as amended.</li> <li>3) Provide alternative direction to Committee Chairpersons.</li> </ol>
<b>Staff Recommendation:</b> Option #1 or #2
<b>Recommended Motion:</b> Move to approve Committee Action Plans as presented for these committees: Audit, Board Affairs, Fiscal Affairs, Investment, Nominations and Elections, and Planning and Evaluation.
<b>Attachments:</b> <ol style="list-style-type: none"> <li>1) Audit Committee Action Plan</li> <li>2) Board Affairs Committee Action Plan</li> <li>3) Fiscal Affairs Committee Action Plan</li> <li>4) Investment Committee Action Plan</li> <li>5) Nominations and Elections Committee</li> <li>6) Planning and Evaluation Committee</li> </ol>



## **Committee Action Plan**

### **2025-2026 Audit Committee**

**Chair:** Bev Lawless

**Staff Liaison:** David Webster, CFO

**Committee Members:** Bert Olson, Lanny Smith, Peggy Adelman, Sam Gorsline

#### **Committee Purpose:**

##### **3.5.2 Responsibilities**

- A. The Audit Committee functions in the capacity of an overseer of GVR's financial reporting process and internal controls. This oversight is conducted by review of the reporting and communication from a qualified independent auditing firm. The Committee is not involved in The Corporation's daily accounting functions.
- B. The principal functions of the Audit Committee are:
  - 1. To recommend a CPA firm to the GVR Board to act as The Corporation's independent auditor.
  - 2. To review the independent auditor's terms of engagement.
  - 3. To review the results of each audit including opinion qualifications or expectations.
  - 4. To review the auditor's management letter and GVR management's response.
  - 5. To review issues and disputes that may arise between GVR management and the independent auditor during an audit.
  - 6. To review the adequacy of internal financial controls with the audit firm.
  - 7. Items explicitly authorized by the Board of Directors.
  - 8. Review IRS Form 990 and recommend acceptance to the Board.

#### **Priorities Established for 2025-2026:**

- Decide on Auditors for a Three-Year Term Contract
- Review Audit
- Review Form 990 and recommend Board approval

#### **Timeline for Established Priorities:**

- April 2025
- March 2026



## **Committee Action Plan**

**2025-2026**

### **Board Affairs Committee**

**Chair:** Candy English

**Staff Liaison:** Nanci Moyo

**Committee Members:** Beth Dingman, Bart Hillyer, Ed Knop, Nellie Johnson, Pat Reynolds

### **Committee Responsibilities:**

#### **3.2.2 Responsibilities**

- A. Recommend modifications in organizational policies and governing values to help guide the Board in achieving its strategic goals. Assist the Board in effectively carrying out its governing functions in such a manner so as to clearly delineate the roles and responsibilities between governance and management.
- B. Review and recommend revisions, when appropriate, to the governing documents of The Corporation.
- C. Forward all BAC proposed revisions of the Articles of Incorporation or Bylaws to staff for submission to legal counsel for appropriate action. Any BAC approved change to the CPM which staff determines needs legal review will also be submitted. Should legal counsel recommend a revision to a governing document, it will be returned to the Committee for final review before being presented to the Board for appropriate action.
- D. If a committee, member or staff would like to have the BAC review a change to the CPM or other governing documents before it is taken to the Board, the requested change and rationale should be sent to the chair and staff liaison of BAC at least a week prior to the next BAC meeting.

### **Priorities and Timelines Established for 2025-2026:**

- Review and Discuss Guest Pass Policy Prepared by Staff and finalize a Guest Pass Policy to move forward for Board approval.  
✓ May and July 2025
- Review Member Conduct changes to the CPM and move forward for Board approval.  
✓ July 2025
- Review possible Bylaw changes to include but not be limited to: Membership definition, Committees, and Board of Director term limits  
✓ May – December 2025

- Review possible CPM changes.
  - ✓ May 2025 – March 2026

**Resources Needed:**

- Attorney review of possible bylaws changes and policy proposals



## Committee Action Plan

**2025-2026**

### Fiscal Affairs Committee

*Bylaws Article VIII, Section 1:*

*"The Committees shall make policy recommendations to the Board of Directors for approval."*

**Chair:** Nellie Johnson

**Staff Liaison:** David Webster, CFO

**Committee Members:** Dale Howard, Bob Quast, Pat Reynolds, Steve Reynolds, Priscilla Spurgeon, Barry Stock, Eric Sullwold, and Betsy Walton

### Committee Purpose:

#### 3.3.2 Responsibilities

- A. Review and recommend the annual budgets, including any fees or dues changes to the Board. Such review will consist of recommending, funding, financing, and usage of Reserve.
- B. Monitor progress toward achievement of annual fiscal objectives.
- C. Review financial statements, such as Operational Statement of Financial Position and Statement of Activities and capital purchases, and report to the Board, as appropriate.
- D. Review and recommend to the Board policy changes, if necessary, to assure financial control.
- E. Recommend the disposition of Operational Surplus or Deficit.

### Priorities and Timelines Established for 2025-2026:

- Careful review of monthly financial statements so the FAC can recommend acceptance by the Board
  - ✓ Monthly
- Thorough review of Staff recommended 2025 operations and capital budgets, including three-year forecasts so a budget acceptance recommendation can be made to the Board
  - ✓ September – October
- Review home sales forecasting methodology
  - ✓ May – June

- Continue review of operating cash recommendations to meet 90-day cash on hand policy; work with Investment Committee on recommendations
  - ✓ Quarterly
- Review revenue enhancement ideas from staff
  - ✓ June – January
- Review revenue of Annual Pass and Guest Pass after BAC resolves concern regarding passes
  - ✓ December

**Resources Needed:**

- Staff produced monthly financial reports for review by FAC.
- Staff recommended annual operations and reserve budgets





## Committee Action Plan

### 2025-2026 Investment Committee

*Bylaws Article VIII, Section 1:*

*"The Committees shall make policy recommendations to the Board of Directors for approval."*

**Chair:** Lanny Smith

**Staff Liaison:** David Webster, CFO

**Committee Members:** Bev Lawless, Bob Quast, Dale Howard, Eric Sullwold, George Losleben, Michael Cataldo, Steve Wilhelm, Tony Morley

#### Committee Purpose:

##### 3.7.2 Responsibilities

- A. The IC has the following specific responsibilities and duties with respect to the GVR Reserve and Operational Investment Accounts:
  1. Make timely recommendations to the Board concerning:
    - a. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the IM/IA) for each of the accounts that comprise the Reserve and Operational Investment Accounts.
    - b. The terms and wording for any contract between GVR and an IM/IA.
    - c. The specific wording and specifications for the Investment Policy Statement (IPS) set forth in Appendix 1, Section 3 that governs each of the accounts that comprise the Reserve and Operational Investment Accounts.
  2. Perform the following ongoing functions:
    - a. Complete due diligence and evaluation of each IM/IA at the end of each quarter or more frequently, if desired/needed.
    - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
  3. Make timely reports, in accordance with the IPS, to the CFO, CEO, and the Board of the following:
    - a. A serious and meaningful violation of the IPS.

- b. A potential replacement of an existing IM/IA.
  - c. Any update requested by the Board.
- 4. Collaborate with the CEO/CFO concerning the following:
  - a. The invested Operational Funds regarding compliance with the applicable IPS and performance.
  - b. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform its duties.
  - c. The specific actions required by the CEO/CFO in order to bring an IM/IA back into compliance with its applicable IPS.
- 5. In the process of completing its duties, the IC will generate the following documents:
  - a. An IPS for each of the accounts that comprise the Reserve and Operational Investment Accounts.
  - b. An Investment Management Contract for each IM/IA hired by GVR as signed and implemented by the GVR Board President.
  - c. Minutes of each meeting of the IC.

#### **Priorities and Timelines Established for 2025-2026:**

- Review (individually) investment reports monthly with assistance from David Webster, CFO and summary provided by current Controller/Finance Manager, Howey Murray, to make sure we are within approved ranges in the IPS. Contact Chair with any concerns who will then contact David Webster, CFO, and /or Investment Advisor as needed. **Ongoing**
- Attend quarterly meetings with the Investment Advisors to review returns and discuss any changes to the IPS recommended due to changes in GVR spending or current markets. Please remember our IPS has flexibility built in so changes should not need to be made often. **Ongoing**
- Review long-term and short-term operating reserves and review if changes should be made to maximize investment returns. This should be done in conjunction with the Fiscal Affairs Committee.  
**August/October**
- Spot-check the Chase Bank arrangement and determine if it is still the best banking relationship from a cost, return on investment and quality of services provided. **August/October**

#### **Resources Needed:**

- CFO and Controller provide assistance in monitoring investment reports and reviewing checking account fees.



## Committee Action Plan

**2025-2026**

### Nominations and Elections Committee

*Bylaws Article VIII, Section 1:*

*"The Committees shall make policy recommendations to the Board of Directors for approval."*

**Chair:** April Hasson Hillard

**Staff Liaison:** Nanci Moyo

**Committee:** Beth Dingman, Candy English, Connie Johnson, Betsy Walton,

#### Committee Purpose:

#### 3.6.2 Responsibilities

- A. Nominations
  - 1. Submit a slate of qualified candidates to the Board at least ninety (90) days prior to the Annual Meeting.
  - 2. Submit a slate of qualified petition candidates to the Board at least sixty (60) days prior to the Annual Meeting.
- B. Election Process
  - 1. Recommend to the Board a record date to determine the eligible roster of voting members which shall be no more than thirty (30) days prior to the election. If the Board fails to set a record date, the record date shall be the date of ballot delivery.
  - 2. The counting of ballots, at the discretion of the Board may be conducted by an independent organization (e.g., Pima County Elections or electronic voting firm), in which case the results shall be obtained from the organization by the Nominations and Elections (N&E) Chairperson or their representative. (*Bylaws Article V Section 3*)
  - 3. In the election of Directors, if there are fewer than fifty (50) valid votes separating the last successful candidate and the first unsuccessful candidate in the election, or less than a fifty (50) vote difference on any other ballot issue, then the Board may, at its sole discretion, order a recount.
- C. Election Forums for Members
 

Arrange two (2) election forums for members to attend to hear the candidates answer questions arranged by the N&E Committee and questions from the members.
- D. Election Results

1. The Chairperson shall notify the Board Secretary of the results of the election.
2. The Committee Chairperson shall report the establishment of a quorum and the election results at the Annual Meeting. Successful candidates shall be announced in the order of the total votes received. The results of the ballot for any other matters shall be announced in the order in which the items appeared on the ballot.

### **Priorities and Timelines Established for 2025-2026:**

- N&E Approve 2026 Election Timeline and Committee Action Plan
  - ✓ May 2025
- Discuss Recruiting Board Candidates
  - ✓ September 2025
- Prepare Informational Meeting for Prospective Candidates October 2025 (Format, Information, Presenters)
  - ✓ September 2024
- Consider Change to CPM 3.6.2.B.1 Regarding Record Date for Board Approval
  - ✓ September 2025
- Provide Board of Directors with Record Date 2026
  - ✓ September 2025
- Discuss Election Timeline and Paper Ballots
  - ✓ September 2025
- Prepare for Orientation for Candidates in January 2026 (Format, Information, Presenters)
  - ✓ December 2025
- Prepare for Candidate Forums and Interviews (MC, Format, Questions)
  - ✓ December 2025 and January 2026
- Promotion for Committee Members during Election Cycle (Showcase, Club Open Houses, etc.)
  - ✓ January 2026
- Finalize Forums
  - ✓ February 2026
- Year-End Review
  - ✓ March 2026

### **Resources Needed:**

- 2026 Timeline
- Forum and Interview Questions
- Brochures and Handouts for Committees



**Committee Action Plan**  
**2025-2026**  
**Planning & Evaluation Committee**

**Chair:** Steve Reynolds

**Staff Liaison:** Natalie Whitman

**Committee Members:** Barry Stock, Dave Barker, Maria Acevedo, Stewart Tagg, Ed Knop, April Hasson Hillard (Board Director)

**Committee Responsibilities:**

**3.4.2 Responsibilities**

- A. Meet quarterly, or as necessary, to review and recommend the capital projects for the Capital Improvement Plan to the Board, per the CPM.
- B. To be knowledgeable of the Strategic Plan and Five-Year Capital Plan to ensure that all planned capital projects comply with these plans.

