AGENDA

BOARD OF DIRECTORS REGULAR MEETING

Wednesday, October 28, 2026 - 2pm

West Center Auditorium / Zoom

*Code of Conduct

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Dale Howard, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
2. **Amend/Adopt Agenda**
3. **Quarterly Financial Report Presentation (Dixon)**
4. **President's Report**
5. **CEO Report**
6. **Information Only:** Quarterly Work Plan Report
7. **Committee Reports**
   - **A. Audit - Barker**
   - **B. Board Affairs - Reynolds**
   - **C. Fiscal Affairs - Smith**
   - **D. Investments Committee - Howard**

8. **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: September 23, 2026
   2) BOD Special Meeting Minutes: October 7, 2026
   3) BOD Work Session Minutes: October 14, 2026

B. Financial Statements:
   1) September Financials

C. Business Items
   1) Approval of Record Date (Moyo)

9. **Action Items**
   - A. Approval of Strategic Plan (Somers)
   - B. Approval of Recommended 2027 Operating Budget and Fee Schedule (Somers)
   - C. Approval of Recommended 2027 Capital Improvement Plan and Capital Budget (Somers)
   - D. Proposed Cell Tower Buyout (Somers)
   - E. Direct Staff to Move Forward with Phase 3 of the Clubhouse Café (Kindred)

10. **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.

11. **Adjournment**

GVR

GREEN VALLEY RECREATION

Quarterly Financial Summary
3rd Quarter 2026

Green Valley Recreation

Revenue Summary

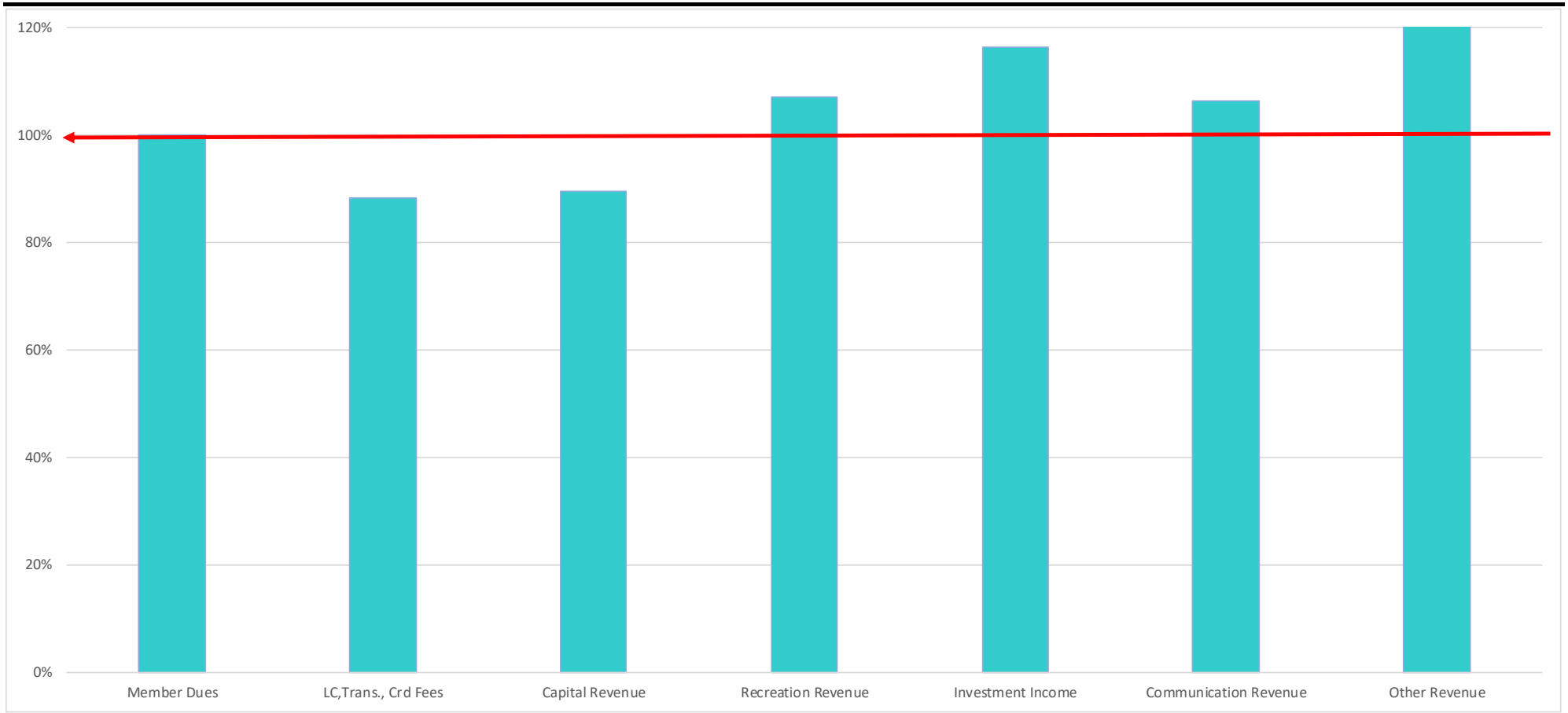
Quarterly Summary of Revenue & Expenditures - Budget to Actual
For Fiscal Year Ending Dec 31, 2026