**Priorities and Timelines Established for 2024-2025:**

- Collect and process Capital Improvement Project applications (staff duty underway now)
- Review staff-recommended Five-Year Capital Improvement Plan (June)
- Rank projects (July)
- Finalize a Five-Year Capital Improvement Plan to be recommended to the Board of Directors. (August)



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Award Contract for Lapidary Expansion**

**Prepared By:** Scott Somers, CEO

**Meeting Date:** May 28, 2025

**Presented By:** Scott Somers, CEO

**Consent Agenda:** No

**Originating Committee / Department:**

Administration and Facilities

**Action Requested:**

Award a contract for the Lapidary Expansion Project to Rio West Development & Construction, Inc. in an amount not to exceed \$850,000 and authorize staff to expend up to an additional 10% in change orders, if necessary.

**Strategic Plan:**

Goal #1: Provide excellent facilities for members to participate in a variety of active and social opportunities

**Background Justification:**

On September 25, 2024, the Board approved moving forward with the West Center (WC) Clubs Expansion Project by separating the two projects (Lapidary/Artisans AND Woodworking), with the Lapidary Club and Artisan Shop expansion project moving forward first. The Artisan Shop expansion portion of this project is much smaller and simpler than the Lapidary Club expansion and therefore is currently underway.

On January 22, 2025, the Board awarded a contract to Burton and Associates for architectural services for this project. Construction documents are 60% completed. Due to market uncertainty, the architect, along with GVR's project management team, recommend hiring a well-qualified contractor prior to completing the construction documents to assist with final design, value engineering and cost containment. This type of contract is known as Design/Build.

Per the Procurement Policy, staff has gone out for bid with assistance from the architect who coordinated interviews with three interested firms. The following bids were received:

	Building Excellence	Hartman Construction	Rio West Construction
Total Budget	\$850,000	\$850,000	\$850,000
Labor Costs	\$192,000	\$85,000	\$74,400
Profit (% of total costs minus Labor Costs)	\$39,480	\$76,500	\$62,048
Construction Costs	\$618,520	\$688,500	\$713,552

For cost information comparisons, the following is summarized based on information presented by the companies, a budget of \$850,000, and an estimated 8-month construction schedule. The profit line item is taken from the amount of the Budget minus the labor costs. These calculations would vary should the length of construction be shortened or lengthened. Rio West's proposal includes the lowest costs for labor and profit; therefore, more of the budget would be focused on the construction project itself. The architect and staff therefore recommend the Board award a contract to Rio West Construction.

**Fiscal Impact:**

The 2025 Amended Capital Budget includes \$1,034,524 from the Initiatives Fund for the Lapidary Club and Artisan Shop Expansion Project. The Lapidary Club has pledged \$40,000 and the Artisan Club has pledged \$4,500 towards this project. Anticipated costs are as follows:

- Contract with Rio West: \$850,000
- 10% contingency: \$85,000
- Soft costs: \$54,000
- Artisan Shop: \$37,433
- Total: \$1,026,433

**Board Options:**

- 1) Award a contract for the Lapidary Expansion Project to Rio West Development & Construction, Inc. in an amount not to exceed \$850,00 and authorize staff to expend up to an additional 10% in change orders, if necessary.
- 2) Direct staff to rebid the project.
- 3) Table a decision until a later time.

**Staff Recommendation:**

Option 1

**Recommended Motion:**

*I move to award a contract for the Lapidary Expansion Project to Rio West Development & Construction, Inc. in an amount not to exceed \$850,000, and authorize staff to expend up to an additional 10% in change orders, if necessary.*

**Attachments:**

- 1) Contract with Rio West
- 2) Design plan - Lapidary expansion to the south
- 3) Cash Flow Projections

**ConsensusDocs® 235****STANDARD SHORT FORM AGREEMENT BETWEEN OWNER AND CONSTRUCTOR  
(Cost of the Work)**

This Agreement is made this 19th day of May, 2025, by and between the

**OWNER:**

Green Valley Recreation, Inc.  
1070 S. Calle de Las Casitas  
Green Valley, AZ 85614

and the

**CONSTRUCTOR:**

Rio West Development & Construction, Inc.  
2440 S 34<sup>th</sup> Pl.  
Tucson, AZ 85713

Owner and Constructor are collectively the "Parties."

**PROJECT:**

Green Valley Recreation Lapidary Expansion  
1111 S GVR Drive  
Green Valley, AZ 85614

**DESIGN PROFESSIONAL:**

Burton and Associates Architects, LLC  
4572 E. Camp Lowell Drive  
Tucson, AZ 85712

1. THE WORK Constructor shall use its diligent efforts to perform the "Work," as described in Exhibit A, in an expeditious manner consistent with the Contract Documents. Constructor shall provide all labor, materials, equipment, and services necessary to complete the Work, and in full accord with and reasonably inferable from the Contract Documents. The Work shall be completed in accordance with the Estimated Budget as per §2.5 below and Exhibit B, "Schedule of the Work." The time allotted in Exhibit B shall define the "Contract Time."

2. COMPENSATION Owner shall compensate Constructor for Work performed on the following basis:

2.1. The Cost of the Work as allowed in ARTICLE 8, and

2.2. Estimated Budget and Schedule of the Work

2.3. CONSTRUCTOR'S FEE: Constructor's Fee paid in proportion to the Work performed. Constructor's Fee shall be as follows: Eight percent (8%) of the Cost of the Work.

2.4. Payment for Work performed shall be as set forth in ARTICLE 9.



2.5. The "Estimated Budget" to complete the Work is \$ 850,000 (Eight Hundred Fifty Thousand and 00/100 Dollars) ("Estimated Budget"). The Estimated Budget is not a guaranteed maximum price (GMP) for the Cost of the Work or Constructor's Fee. If Constructor becomes aware that the Estimated Budget or Contract Time is to be exceeded, Constructor shall promptly notify Owner in writing before performing the Work in excess of the Estimated Budget. Such notice will include an estimate and explanation of the additional costs.

3. EXHIBITS The following attached exhibits are made part of this Agreement: |  
EXHIBIT A: General Description of the Work  
EXHIBIT B: Schedule of the Work

4. PARTIES' RELATIONSHIP AND ETHICS Each Party agrees to proceed on the basis of mutual trust, good faith, and fair dealing. Each shall perform its obligations with integrity. Each shall (a) avoid any conflicts of interest; (b) promptly disclose to the other Party any that may arise; and (c) warrant that it has not and shall not pay nor receive any contingent fees or gratuities to or from the other Party, including its agents, officers, and employees, subcontractors, or others to secure preferential treatment.

5. CONSTRUCTOR'S RESPONSIBILITIES Constructor shall be responsible for supervision and coordination of the Work, including the construction means, methods, techniques, sequences, and procedures utilized, unless the Contract Documents give other specific instructions.

5.1. Except for permits and fees that are the responsibility of Owner pursuant to this Agreement, Constructor shall obtain and pay for all necessary permits, licenses, and renewals pertaining to the Work.

5.2. Constructor shall pay all applicable taxes for the Work provided by Constructor.

5.3. If Owner elects to perform work at the geographical area of the Project ("Worksite") directly or by others retained by Owner, the Parties shall coordinate the activities of all forces at the Worksite and shall agree upon fair and reasonable schedules and operational procedures for Worksite activities. Owner shall require each separate contractor to cooperate with and to assist with the coordination of activities and the review of construction schedules and operations.

5.4. In order to facilitate its responsibilities, before starting the Work, Constructor shall examine and compare the drawings and specifications with information furnished by Owner pursuant to §6.1; relevant field measurements made by Constructor; and any visible conditions at the Worksite affecting the Work.

5.5. COMPLIANCE WITH LAWS Constructor shall comply with all laws. Constructor shall be liable to Owner for all loss, cost, or expense, attributable to any acts or omissions by Constructor, its employees, subcontractors, suppliers, and agents for failure to comply with laws, including fines, penalties, or corrective measures. The estimated Cost of the Work and Constructor's Fee, shall be equitably adjusted for laws, including taxes, impacting cost or time, enacted after bids are received or negotiations concluded.

#### 5.6. WARRANTY

5.6.1. Constructor warrants that all materials and equipment shall be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Constructor further warrants that the Work will be free from material defects not intrinsic in the design or materials required in the Contract Documents. Constructor's warranty does not include remedies for defects or damages caused by normal wear and tear during normal usage, use for a purpose for which the Project was not intended, improper or insufficient maintenance, modifications performed by Owner or others retained by Owner, or abuse.

5.6.2. If, before the Date of Substantial Completion and within one year after the Date of Substantial Completion of the Work, any portion of the Work is found to be not in conformance with the Contract Documents ("Defective Work"), Owner shall promptly notify Constructor in writing. Unless Owner provides written acceptance of the condition, Constructor shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible.

5.7. SAFETY Constructor shall have overall responsibility for safety precautions and programs in the performance of the Work, except that Constructor's subcontractors shall also be responsible for the safety of persons or property in the performance of their work, and for compliance with the provisions of laws. Constructor shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect its employees and other persons at the Worksite; materials and equipment stored at on-site or off-site locations for use in the Work; and property located at the Worksite and adjacent to Work areas, whether or not the property is part of the Work.

5.8. HAZARDOUS MATERIALS A Hazardous Material is any substance or material identified now or in the future as hazardous under any federal, state, or local law or regulation, or any other substance or material which may be considered hazardous or otherwise subject to statutory or regulatory requirement governing handling, disposal, or clean-up. Constructor shall not be obligated to commence or continue work until any Hazardous Material discovered at the Worksite has been removed, or rendered or determined to be harmless by Owner as certified by an independent testing laboratory and approved by the appropriate government agency. If Constructor incurs additional costs or is delayed due to the presence or remediation of Hazardous Material, Constructor shall be entitled to an equitable adjustment in the Contract Time.

5.9. MATERIALS BROUGHT TO THE WORKSITE Constructor shall be responsible for the proper delivery, handling, application, storage, removal, and disposal of all materials and substances brought to the Worksite by Constructor in accordance with the Contract Documents and used or consumed in the performance of the Work.

5.10. SUBMITTALS Constructor shall submit to Owner and Design Professional for review and approval all shop drawings, samples, product data, and similar submittals required by the Contract Documents. Submittals may be submitted in electronic form if required in accordance with ConsensusDocs 200.2 and §6.5. Constructor shall be responsible to Owner for the accuracy and conformity of its submittals to the Contract Documents. Constructor shall prepare and deliver its submittals to Owner and Design Professional in a manner consistent with the Schedule of the Work and in such time and sequence so as not to delay the performance of the Work or the work of Owner and others retained by Owner. Constructor submittals shall identify in writing for each submittal all changes, deviations, or substitutions from the requirements of the Contract Documents. An approval of a Constructor submittal does not authorize deviations, substitutions, or changes in the requirements of the Contract Documents unless a Change Order or Interim Directive specifically authorizes such deviation, substitution, or change. To the extent a change, deviation, or substitution causes an impact to the compensation or Contract Time, such approval shall be memorialized in a Change Order no later than seven (7) Days following approval by Owner. Owner shall be responsible for review and approval of submittals with reasonable promptness to avoid causing delay. Constructor shall perform all Work strictly in accordance with approved submittals. Owner's approval does not relieve Constructor from responsibility for Defective Work resulting from errors or omissions of any kind on the approved shop drawings.