January through September 2026

	2026 Annual Budget	January - September YTD Budget	January - September Jan - Sep Actual	January - September % of Variance	Prior Year FY 2025 3Q YTD	Prior Year Var. from Prior Year %	Prior Year Var. from Prior Year $	TOTAL YEAR 2026 Projected Oct - Dec 2026	TOTAL YEAR 2026 Total Jan-Dec 2026 Projected	TOTAL YEAR 2026 Approved Budget 2026	TOTAL YEAR 2026 Total Actual Variance	TOTAL YEAR 2026 % of Budget Variance
Revenue:												
Member Dues	$7,568,960	$5,676,720	$5,682,646	0.1%	$ 5,522,567	2.8%	$ 160,079	$ 1,895,918	**$ 7,578,564**	$ 7,568,960	$ 9,604	0.1%
LC,Trans., Crd Fees.	800,700	621,685	548,569	(11.8%)	557,919	(1.7%)	(9,350)	$ 279,625	**$ 828,194**	$ 800,700	$ 27,494	3.3%
Capital Revenue	2,860,800	2,268,443	2,030,996	(10.5%)	2,196,406	(7.5%)	(165,410)	$ 493,420	**$ 2,524,416**	$ 2,860,800	$ (336,384)	(13.3%)
Recreation	1,069,456	713,982	764,267	7.0%	613,178	24.6%	151,089	$ 347,033	**$ 1,111,300**	$ 1,069,456	$ 41,844	3.8%
Investment Income	435,000	326,250	379,703	16.4%	362,411	4.8%	17,292	$ 154,775	**$ 534,478**	$ 435,000	$ 99,478	18.6%
Communication	48,919	36,689	39,039	6.4%	37,810	3.2%	1,229	$ 12,765	**$ 51,804**	$ 48,919	$ 2,885	5.6%
Other Revenue	139,970	103,272	237,464	129.9%	95,798	147.9%	141,667	$ 49,365	**$ 286,829**	$ 139,970	$ 146,859	51.2%
Total Revenue	12,923,805	9,747,041	9,682,684	(0.7%)	$ 9,386,089	3.2%	$ 296,595	$ 3,232,901	**$ 12,915,585**	$ 12,923,805	$ (8,220)	(0.1%)

Revenue Summary

YTD Period: 9 month period ending September 30, 2026
% of Budgeted Revenue Collected YTD



Expense Summary

Green Valley Recreation, Inc

Quarterly Summary of Revenue & Expenditures - Budget to Actual

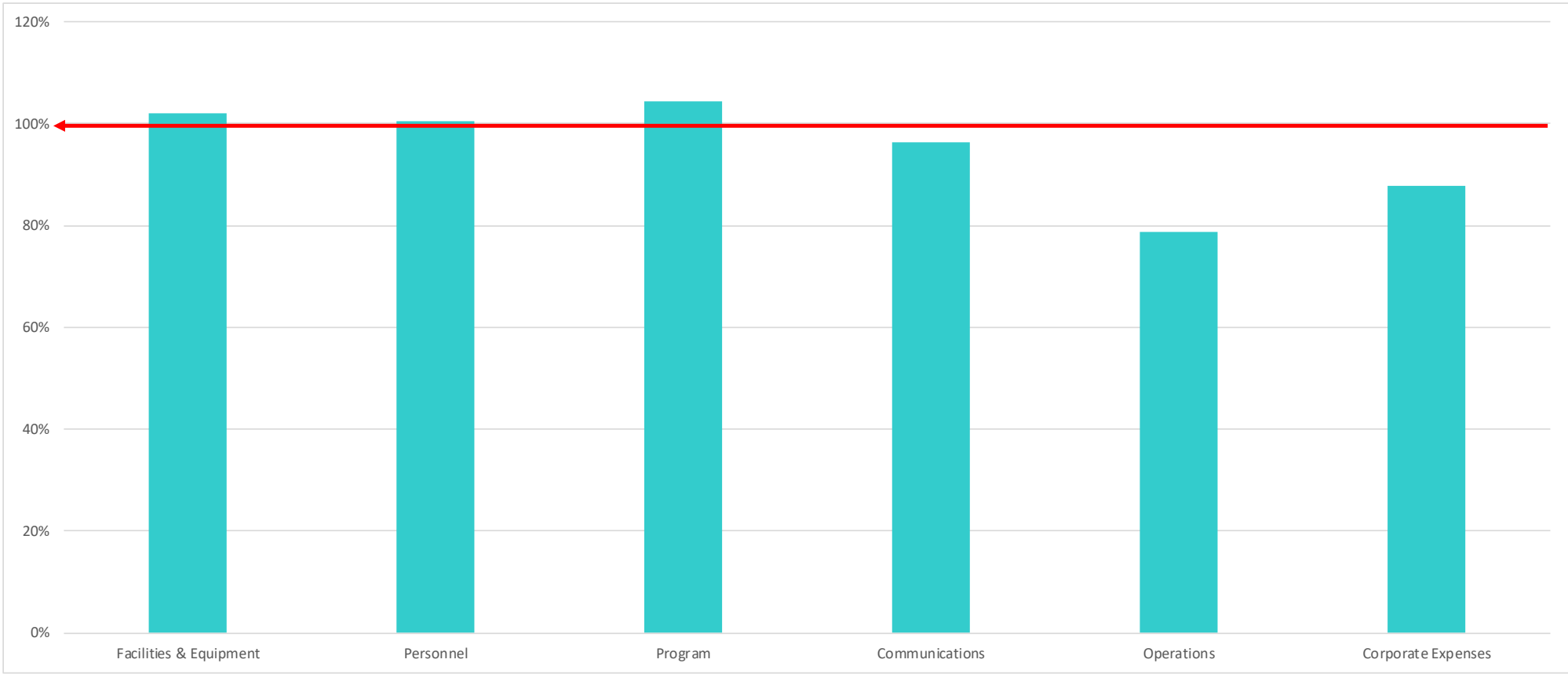
For Fiscal Year Ending Dec 31, 2026

January through September 2026

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Expenditures:												
Facilities & Equipment (NO DEPRECIATION)	$2,055,537	$1,494,275	$1,431,557	4.2%	$ 1,477,334	3.1%	$ 45,776	$ 463,663	**$ 1,895,220**	$ 2,055,537	$ 160,317	7.8%
Personnel	5,837,665	4,389,076	4,408,291	(0.4%)	4,263,956	(3.4%)	$ (144,335)	$ 1,394,023	**$ 5,802,314**	$ 5,837,665	$ 35,351	0.6%
Program	798,380	569,121	593,833	(4.3%)	505,018	(17.6%)	$ (88,815)	$ 300,126	**$ 893,959**	$ 798,380	$ (95,579)	(12.0%)
Communications	248,069	185,010	178,445	3.5%	151,487	(17.8%)	$ (26,957)	$ 60,305	**$ 238,750**	$ 248,069	$ 9,319	3.8%
Operations	715,790	515,332	405,845	21.2%	495,330	18.1%	$ 89,485	$ 183,649	**$ 589,494**	$ 715,790	$ 126,296	17.6%
Corporate Expenses	914,923	654,506	574,801	12.2%	589,485	2.5%	$ 14,684	$ 265,117	**$ 839,918**	$ 914,923	$ 75,005	8.2%
Total Expenditures	10,570,364	7,807,320	7,592,773	2.7%	7,482,610	(1.5%)	$ (110,163)	2,666,882	**10,259,655**	10,570,364	310,709	2.9%
Excess Revenues Over Exp.	$2,353,441	$1,939,721	$2,089,911		$ 1,903,479		$ 186,432	$ 566,019	**$ 2,655,930**	$ 2,353,441	$ 302,489	

Expense Summary

YTD Period: 9 month period ending September 30, 2026
FY Budget Period: Jan 1, 2026 - Dec 31, 2026
% of Budgeted Spent



Surplus Summary

Green Valley Recreation, Inc

Quarterly Summary of Revenue & Expenditures - Budget to Actual

For Fiscal Year Ending Dec 31, 2026

January through September 2026

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Transfers and Adjustments:												
Non Reserve Capital Projects	(20,000)	(15,000)	(17,479)					$ (5,007)	**$ (22,486)**	$ (20,000)	$ (2,486)	-12.4%
Remove Income From Reserves	(260,400)	(195,300)	(266,888)					$ (73,645)	**$ (340,533)**	$ (260,400)	$ (80,133)	-30.8%
Reserve Funding Initiatives	(575,040)	(431,280)	(407,959)					$ (99,804)	**$ (507,763)**	$ (575,040)	$ 67,277	11.7%