5.11. CONCEALED OR UNKNOWN SITE CONDITIONS If a condition encountered at the Worksite is (a) a subsurface or other physical condition which is materially different from those indicated in the Contract Documents, or (b) an unusual and unknown physical condition which is materially different from conditions ordinarily encountered and generally recognized as inherent in the Work provided for in the Contract Documents, Constructor shall stop Work and give prompt written notice of the condition to Owner and Design Professional. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists

and directing how Constructor is to proceed. Constructor shall not be required to perform any Work relating to the condition without the written mutual agreement of the Parties.

**5.12. CUTTING, FITTING, AND PATCHING** Constructor shall perform cutting, fitting, and patching necessary to coordinate the various parts of the Work and to prepare its Work for the work of Owner or others retained by Owner.

**5.13. CLEANING UP** Constructor shall regularly remove debris and waste materials at the Worksite resulting from the Work. Before discontinuing Work in an area, Constructor shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials. Constructor shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, Constructor shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.

**6. OWNER'S RESPONSIBILITIES** Any information or services to be provided by Owner shall be provided in a timely manner.

**6.1. FINANCIAL INFORMATION** Before commencing the Work and thereafter at the written request of Constructor, Owner shall provide Constructor with evidence of Project financing. Evidence of such financing shall be a condition precedent to Constructor's commencing or continuing the Work. Constructor shall be notified before any material change in Project financing.

**6.2. WORKSITE INFORMATION** To the extent Owner has obtained, or is required to obtain the following Worksite information, then Owner shall provide Constructor the following:

6.2.1. information describing the physical characteristics of the Worksite, including surveys, Worksite evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface, and environmental studies, reports, and investigations;

6.2.2. tests, inspections, and other reports dealing with environmental matters, hazardous material and other existing conditions, including structural, mechanical, and chemical tests required by the Contract Documents or by law;

6.2.3. the limits of Pollution Liability Insurance covering the Worksite held by Owner; and

6.2.4. any other information or services requested in writing by Constructor that are relevant to Constructor's performance of the Work and under Owner's control.

**6.3. MECHANICS AND CONSTRUCTION LIEN INFORMATION** Within seven (7) Days after receiving Constructor's written request, Owner shall provide Constructor with the information necessary to give notice of or enforce mechanics lien rights and, where applicable, stop notices. This information shall include Owner's interest in the real property on which the Project is located and the record legal title.

**6.4. BUILDING PERMIT, FEES, AND APPROVALS** Except for those required of Constructor pursuant to this Agreement, Owner shall secure and pay for all other permits, approvals, easements, assessments, and fees required for the development, construction, use, or occupancy of permanent structures or for permanent changes in existing facilities, including the building permit.

**6.5. ELECTRONIC DOCUMENTS** If Owner requires that Owner, Design Professional, and Constructor exchange documents and data in electronic or digital form, before any such exchange, the Parties and Design Professional shall agree on and follow a written protocol governing all exchanges in ConsensusDocs 200.2 or a separate addendum.

**7. SUBCONTRACTS** Constructor agrees to bind every subcontractor and supplier (and require every subcontractor to so bind its subcontractors and suppliers) to all the provisions of this Agreement and the Contract Documents as they apply to the subcontractor's and supplier's portions of the Work.

## 8. COST OF THE WORK

Owner agrees to pay Constructor for the "Cost of the Work" as defined in this article. This payment shall be in addition to Constructor's Fee in ARTICLE 2. The Cost of the Work includes:

- 8.1. Labor wages directly employed by Constructor in the performing the Work;
- 8.2. Salaries of Constructor's employees when stationed at the field office, in whatever capacity employed, employees engaged on the road expediting the production or transportation of material and equipment, and supervisory employees from the principal or branch office as mutually agreed by the Parties in writing;
- 8.3. Cost of all employee benefits and taxes including but not limited to workers' compensation, unemployment compensation, social security, health, welfare, retirement, and other fringe benefits as required by law, labor agreements, or paid under Constructor's standard personnel policy, insofar as such costs are paid to employees of Constructor who are included in the Cost of the Work, above;
- 8.4. Reasonable transportation, travel, hotel, and moving expenses of Constructor's personnel incurred in connection with the Work;
- 8.5. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of inspection and testing if not provided by Owner, transportation, storage, and handling;
- 8.6. Payments made by Constructor to subcontractors for performed Work;
- 8.7. Cost, including transportation and maintenance of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers that are used or consumed in the performance of the Work, less salvage value or residual value; and cost less salvage value on such items used, but not consumed, that remain the property of Constructor;
- 8.8. Rental charges of all necessary machinery and equipment, exclusive of hand tools owned by workers, used at the Worksite, whether rented from Constructor or others, including installation, repair and replacement, dismantling, removal, maintenance, transportation, and delivery costs. Rental from unrelated third parties shall be reimbursed at actual cost. Rentals from Constructor or its affiliates, subsidiaries, or related parties shall be reimbursed at the prevailing rates in the locality of the Worksite up to eighty-five percent (85%) of the value of the piece of equipment;
- 8.9. Cost of the premiums for all insurance and surety bonds which Constructor is required to procure or deems necessary, and approved by Owner, including any additional premium incurred as a result of any increase in the Cost of the Work;
- 8.10. Sales, use, gross receipts, or other taxes, tariffs, or duties related to the Work for which Constructor is liable;
- 8.11. Permits, fees, licenses, tests, and royalties;
- 8.12. Losses, expenses, or damages to the extent not compensated by insurance or otherwise, and the cost of corrective work before expiration of the one-year period following the Date of Substantial Completion, provided that such losses, expenses, damages, or corrective work did not arise from Constructor's negligence;
- 8.13. Costs associated with establishing, equipping, operating, maintaining, and demobilizing the field office;
- 8.14. Water, power, and fuel costs necessary for the Work;
- 8.15. Cost of removal of all non-hazardous substances, debris, and waste materials;

8.16. Costs incurred due to an emergency affecting the safety of persons or property;

8.17. Legal, mediation, and arbitration fees and costs, other than those arising from disputes between the Parties, reasonably and properly resulting from Constructor's performance of the Work; and

8.18. Costs directly incurred in the performance of the Work or in connection with the Project, and not included in Constructor's Fee as set forth in ARTICLE 1, which are reasonably inferable from the Contract Documents.

8.19. DISCOUNTS All discounts for prompt payment shall accrue to Owner to the extent such payments are made directly by Owner. To the extent payments are made with funds of Constructor, all cash discounts shall accrue to Constructor. All trade discounts, rebates, and refunds, and all returns from sale of surplus materials and equipment, shall be credited to the Cost of the Work.

8.20. FINANCIAL RECORDS Constructor shall maintain complete, accurate, and current records that comply with generally accepted accounting principles and calculate the proper financial management with respect to the Project. Owner shall be afforded access to all of Constructor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to this Agreement. Constructor shall preserve all such records for a period of three years after the final payment or longer where required by Law. Constructor agrees to use reasonable skill and judgment in the preparation of cost estimates, but does not warrant or guarantee them.

## 9. PAYMENT

9.1. PROGRESS PAYMENTS Constructor shall submit to Owner and, if directed, Design Professional a monthly application for payment no later than the 10th day of the calendar month for the preceding calendar month. The application for payment shall consist of the Cost of the Work performed up to the last day of the month, along with a proportionate share of Constructor's Fee. Constructor shall also include an estimate of the additional costs necessary to complete the Work. Applications for payment may include materials and equipment not yet incorporated into the Work, but delivered to and suitably stored onsite or offsite, including applicable insurance, storage, and costs incurred transporting the materials to an offsite storage facility. Approval of payment applications for such stored materials stored off-site shall be conditioned upon submission by Constructor of bills of sale and applicable insurance or such other procedures satisfactory to Owner to establish Owner's title to such materials, or otherwise to protect Owner's interest, including transportation to the Worksite. Before submitting the next application for payment, Constructor shall furnish to Owner a statement accounting for the disbursement of funds received under the previous application. The extent of such statement shall be as agreed upon between the Parties.

9.2. ADJUSTMENT OF CONSTRUCTOR'S PAYMENT APPLICATION Owner may adjust or reject a payment application or nullify a previously approved payment application, in whole or in part, as may reasonably be necessary to protect Owner from loss or damage based upon the following, to the extent that Constructor is responsible for such under this Agreement:

9.2.1. Constructor's repeated failure to perform the Work as required by the Contract Documents;

9.2.2. loss or damage for which Owner may be liable arising out of or relating to this Agreement and caused by Constructor to Owner or to others retained by Owner to whom Owner may be liable;

9.2.3. Constructor's failure to properly pay subcontractors or suppliers in connection with the Work following receipt of such payment from Owner, for that portion of the Work or for supplies, provided that Owner is making payments to Constructor in accordance with this Agreement;

9.2.4. rejected or Defective Work not corrected in a timely fashion;

9.2.5. reasonable evidence of delay in performance of the Work such that the Work will not be completed within the Contract Time; and

9.2.6. unless arising from Owner's non-payment for the performance of the Work, uninsured third-party claims involving Constructor or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until Constructor furnishes Owner with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment which is sufficient to discharge such claims if established.

No later than seven (7) Days after receipt of an application for payment, Owner shall give written notice to Constructor disapproving or nullifying it or a portion of it, specifying the reasons for the disapproval or nullification. When the above reasons for disapproving or nullifying an application for payment are removed, payment shall be made for the amounts previously withheld.

9.3. PAYMENT DELAY If for any reason not the fault of Constructor, Constructor does not receive a progress payment from Owner within seven (7) Days after the time such payment is due, Constructor, upon giving seven (7) Days' written notice to Owner, and without prejudice to and in addition to any other legal remedies, may stop Work until payment of the full amount owing to Constructor has been received, including interest for late payment.

9.4. SUBSTANTIAL COMPLETION When Substantial Completion of the Work or a designated portion has been achieved, Constructor shall prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, and the respective responsibilities of the Parties for interim items such as security, maintenance, utilities, insurance, and damage to the Work, and fixing the time for completion of all items on the list accompanying the Certificate. The Certificate of Substantial Completion shall be submitted by Constructor to Owner for written acceptance of responsibilities assigned in the Certificate. Unless otherwise provided in the Certificate of Substantial Completion, warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or a designated portion.

9.5. FINAL COMPLETION When final completion has been achieved, Constructor shall prepare for Owner's acceptance a final application for payment stating that to the best of Constructor's knowledge, and based on Owner's inspections, the Work has reached final completion in accordance with the Contract Documents.

9.5.1. Final payment shall be made to Constructor within fifteen (15) Days after Constructor has submitted a complete and accurate application for final payment and the following submissions:

9.5.1.1. an affidavit declaring any indebtedness connected with the Work, to have been paid, satisfied, or to be paid with the proceeds of final payment, so as not to encumber Owner's property;

9.5.1.2. as-built drawings, manuals, copies of warranties, and all other close-out documents required by the Contract Documents;

9.5.1.3. release of any liens, conditioned on final payment being received;

9.5.1.4. consent of any surety, if applicable; and

9.5.1.5. any outstanding known and unreported accidents or injuries experienced by Constructor or its subcontractors at the Worksite.

9.6. Claims not reserved by Owner in writing with the making of final payment shall be waived except for claims relating to liens or similar encumbrances, warranties, Defective Work, and latent defects. Unless Constructor provides written identification of unsettled claims known to Constructor at the time of making application for final payment, acceptance of final payment constitutes a waiver of such claims.