Reserve Funding MRR A & MRR-B	(1,742,885)	(1,742,885)	(1,742,885)					$ -	**$ (1,742,885)**	$ (1,742,885)	$ -	0.0%
Deduct Non-Cash In Kind Revenue	(4,000)	(3,000)	(1,688)					$ (562)	**$ (2,250)**	$ (4,000)	$ 1,750	43.8%
MRR Expenses paid by Reserve	172,885	129,663	152,124					$ 20,761	**$ 172,885**	$ 172,885	$ 0	0.0%
Investment Expense paid by Reserve	76,000	57,000	68,886					$ 23,974	**$ 92,860**	$ 76,000	$ 16,860	-22.2%
Modified Accrual Basis Surplus	-	(261,081)	(125,978)					431,736	305,757	-	305,758	

This report is not a GAAP compliant statement. Non cash adjustments such as Depreciation of Fixed Assets have been removed to establish a Modified Accrual report. The purpose of this report is to give a high level summary of GVRs performance for comparison to the Zero Surplus Budget goal for the fiscal year.

Statement of Financial Position

Green Valley Recreation, Inc
Statement of Financial Position
September 30, 2026

	Current September 30, 2026	Prior Year September 30, 2025	Increase (Decrease)	
Assets				
Total Operating Cash	3,286,840	2,653,697	633,143	24%
Accounts Receivable (net)	454,378	406,621	47,757	12%
Designated Investments	11,717,176	11,040,726	676,449	6%
Prepaid Expenses & Inventory	281,803	412,687	(130,885)	(32%)
Total Current Assets	15,740,196	14,513,732	1,226,464	8%
Fixed Assets				
Net Fixed Assets	24,383,023	23,572,392	810,631	3%
Oper. & Finance ROU	22,149	36,447	(14,298)	(39%)
Total Assets	40,145,369	38,122,571	2,022,797	5%
Liabilities				
Accounts Payables	784,910	526,805	258,104	49%
Deferred Dues & Fees	2,267,072	1,967,632	299,440	15%
Short Term Liabilities	161,394	255,687	(94,293)	(37%)
Long Term Liabilities	48,149	52,988	(4,839)	(9%)
Total Liabilities	3,261,524	2,803,113	458,412	16%
Net Assets				
Board Designated Net Assets	11,717,176	11,040,726	676,450	6%
Unrestricted Net Assets	23,881,532	22,695,673	1,185,859	5%
Net Change Year-To-Date	1,285,136	1,583,059	(297,923)	(19%)
Total Net Assets	36,883,844	35,319,458	1,564,386	4.43%
Total Liabilities and Net Assets	40,145,369	38,122,571	2,022,798	5.3%

GVR Member Property Update

GREEN VALLEY RECREATION

GVR MEMBER PROPERTIES MONTHLY REPORT

2026	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	*YTD*
NEW MEMBERS	-	5	2	1	-	3	2	1	-				*14*
Total Members (2026)	13,902	13,907	13,909	13,910	13,910	13,913	13,915	13,916	13,916	13,916	13,916	13,916	13,916
Members Last Year (2025)	13,873	13,875	13,877	13,879	13,880	13,881	13,883	13,886	13,887	13,890	13,892	13,902	13,902
Members Before Last Year (2024)	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
Initial Fee	-	5	2	1	-	1	1	-	-	-	-	-	10
Transfer Fee (New Build, no Initial fee)	-	-	-	-	-	2	1	1	-	-	-	-	4
Transfer Fee (Voluntary Deed Restriction w/Initial fee	-	5	2	1	-	1	1	-	-	-	-	-	10
Transfer Fee (Estate Planning)	-	-	-	-	1	1	-	1	-	-	-	-	3
Transfer Fee (Resale)	55	68	94	96	77	76	74	40	67	-	-	-	647
Transfer Fee Non-Resale	3	4	2	9	2	5	7	7	10	-	-	-	49
Budget Monthly MCF/Resales (2026)	66	56	96	103	102	75	73	66	57	65	51	66	876
Monthly MCF/Resales (Gross) (2026)	55	68	94	96	77	95	79	45	76	-	-	-	685
Monthly MCF/Resales less Refunds (Net) (2026)	51	64	82	81	74	88	72	41	76	-	-	-	629
Monthly Delta Actual (Net) Paid vs Budget (2026)	(15)	8	(14)	(22)	(28)	13	(1)	(25)	19				(65)
Monthly Resales Last Year (2025)	68	61	105	94	93	78	65	73	68	67	59	67	898
Monthly Resales 2 Years Prior (2024)	62	55	100	98	94	64	69	58	62	61	43	67	833
	7.5%	6.7%	11.8%	11.1%	10.8%	8.2%	7.7%	7.6%	7.5%	7.4%	5.9%	7.7%	100.0%
YTD Budget (2026)	66	122	218	321	423	498	571	637	694	759	810	876	876
YTD MCF/Resales less Refunds (2026)	51	115	197	278	352	440	512	553	629	-	-	-	629
YTD Over/(Under) Budget	(15)	(7)	(21)	(43)	(71)	(58)	(59)	(84)	(65)				(247)
YTD Over/(Under) Budget %	(22%)	(6%)	(10%)	(13%)	(17%)	(12%)	(10%)	(13%)	(9%)				(28%)
YTD Resales Last Year (2025)	68	129	234	328	421	499	564	637	705	772	831	898	898
YTD Resales Before 2 years prior (2024)	62	117	217	315	409	473	542	600	662	723	766	833	833
Total Sales (New and Resale) (2026)	55	73	96	97	77	98	81	46	76	-	-	-	699
Total Sales (New and Resale) Last Year (2025)	69	63	107	96	94	79	67	76	69	70	61	97	948
Total Sales (New and Resale) 2 Years Prior (2024)	64	56	104	99	98	64	70	59	64	66	44	67	855
MCF Refund	4	4	12	15	3	7	7	4	-	-	-	-	56
HB 2119 (No MCF Assessed, Not Included in Resales	10	3	4	5	1	2	2	1	2	-	-	-	30
HB 2119 Resales	1	-	1	2	-	-	1	-	1				6
	Refunds	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Refunds**	**Total**
$ Total	**$12,500**	**$12,400**	**$37,800**	**$47,600**	**$9,600**	**$22,300**	**$22,200**	**$10,520**	**$0**				$174,920