9.7. LATE PAYMENT Payments due but unpaid shall bear interest from the date payment is due at the statutory rate prevailing at the place of the Project.

## 10. INDEMNITY

10.1. To the fullest extent permitted by law, Constructor shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees, and Design Professional ("Indemnitees") from all claims for bodily injury and property damage, other than to the Work itself and other property insured under §11.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of the Work but only to the extent caused by the negligent or intentional wrongful acts or omissions of Constructor, subcontractors, suppliers, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. Constructor shall be entitled to reimbursement of any defense costs paid above Constructor's percentage of liability for the underlying claim to the extent provided in the section immediately below.

10.2. To the fullest extent permitted by law, Owner shall indemnify and hold harmless Constructor, its officers, directors, or members, subcontractors, suppliers, or anyone employed directly or indirectly by any of them, or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured under §11.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Owner, Design Professional, or others retained by Owner, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Owner, Design Professional, or others retained by Owner. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided in the section immediately above.

10.3. NO LIMITATION ON LIABILITY In any and all claims against the Indemnitees by any employee of Constructor, anyone directly or indirectly employed by Constructor, or anyone for whose acts Constructor may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Constructor under workers' compensation acts, disability benefit acts, or other employment benefit acts.

## 11. INSURANCE

11.1. Before commencing the Work and as a condition precedent to payment, Constructor shall procure and maintain in force Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance (CGL). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. Constructor shall maintain completed operations liability insurance for one year after Substantial Completion or as required by the Contract Documents, whichever is longer. Constructor's Employers' Liability, Business Automobile Liability, and CGL policies shall be written with at least the following limits of liability:

### 11.1.1. Employers' Liability Insurance:

- a. \$1,000,000.00 bodily injury by accident per accident;
- b. \$1,000,000.00 bodily injury by disease policy limit;
- c. \$1,000,000.00 bodily injury by disease per employee.

### 11.1.2. Business Automobile Liability Insurance: \$1,000,000.00 per accident.

### 11.1.3. CGL Insurance:

- a. \$1,000,000.00 per occurrence;
- b. \$2,000,000.00 general aggregate;
- c. \$2,000,000.00 products/completed operations aggregate;
- d. \$1,000,000.00 personal and advertising injury limit.

11.2 Employers' Liability, Business Automobile Liability, and CGL coverage required in the subsection above may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or umbrella liability policies. Constructor shall maintain in effect all insurance coverage required in the section immediately above with insurance companies lawfully authorized to do business in the jurisdiction in which the Project is located. If Constructor fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to Constructor, or terminate this Agreement. To the extent commercially available to Constructor from its current insurance company, insurance policies required under §11.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed by the insurance company and (b) within 10 Business Days after cancelation of coverage by the insurance company. Prior to commencing the Work and upon renewal or replacement of the insurance policies, Constructor shall furnish Owner with certificates of insurance until one year after Substantial Completion or longer if required by the Contract Documents. In addition, if any insurance policy required under §11.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, Constructor shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

11.3 PROPERTY INSURANCE Unless otherwise directed in writing by Owner, before starting the Work, Constructor shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss, INCLUDING EXISTING STRUCTURES. This insurance shall also: (a) name Constructor, subcontractors, subsubcontractors, suppliers, and Design Professional as loss payees; (b) be written in such form as to cover all risks of physical loss except those specifically excluded by the policy. The Builder's Risk Policy shall insure at least against and not exclude: (a) the perils of fire, lightning, explosion, windstorm, hail, smoke, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, water damage, wind damage, collapse however caused; (b) coverage extension for damage to existing buildings, plant, or other structures at the Worksite, when the Project is contained within or attached to such existing buildings, plant or structures. Coverage shall be to the extent loss or damage arises out of Constructor's activities or operations at the Project; (d) equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment; (e) testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and (f) physical loss resulting from terrorism.

11.3.1 The Party that is the primary cause of a Builder's Risk Policy claim shall be responsible for any deductible amounts or coinsurance payments. If no Party is the primary cause of a claim, then the Party obtaining and maintaining the Builder's Risk Policy pursuant to §0 shall be responsible for the deductible amounts or coinsurance payments. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until final payment has been made or until no person or entity other than Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. Partial occupancy or use of the Work shall not commence until Constructor has secured the consent of the insurance company or companies providing the coverage required in this subsection.

11.3.2 The Parties each waive all rights against each other and their respective employees, agents, contractors, subcontractors, suppliers, and subsubcontractors, and design professionals for damages caused by risks covered by the property insurance except such rights as they may have to the proceeds of the insurance.

11.3.3 RISK OF LOSS Except to the extent a loss is covered by applicable insurance, risk of loss from damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §0 until the Date of Final Completion.



11.4 ADDITIONAL LIABILITY COVERAGE Owner ☒ shall/ ☐ shall not require Constructor to purchase and maintain liability coverage. If required, Constructor shall provide:

11.4.1 ADDITIONAL INSURED. Owner shall be named as an additional insured on Constructor's CGL insurance specified, for on-going operations and completed operations excess/umbrella liability, commercial automobile liability, and any required pollution liability, but only with respect to liability for bodily injury, property damage, or personal and advertising injury to the extent caused by the negligent acts or omissions of Constructor, or those acting on Constructor's behalf, in the performance of Constructor's Work for Owner at the Worksite. The insurance of the Constructor and its Subcontractors (both primary and excess) shall be primary to any insurance available to the Additional Insureds. Any insurance available to the Additional Insureds shall be excess and non-contributory.

12. BONDS Performance and Payment Bonds ☐ are/ ☒ are not required of Constructor. Such bonds shall be issued by a surety admitted in the state in which the Project is located and must be acceptable to Owner. Owner's acceptance shall not be withheld without reasonable cause. The penal sum of the Payment Bond shall equal the penal sum of the Performance Bond.

13. LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES Except for (a) losses covered by insurance required by the Contract Documents, or (b) specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below, the Parties agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement.

#### 14. TERMINATION

14.1. NOTICE TO CURE A DEFAULT If Constructor persistently fails to supply enough qualified workers, proper materials, or equipment to maintain the approved Schedule of the Work or fails to make prompt payment to its workers, subcontractors, or suppliers, disregards law or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, Constructor may be deemed in default. If Constructor fails to commence and to continue satisfactory correction of such default with diligence and promptness within seven (7) Days after written notification, then Owner shall give Constructor a second written notice to correct the default within a three (3) Business Day period. If Constructor fails to promptly commence and continue satisfactory correction of the default following receipt of such second notice, Owner, without prejudice to any other rights or remedies, shall have the right to take reasonable steps it deems necessary to correct deficiencies and charge the cost to Constructor, who shall be liable for such payments including reasonable overhead, profit, and attorneys' fees.

14.2. TERMINATION BY OWNER Upon expiration of the second notice for default period, Owner may terminate this Agreement by written notice absent appropriate corrective action. Termination for default is in addition to any other remedies available to Owner. Owner shall make reasonable efforts to mitigate damages arising from Constructor default and shall promptly invoice Constructor for all amounts due.

14.3. TERMINATION BY CONSTRUCTOR Upon seven (7) Days' written notice to Owner, Constructor may terminate this Agreement if the Work has been stopped for a thirty (30) Day period through no fault of Constructor for any of the following reasons: (a) under court order or order of other governmental authorities having jurisdiction; (b) as a result of the declaration of a national emergency or other governmental act during which, through no act or fault of Constructor, materials are not available.

14.3.1. In addition, upon seven (7) Days' written notice to Owner, Constructor may terminate the Agreement if Owner does any of the following: (a) fails to furnish reasonable evidence that sufficient funds are available and committed for the entire cost of the Project; (b) assigns this Agreement over Constructor's reasonable objection; (c) fails to pay Constructor in accordance

with this Agreement and Constructor has stopped Work in compliance with this Agreement; or (d) otherwise materially breaches this Agreement.

14.3.2. Upon termination by Constructor pursuant to this Agreement, Constructor shall be entitled to recover from Owner payment for all Work executed and for any proven loss, cost, or expense in connection with the Work, including all demobilization costs plus reasonable overhead and profit.

14.4. OBLIGATIONS ARISING BEFORE TERMINATION Even after termination, the provisions of this Agreement still apply to any Work performed, payments made, events occurring, costs charged or incurred, or obligations arising before the termination date.

## 15. DISPUTE MITIGATION AND RESOLUTION

15.1. ADDITIONAL COST OR TIME Constructor shall give Owner prompt written notice if the Estimated Budget or Contract Time is estimated to be exceeded.

15.2. WORK CONTINUANCE AND PAYMENT Constructor shall continue the Work and maintain the Schedule of Work during any dispute resolution proceedings. If Constructor continues to perform, Owner shall continue to make payments in accordance with the Agreement.

15.3. DISPUTE MITIGATION THROUGH DIRECT DISCUSSIONS If a dispute arises out of or related to this Agreement or its breach, the Parties shall endeavor to settle the dispute through direct discussions. Within five (5) Business Days, the Parties' representatives, who shall possess the necessary authority to resolve such matter and who shall record the date of first discussions, shall conduct direct discussion and make a good faith effort to resolve such dispute.

15.4. MEDIATION Disputes between the Parties not resolved by direct discussion shall be submitted to mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association (AAA). The Parties shall select the mediator within fifteen (15) Days of the request for mediation. Engaging in mediation is a condition precedent to any form of binding dispute resolution.

15.5. BINDING DISPUTE RESOLUTION If neither direct discussions nor mediation successfully resolves the dispute, the Parties shall submit the matter to the binding dispute resolution procedure selected below:

☐ **ARBITRATION** The Parties choose binding arbitration decided by arbitrator in accordance with the Construction Industry Arbitration Rules of the AAA then in effect. Arbitration will be used for any claim or dispute related to this Agreement. **EACH PARTY WAIVES THEIR RIGHT TO BE HEARD IN A COURT OF LAW**, with or without a jury. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. An arbitrator's award shall be final and binding upon the Parties, and judgment may be entered upon it in any court having jurisdiction.

☒ **LITIGATION** Litigation in either the state or federal court having jurisdiction of the matter in the location of the Project.

If not indicated, then litigation is default as opposed to arbitration.

15.5.1. COSTS The costs of any binding dispute resolution procedures and reasonable attorneys' fees shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

15.5.2. VENUE The Project location shall serve as the venue.

15.5.3. Neither Party may commence arbitration if the claim or cause of action would be barred by the applicable statute of limitations had the claim or cause of action been filed in a state or federal court. Receipt of a demand for arbitration by the person or entity administering the

arbitration shall constitute the commencement of legal proceedings for the purposes of determining whether a claim or cause of action is barred by the applicable statute of limitations. If, however, a state or federal court exercising jurisdiction over a timely filed claim or cause of action orders that the claim or cause of action be submitted to arbitration, the arbitration proceeding shall be deemed commenced as of the date the court action was filed, provided that the Party asserting the claim or cause of action files its demand for arbitration with the person or entity administering the arbitration within thirty (30) Days after the entry of such order.

## 16. MISCELLANEOUS

16.1. EXTENT OF AGREEMENT Except as expressly provided, this Agreement is for the exclusive benefit of the Parties and not for the benefit of any third party. This Agreement represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral.

16.2. ASSIGNMENT Except as to the assignment of proceeds, neither Party shall assign its interest in this Agreement, in whole or in part, without the written consent of the other Party. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives.

16.3. GOVERNING LAW The law in effect at the location of the Project shall govern.

16.4. NOTICE Unless changed in writing, a Party's address indicated above ARTICLE 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service.

16.5. JOINT DRAFTING The Parties expressly agree that this Agreement was jointly drafted, and that they both had opportunity to negotiate terms and to obtain assistance of counsel in reviewing terms before execution. This Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

OWNER:

BY: Green Valley Recreation, Inc. NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

WITNESS: \_\_\_\_\_ NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

CONSTRUCTOR:

BY: Rio West Development & Construction, Inc. NAME: Walter J. [Signature] TITLE: President

WITNESS: Margaret Wamsley NAME: Margaret Wamsley TITLE: Construction Administrator

END OF DOCUMENT

**ConsensusDocs® 235**  
**Standard Short Form Agreement Between Owner and Constructor**  
**(Cost of Work)**

**Exhibit A, General Description of the Work**

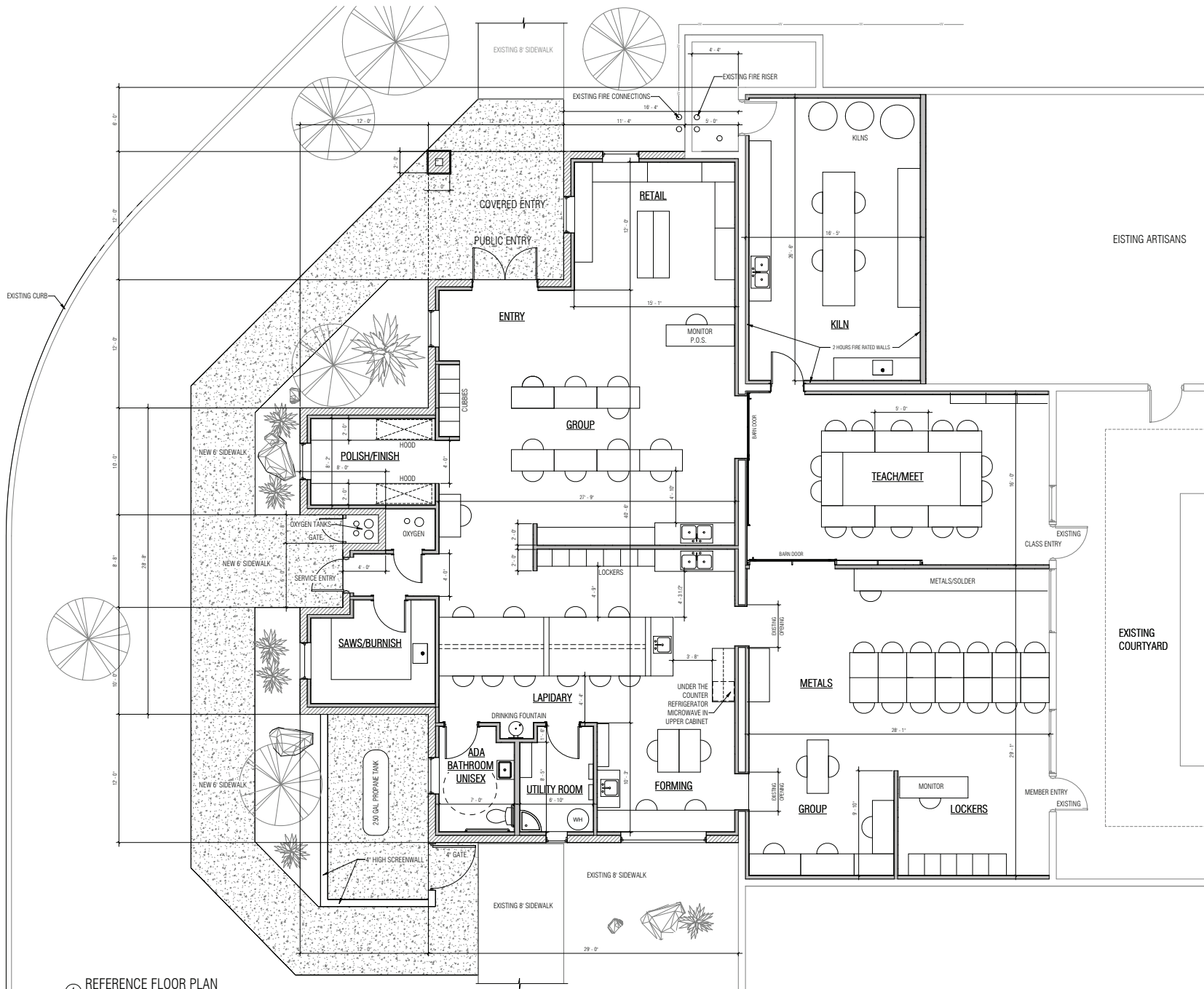
1. GENERAL DESCRIPTION: The following is a general description of the Work for the Project.

The project involves expanding the existing Green Valley Recreation West Center to create a new lapidary facility. Work includes construction of a single-story addition with finishes to match the existing building, and interior build-out of specialized areas for cutting, polishing, metals work, teaching, and group activities. The scope also includes new mechanical, electrical, and plumbing systems, ADA-compliant restroom, utility room, lockers, kiln area, oxygen/propane storage, and exterior improvements such as sidewalks and a covered entry.

The above description is based on preliminary conceptual drawings prepared by Burton Associates Architecture, dated March 10, 2025, consisting of one (1) floor plan sheet (A1.0) and one (1) elevation sheet (A2.0). These conceptual drawings are included herewith as part of Exhibit A for reference and are incorporated into the Contract Documents solely to illustrate the intended general scope, layout, and character of the work. Final construction documents will govern in the event of any discrepancy.

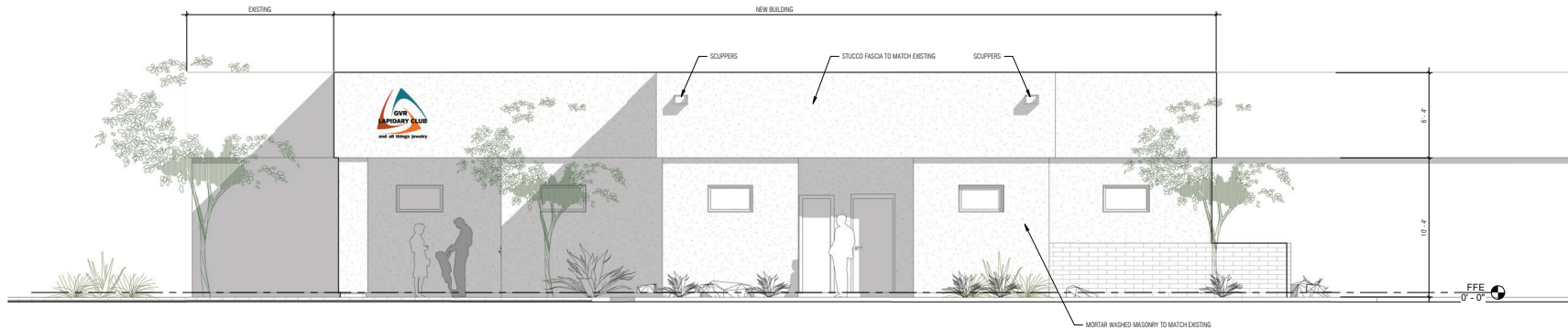
2/10/2023 3:10:37 PM

GVR DRIVE

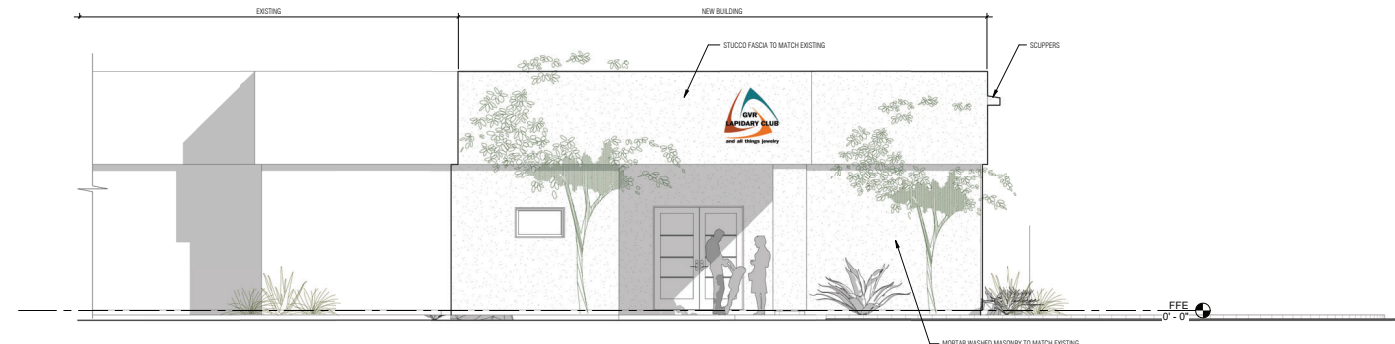


① REFERENCE FLOOR PLAN  
1/4" = 1'-0"

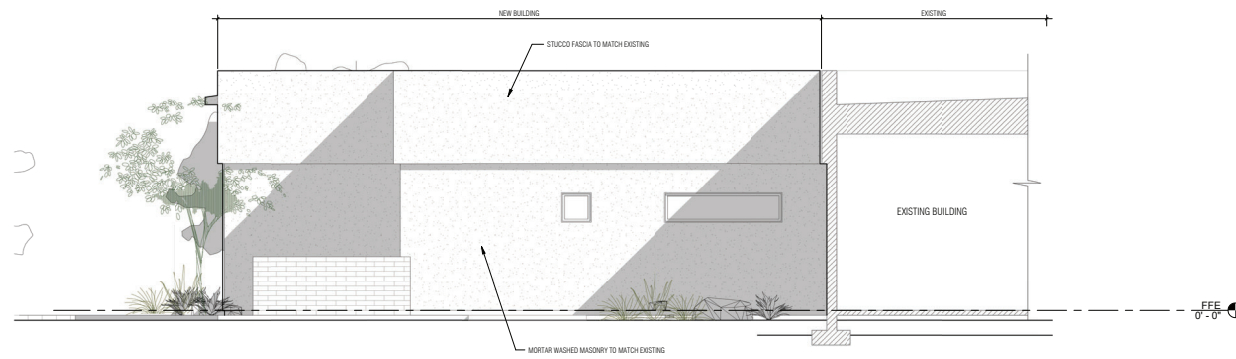
REVISIONS	
GVR WEST LAPIDARY EXPANSION	
S. GVR Dr. Green Valley, AZ 85814	
FLOOR PLAN	A1.0
PROJECT NUMBER: JMS	3/10/2023
<b>BURTON</b> <i>and Associates</i> ARCHITECTS <small>4000 CAMP COLUMBIA          GREEN VALLEY, AZ 85814          (520) 841-8823          400 SOUTH MOORE          BURTON@BURTONARCH.COM</small>	



① WEST ELEVATION  
1/4" = 1'-0"



② NORTH ELEVATION  
1/4" = 1'-0"



③ SOUTH ELEVATION  
1/4" = 1'-0"

REVISIONS	
GVR WEST LAPIDARY EXPANSION	
S. GVR Dr. Green Valley, AZ 85814	
ELEVATIONS	A2.0
PROJECT NUMBER: JAGS	3/10/2025
<b>BURTON</b> <i>and Associates</i> ARCHITECTS <small>4000 CAMP COLUMBIA          SUITE 100          GREEN VALLEY, AZ 85814          520.471.8823          WWW.BURTONARCHITECTS.COM</small>	





① FRONT VIEW



② RIGHT VIEW



③ LEFT VIEW

REVISIONS	
GVR WEST LAPIDARY EXPANSION	
S. GVR Dr. Green Valley, AZ 85614	
VIEWS	A2.1
PROJECT NUMBER (DATE)	10/10/2015
<b>BURTON</b> <i>and Associates</i> ARCHITECTS	
<small>           401 E. CAMP CORRAL DR.            TUCSON, ARIZONA 85717            520.471.8077            BURTONANDASSOCIATES.COM         </small>	

**ConsensusDocs® 235**  
**Standard Short Form Agreement Between Owner and Constructor**  
**(Cost of Work)**

**Exhibit B, Schedule of the Work**

1. Contract Time:

A detailed construction schedule will be developed and furnished once sufficient design development has occurred and permitting requirements are more clearly defined. At this early stage, the project is based solely on preliminary conceptual drawings, and it is not possible to determine a definitive start date or establish a firm schedule. The schedule will be coordinated with the Owner and Architect and submitted for review and acceptance as soon as practical.