Investments Performance

Green Valley Recreation, Inc.
Investments Performance
January through September 2026

Fund	September 30, 2026	December 31, 2025	RETURN ON INVESTMENT			
			Year To Date		One Year (12 months)	
			Actual	Benchmark *	Actual	Benchmark *
Maintenance Repair & Replacement (Corient)	$ 7,695,223	$ 7,385,186	2.0%	2.4%	3.7%	4.1%
MRR - Part B Pools and Spas (Corient)	$ 2,030,574	$ 1,697,677	4.8%	8.7%	6.6%	11.2%
Initiatives (Corient)	$ 1,373,377	$ 1,339,862	1.4%	2.7%	2.5%	3.9%
Emergency (Corient)	$ 618,001	$ 573,244	7.8%	8.7%	10.2%	11.2%
Total Designated Reserves	$ 11,717,176	$ 10,995,969				
Operating Investment Fund Part A Short Term - JP Morgan	$ 716,068	$ 2,605,102	2.5%	-0.2%		
Operating Investment Fund Part B Long Term - JP Morgan	$ 1,764,210	$ 1,609,852	9.7%	11.7%		
Total Invested Operating Cash	$ 2,480,278	$ 4,214,954				

* Benchmarks = standards established by the Investments Committee in the Investment Policy Statement to compare the performance of a GVR Fund to a blend of Investment Indexes that match the risk tolerance and investment horizon of each fund. These benchmarks can be found in Subsection 3. GVR Investment Policy Statement in the Appendix of the CPM.

Memorandum

To: Board of Directors

From: Scott Somers, CEO

CC: GVR Senior Staff

Date: February 25, 2026/July 10, 2026/October 28, 2026

RE: 2026 Recommended Annual Workplan (3nd Quarter Update)

Administration/CEO

2.2.3 Develop relationships with similar organizations to share trends, best practices, and steps to overcome customer service challenges (Ongoing)

- Survey similar organizations and share results with the Board of Directors, as appropriate. ***As needed***

5.1.1 Provide staff support to the Board of Directors to enable proactive, complete communications about Board decisions

- With Communications, synthesize Board actions/decisions to communicate with the Members. (Ongoing) ***Eblast and GVRNow***

5.2.1 Review the Strategic Plan regularly to ensure progress on action items and continuity year-over-year with the plan

- Complete and present an Annual Workplan to the Board for approval. (February). ***Completed for 2026***
- Continue providing a quarterly report in the Meeting Book to the Board and post the Final Annual Work Plan report on the Governing Documents and Reports section of the website. ***Completed and Ongoing***
- Provide an update to the Board on the Final Annual Workplan as part of the CEO performance evaluation. (December)
- Process for completion regarding Strategic Plan and preparation of the 2027-2031 strategic plan.
  - ✓ ***Board held a Work Session in January 2026 for Strategic Planning.***
  - ✓ ***Board held an Executive Session (Consultant Presentations) and Special Meeting to approve the Consultant for the Strategic Planning for 2026 on April 8. Zelos was approved as the Consultant***
  - ✓ ***Board held a Work Session May 20 to discuss survey questions with Zelos***
  - ✓ ***Board held a Special Meeting on May 20 to approved the questions for the survey to be sent out by Zelos***

- ✓ ***June the survey was sent to by email to a random selection of GVR Members and was posted on the website for anyone interested in taking the survey***
- ✓ ***July final survey report was sent to GVR Staff***
- ✓ ***August 5 Work Session with the Board for Strategic Plan***
- ✓ ***August 24 Special Meeting with Board to work on Mission and Vision, Goals and Objectives***
- ✓ ***September 28 GVR Staff met with Zelos to work on Initiatives***
- ✓ ***October 7 Board reviewed the Initiatives***

5.6.1 Participate/partner with outside organizations such as Rotary, Chambers, GVC, GGVCF, etc. (Ongoing) ***Regular attendance at the following:***

- Rotary Club of Green Valley membership.
- GVR Foundation Board meeting. ***Discontinued***
- GVC Executive Committee. ***Discontinued due to conflict with GVR Board Work Sessions***
- GVC Representative Meeting.
- University of Arizona Community Advisory Board member.