Based on the Contractor's initial review of the preliminary drawings and general understanding of the project scope, we anticipate that the construction phase will take approximately ten (10) months to complete. This duration is a preliminary estimate and may be revised based on the final design, permitting timelines, procurement variables, and other unforeseen conditions that may arise.



PRELIMINARY  
NOT FOR  
CONSTRUCTION  
OR RECORDING

REVISIONS  
DATE

WEST CENTER'S EXPANSION  
DEMOLITION FLOOR PLAN

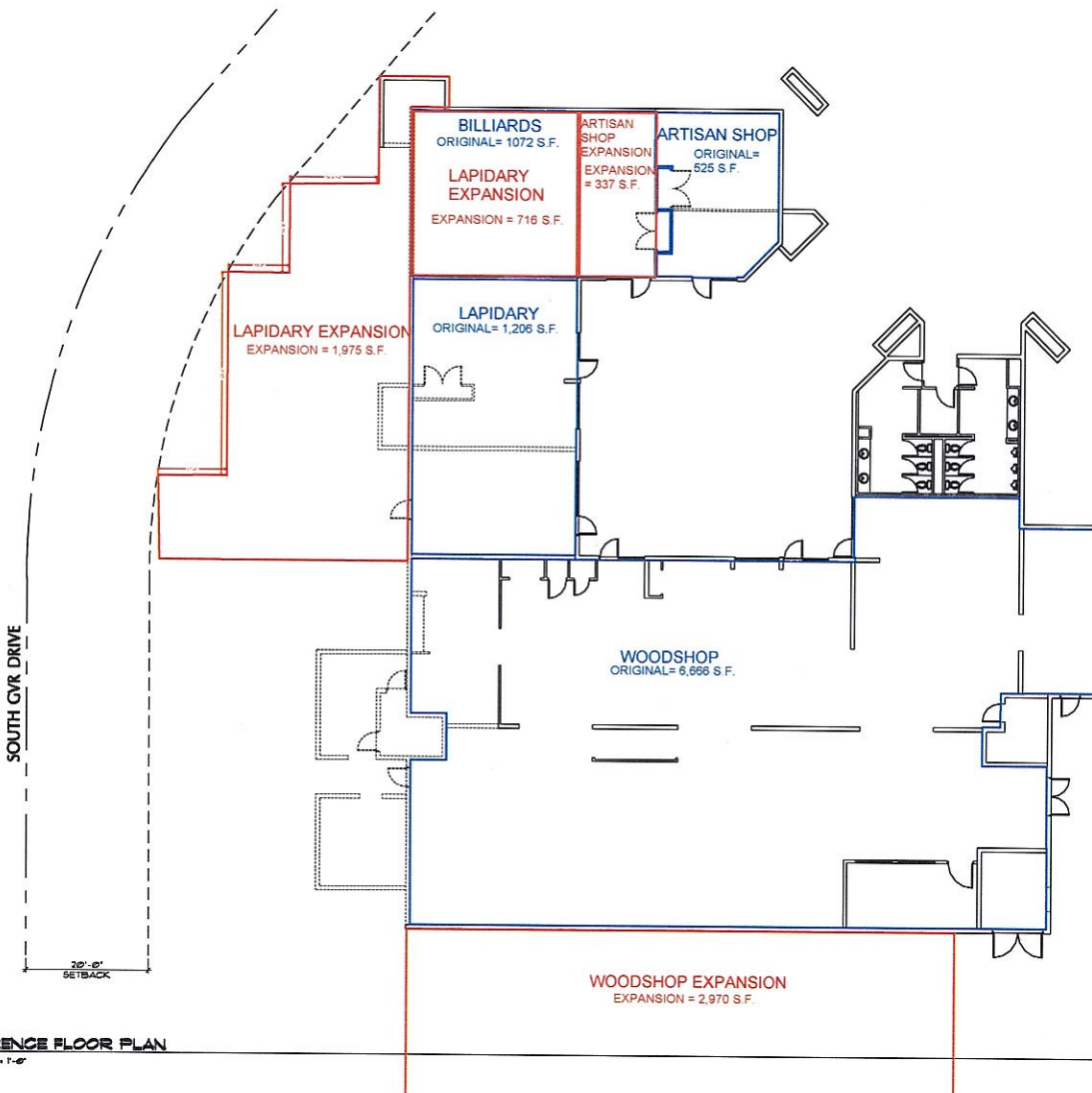


GREEN VALLEY RECREATION CENTER  
1111 SOUTH GVR DRIVE  
GREEN VALLEY, ARIZONA 85614

ISSUE DATE 04-26-2023  
PROJ. NO. 37092.9  
DRG. SCALE AS NOTED

SHEET

D2.0



## Option 1

- Lapidary Expansion to South
- Woodshop Expansion to East

**GVR**  
**12/31/2024**  
**Cash Funding Projections**

All Amounts Are **Projections**

	Budget 2025	2025	2026	PROJECTION 2027	2028	2029
<b>Initiatives</b>						
Beginning Balance	\$ 1,033,544	\$ 993,705	\$ 902,705	\$ 775,586	\$ 469,930	\$ 64,836
Funding From Operations Revenue	\$ 547,770	\$ 531,338	\$ 603,855	\$ 637,440	\$ 682,338	\$ 682,338
Additional GVR Funding (Surplus)						
Transfer from Emergency	\$ 128,169	\$ 135,469				
Net Investment Earnings	\$ 48,562	\$ 78,149	\$ 64,550	\$ 47,904	\$ 20,568	\$ 27,000
<b>Projects:</b>						
Del Sol Clubhouse Parking Lot Note	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)	\$ (11,000)
DH Ceramics Kiln Room Code	\$ (90,000)	\$ (90,000)				
WC Lobby improvements	\$ (150,000)		\$ (150,000)			
Metal Shop Home	\$ (150,000)	\$ (243,000)				
DH Locker room	\$ (249,335)	\$ (91,956)				
LC Fitness Expand to Cypress					\$ (75,000)	
EC Lapidary Gas Manifold	\$ (43,000)	\$ -				
WC Club Expansion - Lapidary	\$ (991,524)	\$ (400,000)	\$ (634,524)			
WC Club Expansion - Woodworking				\$ (600,000)	\$ (600,000)	
LC Third Tennis Court				\$ (380,000)		
SRAL Lower Level Expansion					\$ (385,000)	
PBC & CR Pickleball Courts		\$ -				
SRS Social Patio						\$ (126,000)
SRS Fitness Center Expansion					\$ (37,000)	
Total for the Year	\$ (1,684,859)	\$ (835,956)	\$ (795,524)	\$ (991,000)	\$ (1,108,000)	\$ (137,000)
Ending Balance	\$ 73,186	\$ 902,705	\$ 775,586	\$ 469,930	\$ 64,836	\$ 637,174
<b>Maintenance Repair &amp; Replacement</b>						
Beginning Balance		\$ 7,586,789	\$ 7,567,651	\$ 7,113,813	\$ 7,185,152	\$ 7,712,207
Annual Funding (per Reserve Study)		\$ 1,300,102	\$ 1,356,006	\$ 1,414,314	\$ 1,475,130	\$ 1,538,561
Additional Funding						
Net Investment Earnings (actual IPS rate)		\$ 472,000	\$ 697,278	\$ 641,254	\$ 624,185	\$ 688,231
<b>Projects:</b>						
Per Reserve Study		\$ (1,791,240)	\$ (2,507,122)	\$ (1,984,228)	\$ (1,572,260)	\$ (2,031,701)
Ending Balance		\$ 7,567,651	\$ 7,113,813	\$ 7,185,152	\$ 7,712,207	\$ 7,907,298
<b>MRR Part B - Pools and Spas</b>						
Beginning Balance		\$ 1,200,643	\$ 1,557,001	\$ 350,870	\$ 743,639	\$ 1,159,322
Funding		\$ 320,358	\$ 335,022	\$ 351,774	\$ 351,774	\$ 351,774
Additional Funding						
Net Investment Earnings		\$ 36,000	\$ 110,386	\$ 40,994	\$ 63,910	\$ 88,162
DH Pool (or other pool)			\$ (1,651,539)			
Ending Balance		\$ 1,557,001	\$ 350,870	\$ 743,639	\$ 1,159,322	\$ 1,599,258
<b>Subtotal Capital Projects Reserves</b>		<b>\$ 10,027,357</b>	<b>\$ 8,240,269</b>	<b>\$ 8,398,721</b>	<b>\$ 8,936,365</b>	<b>\$ 10,143,730</b>
<b>Emergency</b>						
Beginning Balance		\$ 635,469	\$ 527,000	\$ 569,000	\$ 615,000	\$ 664,000
Annual Funding		\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Initiative		\$ (135,469)				
Net Investment Earnings		\$ 27,000	\$ 42,000	\$ 46,000	\$ 49,000	\$ 53,000
<b>Projects:</b>						
Ending Balance		\$ 527,000	\$ 569,000	\$ 615,000	\$ 664,000	\$ 717,000
<b>Total Board Designated Funds</b>		<b>\$ 10,554,357</b>	<b>\$ 8,809,269</b>	<b>\$ 9,013,721</b>	<b>\$ 9,600,365</b>	<b>\$ 10,860,730</b>



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Audit Contract with R and A CPAs**

**Prepared By:** David Webster, CFO

**Meeting Date:** May 28, 2025

**Presented By:** Bev Lawless, Audit Chair

**Consent Agenda:** No

**Originating Committee / Department:**

Audit Committee

**Action Requested:**

Hire the Audit Firm, R and A CPAs, recommended by the Audit Committee, for the preparation and audit of yearly financial statements and related filings for a three-year period beginning with the 2025 fiscal year ending December 31, 2025.

**Strategic Plan:**

Goal 4: Cultivate and maintain a sound financial base that generates good value for our members.

**Background Justification:**

Green Valley Recreation is required to have an annual audit in accordance with the Bylaws Article VIII Section 2. Special Committees, Part B. Audit Committee "The financial records of the Corporation shall be audited following the close of each fiscal year by an independent auditing firm."

**Fiscal Impact:**

The proposal received from the accepted audit firm will not exceed \$30,000 for the first year.

**Board Options:**

- 1) Accept the recommendation of the Audit Committee and contract with the independent audit firm R and A CPAs.
- 2) Do not accept the recommendation.
- 3) Table this decision at this time.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

I move to accept the recommendation of the Audit Committee to accept the proposal of R and A CPAs to be the Audit firm for Green Valley Recreation, Inc. for three years.

**Attachment:**

- 1) Proposal for Audit from R & A CPAs



**PROPOSAL FOR AUDITS OF THE YEARS ENDING  
DECEMBER 31, 2025, 2026, AND 2027**

May 23, 2025

Mr. David Webster  
Chief Financial Officer  
Green Valley Recreation, Inc.  
1070 S. Calle de las Casitas  
Green Valley, Arizona 85614

Dear Mr. Webster:

We appreciate this opportunity to provide a quote to continue auditing the financial statements of Green Valley Recreation, Inc. ("GVR") and the preparation of related income tax returns. We have enjoyed our opportunity to work with your growing, dynamic organization over the years and look forward to continuing the relationship.

We recognize the importance of the services that you provide to the members of the community and wish to continue to support these important efforts. Due to the complex nature of GVR, the audit of the financial statements continues to be an intricate process which requires significant effort and we are committed to providing the highest quality services to your Organization. The fees below reflect the complexity of both GVR's tax returns and financial statements.

In consideration of our strong desire to continue our service as the independent accountants and consultants for GVR, we will continue to provide a significant discount from our standard rates for the proposed fees. We hope GVR will consider our past investment when evaluating this quote.

We are pleased to propose the following fees for the audit of the financial statements as well as preparation of the income tax returns:

<b>For the year ending December 31,</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Audit of financial statements	\$ 30,575	\$ 32,125	\$ 33,750
Prepare Federal and Arizona tax returns	3,275	3,450	3,625
Meetings, consultations, and assistance within the scope of the audit	-----	Included	-----

We truly value working with GVR and look forward to our continued relationship as your long-term business advisors. We appreciate the opportunity to quote continuing services.

Please do not hesitate to call with any questions or clarifications regarding this letter.

Very truly yours,

**R&A CPAs**

A handwritten signature in black ink that reads 'Karly A. Meza'.

Karly A. Meza, CPA  
Partner



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Amend Lease Agreement with GVR Foundation**

**Prepared By:** Scott Somers, CEO

**Meeting Date:** May 28, 2025

**Presented By:** Scott Somers, CEO

**Consent Agenda:** No

<b>Originating Committee / Department:</b> Administration
<b>Action Requested:</b> Amend the Lease Agreement with the GVR Foundation
<b>Strategic Plan:</b> Goal 1: Provide excellent facilities for members to participate in a variety of active and social opportunities
<b>Background Justification:</b> <p>GVR and the GVR Foundation entered into a lease agreement on August 18, 2021, for 168 sq. ft. of office space located at the Canoa Ranch Center. The lease was for 15 years at an equivalent in-kind cost of \$60,000 (\$4,000 annually). The in-kind lease agreement was part of a larger negotiated agreement involving the purchase of the parking lot at the Del Sol Clubhouse from the GVR Foundation.</p> <p>GVR staff approached the GVR Foundation with this request to switch office locations from the Canoa Ranch Center to the Las Campanas Center in order to allow GVR to perform additional operational functions at the Foundation's office at Canoa Ranch. Space was available at Las Campanas, but the space was much smaller than their current office. Since the office space is smaller, to ensure GVR pays to the Foundation the remaining equivalent in-kind balance of \$45,000, the term of lease needs to be extended 20 years from the date the agreement goes into effect, August 1, 2025.</p>
<b>Fiscal Impact:</b> No Fiscal impact unless the Board chooses option 2, which is to pay off the \$45,000 debt, rather than providing the in-kind equivalent in the form of office space.
<b>Board Options:</b> <ol style="list-style-type: none"> <li>1) Amend the Lease Agreement with the GVR Foundation as drafted.</li> <li>2) Pay off the \$45,000 debt by cutting the Foundation a check.</li> <li>3) Provide alternate direction to staff.</li> </ol>
<b>Staff Recommendation:</b> Option 1
<b>Recommended Motion:</b> <i>I move to amend the Lease Agreement with the GVR Foundation as drafted.</i>
<b>Attachments:</b> <ol style="list-style-type: none"> <li>1) Lease Agreement, dated August 18, 2021</li> <li>2) First Amendment to the Lease Agreement, dated May 28, 2025</li> </ol>



## **LEASE OF REAL PROPERTY**

THIS LEASE OF REAL PROPERTY ("Lease") is entered into this 18th day of August, 2021, by and between GREEN VALLEY RECREATION, INC., an Arizona nonprofit corporation ("Lessor") and GVR FOUNDATION, an Arizona nonprofit corporation ("Lessee").

1. Premises. Lessor leases to Lessee, and Lessee leases from Lessor, approximately one hundred sixty-nine (169) square feet of office space located at the Canoa Ranch Center, 5750 S. Turquoise Mountain Drive, Green Valley, Arizona 85622 ("Premises").

2. Term. This Lease shall be for a term of fifteen (15) years from October 1, 2021 and shall terminate on September 30 2036.

3. Rental Payments. The total rent for the Lease term shall be Sixty Thousand and No/100 Dollars (\$60,000.00), or Four Thousand and No/100 Dollars per year (\$4,000.00), and shall be credited pursuant to the Real Property Purchase Agreement executed on August 18, 2021 ("Real Property Agreement"). If Lessee terminates the Lease prior to the expiration of the Lease term, Lessor shall have no obligation to return any of the \$60,000 credited as upfront rent per this Lease and the Real Property Agreement.

4. Repairs and Maintenance. The following provisions shall apply to repairs and maintenance:

(a) Interior and Exterior. Lessor shall be responsible for all repair and maintenance expenses of the exterior and roof of the Premises and the structural components of its exterior walls and floors.

(b) HVAC. Lessor shall be responsible for all repair and maintenance costs of all HVAC components, including but not limited to replacement of the HVAC unit(s) in the event it is no longer operational.

5. Utilities. Lessor shall be responsible for all monthly charges for all heat, air conditioning, electricity, water, gas and alarm security system consumed upon the Premises or utilized in the public areas of the Premises and the property surrounding the same. Lessor will supply and pay for all telephone and internet services to the Premises.

6. Taxes and Assessments. Lessor shall be responsible for all real property taxes and assessments on the Premises. Lessee shall pay any taxes or assessments on any property of Lessee in or upon the Premises. Lessee agrees to pay all sales/rental taxes.

7. Insurance. Lessor, at its expense, shall maintain comprehensive liability insurance for bodily injury and property damage insuring Lessee and Lessor with minimum

coverage in the amounts as currently carried by Lessor. A copy of the current insurance policy shall be provided to Lessee on or before October 1, 2021.

Lessor shall provide Lessee with a Certificate of Insurance showing Lessee as an additional insured by October 1, 2021 and each and every anniversary date thereafter. The Certificate shall provide for a ten-day written notice to Lessee in the event of cancellation or material change of coverage. To the maximum extent permitted by insurance policies which may be owned by Lessor or Lessee, Lessee and Lessor, for the benefit of each other, waive any and all rights of subrogation which might otherwise exist.

8. Purpose. Lessee shall use and occupy the Premises for the purpose of operating a not for profit business, and for no other business or purpose.

9. Compliance with Law. Lessee at its own expense shall promptly observe and comply with all present and future laws, orders, regulations, rules, ordinances and requirements of any governmental agency with respect to the use, care and control of the Premises; provided, however, that Lessee shall not be required to make any structural changes or additions to the Premises in order to comply therewith, unless such changes are caused by alterations to the Premises made by Lessee.

10. Assignment and Sublease. Lessee covenants that this Lease shall not be assigned and that no portion of the Premises will be sublet by Lessee without the prior written consent of Lessor. In the event that Lessee makes such an assignment or sublease without the written consent of Lessor, this Lease shall, at the election of Lessor, become null and void and Lessor shall have the option and right to terminate this Lease and reenter upon the Premises. The exercise of this option by Lessor shall not be a waiver by Lessor of any right to collect damages for Lessee's breach of this covenant.

11. Return of Premises. Upon the expiration of this Lease or upon its termination for any cause, Lessee shall surrender the Premises in as good order and condition as when received, reasonable wear, damage from the elements, fire and acts of God excepted.

12. Access by Lessor. Lessor, or its representatives and agents, upon one (1) day's written notice to Lessee, shall have free access to the Premises at reasonable times for the purposes of examining or exhibiting the same or to make any repairs or alterations on the Premises which Lessor deems convenient for the maintenance or preservation thereof. This paragraph shall not be construed to impose upon Lessor any obligations to repair in addition to those specifically set forth above.

13. Alterations and Modifications. Lessee has inspected the Premises, and agrees that the Premises are now in a lesseeable and good condition. Lessee is leasing the Premises "AS IS". Lessee shall take good care of the Premises and shall not alter or repair the Premises without the prior written consent of Lessor. All alterations and repairs that Lessee may desire shall be done either by or under the direction of Lessor, but at the expense of

Lessee, and shall become the property of Lessor and remain on the Premises. All damage or injury done to the Premises by Lessee or any person who may be in or on the Premises with the consent of Lessee, shall be paid for by Lessee.

14. Liens and Encumbrances. Lessee shall keep the leased Premises free and clear of any liens or encumbrances imposed or threatened to be imposed on the Premises by reason of any contract, act or omission of Lessee.

15. Default by Lessee. In case Lessee shall violate or fail to perform any covenant, condition or provision of this Lease, and such default continues without being fully remedied for a period of ten (10) days after Lessor has given prior written notice to Lessee of such default, Lessor may exercise the following options:

(b) Lessor may elect to terminate this Lease.

(b) Repossess the Premises and seek reimbursement for the costs incurred by Lessor in repossessing the Premises.

All rights and remedies of Lessor upon a default by Lessee stated herein or otherwise existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

16. Destruction or Casualty. In the event that the Premises are injured, damaged or destroyed by act of God, by fire or other casualty, and Lessor in its sole discretion decides not to repair or restore the Premises or the building of which the leased Premises are a part, Lessor shall have an option to terminate this Lease as of the date of such injury, damage or destruction. This option shall be exercised upon the giving of written notice to Lessee within thirty (30) days following the destruction, injury or damage. In the event that Lessor determines to repair and restore the Premises or the building of which the Premises form a part, Lessor shall proceed with due diligence to effect repairs or reconstruction. During the period of repair or reconstruction, this Lease shall continue in full force and effect; provided, however, that Lessee shall be entitled to a reduction of rent from the date of such destruction, injury or damage until the repairs or reconstruction are completed in an amount proportionate to the extent to which such damage, injury or destruction and the making of repairs or reconstruction interferes with the occupancy by Lessee of the Premises.

17. Quiet Enjoyment. Lessee, on performing the covenants and observing the conditions of this Lease, at all times during the term shall have the peaceable enjoyment of the Premises without hindrance or disturbance by Lessor or any person claiming through or under him or any person having or claiming paramount title.

18. Conditions. This Lease is subject to the following conditions and shall be construed in the following manner: If Lessee files a petition in bankruptcy or is declared



bankrupt or insolvent according to law, or makes an assignment for the benefit of creditors, or if the leasehold estate is taken or sought to be taken on execution, then, at the option of Lessor, this Lease shall terminate and Lessor, without notice or demand, may re-enter the Premises and remove all persons and effects therefrom without prejudice to any remedies which might otherwise be used by Lessor for any breach of Lessee's covenants herein contained.

19. Parking and Other Public Areas. Lessee shall have the right to use, in conjunction with other users of the building, the parking areas and other common and public areas. Public areas shall be all those places in the building and on the real property surrounding the same not leased or intended to be leased to any specific Lessee. The allocation of parking spaces to Lessee, Lessee's employees or customers, shall be directed from time to time by Lessor. In making such allocations, Lessor shall take into consideration the needs and convenience of all lessees of the building, but any decisions with regard to allocation of parking spaces shall be in the absolute discretion of Lessor. Any failure by Lessee to comply with parking allocations as herein provided shall constitute a breach of this Lease.

20. Waiver of Subrogation Rights. In the event a loss occurs due to the negligence or fault of Lessee, Lessee's agents, servants, assigns or sublessees, and Lessor effects a recovery therefor from its insurance carrier, Lessor hereby waives and releases its rights against Lessee, Lessee's agents, servants, assigns or sublessees, arising from the negligence or fault which causes such loss.

21. Waiver. One or more waivers of any covenant or condition by Lessor shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by Lessor to or of any act by Lessee requiring consent or approval of Lessor shall not be deemed a consent or approval by Lessor of any subsequent similar act by Lessee.