Board and Committees

4.3.3 Employ sound investment strategies to maximize passive income

- Investments Committee and Finance. (Ongoing)

5.2.2 Develop and adopt operating commitments for the Board that demonstrate courtesy, consideration, mutual respect, and willingness to listen to one another and staff

- Board credo was developed and adopted.
- Conduct a follow up of the facilitated 2025 fall workshops with the Board to develop agreements and understandings on roles and responsibilities, particularly with Board advisory committees, committee chairs, and officer positions. (April) ***Strategic Planning will be the Board focus this Summer/Fall which may help to provide agreement and understanding of roles and responsibilities.***

5.2.3 Utilize staff liaisons and the Strategic Plan to support continuity of direction.

- Staff liaison functions to be facilitated by Administration to ensure committee continuity. (Ongoing)
- Implement revised committee structure if passed per the Bylaws. (June) ***BAC recommended changes to the CPM regarding Committee changes due to the Bylaw amendments approved by the membership, to the Board, which was approved at the August meeting.***
- Develop a process for recruiting committee members. (August) ***BAC held discussion at the September meeting with a continuation at the October meeting.***

5.4.1. Encourage staff and Board to attend training conferences and participate in professional associations

- Research and identify Board training opportunities. (April) ***Due to the Strategic Planning time commitment, Brown Dog overview and Strategic Planning from a Governance perspective fliers will be sent by email to the Board in 2027.***
- Survey Board of Directors for what they would like for training, including training to support and encourage teamwork. (April) ***Due to Strategic Planning timeline this will be moved to 2027 new Board.***

Communications

1.3.3 Improve interior and exterior signage: complete, consistent, accessible, concise, attractive
- Continue reviewing and updating as necessary. ***Las Campanas interior signage renovation is complete***

1.3.4 Implement standard and electronic signage to heighten communications of activities and events. ***Complete***
- Review and assess benefits of installing big screen TVs in all centers to highlight activities and events. (July) ***Las Campanas and West Center lobbies now have TVs installed in the lobbies to showcase programs and activities***

3.3.2 Improve ease of access to GVR activity schedule and opportunities
- With Recreation, develop a "getting started" program to provide instruction and supplies for drop-in activities. (September)

3.4.2 Continue to seek member feedback on a wide variety of matters via polls, surveys, in-person forums and virtual forums
- Survey members on topics as needed and share results with Board and members, and if significant, post on the website. (Ongoing) ***No new surveys or outreach events in Q3***

Facilities Department

1.1.5 Introduce newer technology to improve energy efficiency when there are opportunities
- Convert lighting in Clay and Ceramics studios to LED ***Clay studio lighting upgrade complete The Ceramics upgrade has been deferred to coincide with studio expansion in early 2027.***
- Identify and begin installing thermostats to improve consistent temp controls ***Tamper-control efforts continued in three centers during Q3.***
- Continue reviewing and implementing campus wide energy efficiency and dark skies strategies where appropriate. ***CPII exterior lighting upgrades to comply with Dark Skies Ordinance was completed in Q3.***

1.2.3 Research and develop recommendations for providing food and beverage in certain centers (Includes Recreation Department)
- Research vending machine options. Research for café at DSC has occurred but more research is needed to install vending machines in other centers. (August) ***A Tucson vendor has been identified and four centers selected for a 2027 trial of vending machines in high-traffic areas.***
- As budget allows, modify the LC lobby to improve seating and provide a refreshments counter (December) ***The renovations to the Las Campanas lobby were completed in Q3 and locations for food and beverage vending machines have been identified.***
- Consider food and beverage services at the DSC. (February) ***Board approval was given to provide direct in-house food and beverage service.***