22. Construction. The terms and provisions of this Lease represent the result of negotiations between Lessor and Lessee, each of whom has been represented by counsel of its own choosing, and neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Lease shall be interpreted and construed in accordance with their usual and customary meanings, and Lessor and Lessee hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Lease, including any rule of law to the effect that ambiguous or conflicting terms or provisions shall be interpreted or construed against the party whose attorney prepared the executed draft or any earlier draft.

23. Termination. The Lease may terminate pursuant to Sections 2 and 15, unless otherwise agreed to in a writing signed by all parties.

24. Notices. Any notice, demand, request, consent, approval, disapproval or certificate ("Notice") required or desired to be given under this Lease shall be in writing and given by certified mail, return receipt requested, by personal delivery, by Federal Express or a similar nationwide overnight delivery service providing a receipt for delivery, by facsimile, or by electronic mail. The date of giving any Notice shall be deemed to be the date upon which delivery is actually made by one of the methods described in this paragraph (or attempted if said delivery is refused or rejected). The parties agree to receive Notice at the following address:

To Lessee:

GVR Foundation

Attn: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

To Lessor:

Green Valley Recreation, Inc.

Attn: Scott Somers, CEO

1070 S. Calle de las Casitas

Green Valley, Arizona 85614

Either party may change its address by giving reasonable advance written Notice of its new address in accordance with the methods described in this paragraph; provided, however, no notice of either party's change of address shall be effective until five (5) days after the addressee's actual receipt thereof.

25. Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

26. Litigation Expense. In the event that it is necessary for an action at law or a suit in equity to be brought to establish, obtain or enforce any right by either party under this Lease, or in the event of any appeal to an appellate court for any purpose in connection with said suit or action, then the prevailing party in such action, suit, or appeal shall be entitled to a reasonable attorney's fee allowance, as well as the costs and disbursements of the action, suit, or appeal.

27. Severability. In the event any provisions or any part of this Lease is deemed invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect the remaining provisions of this Lease, which will be deemed to be in full force and effect.

28. Gender and Number. Whenever used in this Lease, the singular shall include the plural and the plural shall include the singular, the male shall include the female gender and a trust, partnership, firm, company or corporation, all as the context and meaning of this Lease may require.

29. Entire Agreement. This instrument constitutes the entire agreement between the parties and contains all representations made by Lessor. Any additions or deletions or any subsequent modification shall not be valid unless made in writing and signed or

initialed by Lessor and Lessee.

30. Jury Waiver. The parties hereby voluntarily, knowingly, irrevocably and unconditionally waive any right to have a jury participate in resolving any dispute (whether based upon contract, tort or otherwise) between or among the parties arising out of or in any way related to this Lease or any relationship between the parties. This provision is a material inducement to each party to enter into this Lease.

31. Governing Law; Choice of Forum. This Lease shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona. The parties hereto hereby consent and submit to the personal jurisdiction the state or federal courts located in Pima County, Arizona, and hereby waive any right to dismiss, transfer or change the venue of any action or proceeding because of the inconvenience of the forum. Nothing in this section shall prevent enforcement in another forum of any judgment obtained in a court identified in this section.

32. Counterparts. This Lease may be executed in any number of counterparts, all the counterparts shall be deemed to constitute one instrument, and each counterpart shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the day and year first above written.

**LESSOR:**

GREEN VALLEY RECREATION, INC.,  
an Arizona nonprofit corporation

By: Michael Zelenak  
Michael Zelenak (Aug 18, 2021 16:51 CDT)

Its: President

**LESSEE:**

GVR FOUNDATION,  
an Arizona nonprofit corporation

By: Donald R. Lathrop  
Donald R Lathrop (Aug 18, 2021 16:08 PDT)

Its: President

FIRST AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT TO LEASE AGREEMENT is made this 28 day of May, 2025 by and between Green Valley Recreation (“Lessor”) and GVR Foundation (“Lessee”) as follows:

WHEREAS, the Lessor and Lessee are currently parties to a Lease Agreement dated August 18, 2021; and

WHEREAS, GVR approached the GVR Foundation with this request to amend the Agreement in order to allow GVR to perform additional operational functions in the current GVR Foundation office, located at Canoa Ranch Center;

WHEREAS, the original lease term was for 180 months (15 years) and at an equivalent in-kind total cost of \$60,000 (\$4,000 annually);

WHEREAS, 135 months remain, which is an equivalent in-kind cost of \$45,000;

WHEREAS, the current office is 168 sq. ft. at a cost of \$23.81 per sq. ft.;

WHEREAS, the new office is 95 sq. ft. at the same cost of \$23.81 per sq. ft. or \$188.49 per month; and

WHEREAS, at a monthly cost of \$188.49, it will take 239 months or 20 years to equate to a \$45,000 (\$2,250 annually) remaining balance owed to the GVR Foundation.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. The provisions of the WHEREAS clauses set forth above are hereby incorporated in this Amendment and shall be considered a part hereof.
2. Paragraph 1, Premises is amended as follows: Lessor leases to Lessee, and Lessee leases from Lessor, approximately ninety-five (95) square feet of office

space located at the Las Campanas Center, 5750 W. Belltower Dr., Green Valley, Arizona 85614 ("Premises").

3. Paragraph 2, Terms is amended as follows: This Lease shall be for a term of twenty (20) years from August 1, 2025 and shall terminate on July 31, 2045.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

LESSOR:

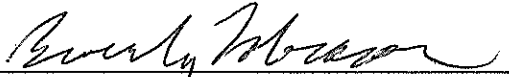
GREEN VALLEY RECREATION, INC.,  
an Arizona nonprofit corporation

By: \_\_\_\_\_

Kathi Bachelor  
Its: President

LESSEE:

GVR FOUNDATION,  
an Arizona nonprofit corporation

By: 

Beverly Tobiason  
Its: President



Green Valley Recreation, Inc.  
**Board of Directors Meeting**

**Amendment to Desert Hill No. 1 Townhomes CC&Rs**

**Prepared By:** Nanci Moyo, Admin. Sup.

**Meeting Date:** May 28, 2025

**Presented By:** Scott Somers, CEO

**Consent Agenda:** No

**Originating Committee / Department:**

Administration

**Action Requested:**

Approve an amendment to the Covenants, Conditions, and Restrictions (CC&Rs) requested by Desert Hills No. 1 Townhomes HOA

**Strategic Plan Goal:**

GOAL 5: Provide sound, effective governance and leadership for the corporation

**Background Justification:**

The Desert Hills No. 1 Townhomes HOA recently approved updating their CC&Rs. The main changes were to remove needing the Declarant's approval to amend the CC&Rs.

While this is an unusual request from an HOA, GVR's corporate attorney has no concerns with the amendment. However, he has advised the President sign the amendment, rather than the CEO, due to Article VII, Section 4.A of the Bylaws:

*The President shall preside at all meetings of the Board of Directors and at meetings of the membership and shall carry out all orders and resolutions of the Board of Directors 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 must receive prior legal review and Board approval.*

Since it appears likely that additional HOAs will be updating their CC&Rs by removing the Declarant, the Board may want to authorize the CEO to sign such amendments going forward, subject to attorney review and approval.

**Fiscal Impact:**

None

**Board Options:**

- 1) Approve an amendment to the Covenants, Conditions, and Restrictions (CC&Rs) requested by Desert Hills No. 1 Townhomes HOA as drafted, and authorize the CEO to sign such amendments going forward, subject to attorney review and approval.
- 2) Elect to deny approval an amendment to the Covenants, Conditions, and Restrictions (CC&Rs) requested by Desert Hills No. 1 Townhomes HOA as drafted.

**Staff Recommendation:**

Option #1

**Recommended Motion:**

*I move to approve an amendment to the Covenants, Conditions, and Restrictions (CC&Rs) requested by Desert Hills No. 1 Townhomes HOA, and authorize the CEO to sign such amendments going forward, subject to attorney review and approval.*

**Attachments:**

- 1) CC&Rs Amendment to Article VIII, Section 10 for Desert Hills No. 1 Townhomes

**WRITTEN CONSENT**  
**Re: Amendment to Article VIII, Section 10**

- A. WHEREAS, the Declaration of Establishment of Conditions, Covenants and Restrictions for Desert Hills No. 1 Townhomes (the "Original Declaration"), was recorded in Docket 9769 at Page 551 et seq., Pima County Records; and
- B. WHEREAS, Article VIII, Section 10 of the Original Declaration provides that the consent of Green Valley Recreation, Inc. ("GVR") is required to amend said Section 10.

NOW, THEREFORE, Green Valley Recreation, Inc. hereby consents to the following amendments to Article VIII, Section 10:

**Section 10. Membership in Green Valley Recreation Inc.; Payment of Separate Additional Assessments.** Green Valley Recreation, Inc. is a non-profit corporation organized under the laws of the State of Arizona and has been formed for the purpose of maintaining facilities and services for social and recreational facilities in Green Valley. On November 8, 1978, Green Valley Recreation, Inc. recorded that certain Master Deed Restriction in Docket 5900 at page 894, Pima County records, establishing a method to incorporate land within its jurisdictional area.

The Properties are a part of that area, and each purchaser of a Lot within the Properties, by the payment of the purchase price and acceptance of a deed, agrees for himself, his heirs, successors and assigns, to be bound by the rules and regulations thereof, to pay all membership dues assessed by Green Valley Recreation, Inc., and to comply with all provisions of the Articles of Incorporation and Bylaws of Green Valley Recreation, Inc. The properties and each Lot subsequently purchased are made subject to said Master Deed Restriction. There is hereby created a lien with power of sale, encumbering each Lot subsequently purchased to secure payment of the aforesaid membership dues and assessments, provided that no action shall be brought to foreclose such lien or proceed under the power of sale prior to the expiration of 30 days after a notice and claim of lien is mailed to the Owner of such Lot and a copy of the lien is recorded in the office of the Recorder of Pima County, Arizona.

Each Owner acknowledges the benefit to the Properties afforded by the existence of Green Valley Recreation, Inc. and the facilities it offers for the enhancement of the general plan of development.

Any lien claimed or recorded in favor of Green Valley Recreation, Inc. or its successors and assigns shall at all times be subordinate to the lien of these covenants and the lien of the Association provided for in this Declaration and to the lien of any first mortgages to



the same extent as set forth with regard to assessments by the Association as set forth herein, and the provisions hereof dealing with Green Valley Recreation, Inc. and its assessments shall constitute covenants running with the land in the same fashion as all other covenants, conditions and restrictions of this Declaration. This Section 10 may not be amended without the consent of ~~the Declarant and Green Valley Recreation, Inc., except that after Declarant has sold all of the lots, it may be amended by the Association with the consent of~~ Green Valley Recreation, Inc.

~~Notwithstanding the above, the lien of~~ Lot 4 shall be exempt from assessments to Green Valley Recreation, Inc. ~~shall not extend to Properties or Lots while owned by Declarant, and Declarant shall be exempt from paying assessments. Lot 4 shall also be exempt from assessments to Green Valley Recreation, Inc.~~ so long as it is used by ~~Men's Garden Club of~~ Green Valley Gardeners.

\*\*\*

Deletions above are indicated by strikethrough, and additions are indicated by underline. Other than the deletions and additions as stated above only in the last two paragraphs, Article VIII, Section 10 will remain unchanged.

<<<SIGNATURES ON NEXT PAGE>>>

IN WITNESS WHEREOF, Green Valley Recreation, Inc. has caused this Written Consent to be duly executed as of \_\_\_\_\_, 2025.

GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation

By: \_\_\_\_\_

Scott Somers

Its: Chief Executive Officer

STATE OF ARIZONA    )

: ss:

County of Pima        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025, by Scott Somers, Chief Executive Officer of GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public