1.3.2 Update interior and exterior furnishings, door hardware, landscaping, and amenities campus wide. ***Ongoing. At LC, landscaping, lobby, and fitness hallway furniture upgrades were completed in Q3.***

1.4.2 Design peripheral grounds to provide outdoor recreation opportunities: park-like settings, walking trails, outdoor games, and activities

- Per results of member poll, install rudimentary cornhole courts at EC and CR to test interest. Design a park-like setting for casual social gathering at Las Campanas, west of the pool. ***LC park development deferred due to the budget.***

Finance Department

4.2.1 Evaluate Maintenance Repair and Replacement (MR&R) to confirm need. (Ongoing)

- Confirm all numbers and data for both MRR-A and B are accurate prior to distribution. ***August and going forward- MRR-A study is pending receipt of the first draft from Browning.***

4.3.4 Provide continuous education for Board, committees, and staff about GVR financial management and positions so that they can make decisions to monitor effectively.

- Continue providing quarterly financial updates to Board and detailed financial statements to the FAC. ***Ongoing***
- Provide annual primer on reading financial statements. (Board Orientation)
- Review Fund EZ Purchase Order System, and other third-party PO systems and implement as necessary. ***The Fund EZ PO system was found to not be adequate for GVR's needs. Other systems are currently being reviewed. A budgeting and project costing system has not been identified but research is ongoing into 2026***

4.4.1 Review the 3-year annual financial forecast with the Board

- Present 3-year annual financial forecast as part of the annual budget document. (Annually) ***Completed October***

4.4.3 Maintain and continue to utilize the reserve study (MRR) (Ongoing)

Human Resources

2.2.2 Implement standardized customer service training for all staff, based on clarified policies and expectations, to ensure consistency in service. (Ongoing)

3.2.1 Develop a sustainable volunteer program, including recruiting and training of volunteers, to support GVR activities (Ongoing)

- Volunteers are currently utilized. If the Board want to expand, then we should schedule a W Work Session on this matter.

5.3.3 Provide training and team activities to help people demonstrate these GVR values (Ongoing)

IT Department

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize faculties

- Simplify members experience while using GVR rooms and a/v equipment. Providing GVR laptops to each major center to create consistency and ensure compatible connections. (Ongoing) ***GVR laptops have been deployed to all major centers for member use. Members may use their own devices but have the option to use GVR's for convenience or necessity. Several centers are being evaluated for flat screen displays in place of end-of-life projectors.***

5.5.1 Develop a continuity of operations plan that includes evacuation locations, IT operations, personnel emergency succession, document preservation, etc.

- Desert Hills has been designated by IT as the primary server, database, and file failover location. Nightly backups are generated at AO and replicated to DH to ensure continuity in the

event of a disaster. DH also maintains continuously synchronized copies of all major operating systems, enabling near-real-time system duplication with an estimated 10-second latency. ***This is still the case but a different strategy is being explored as the current mechanism will soon be incompatible with GVR equipment without major costs to GVR.***

Member Services Department

2.2.1 Implement a quality assurance system to ensure that exceptional customer service is happening, such as secret shopper, a review schedule to see how systems and processes are operating.

- Work with attorney to gain additional knowledge with regard to GVR's boundary, master development agreements, deed restrictions, title agreements, and collections. Better define/understand GVR's boundaries. (Ongoing) ***Continuous process, this will be an ongoing relationship***
- Continue to explore and find solutions to identify and decrease membership and guest card misuse. (Ongoing) ***Research options to audit AirBnb and Vrbo properties. Ongoing - CSRs and Membership Specialists submit potential card misuse scenarios, communications sent as needed. COAs report card misuse to Member Service Director who contacts the member***
- Partner with Communications to create a new, comprehensive New Member Welcome Packet. (July) ***Working with Communication Team***
- Partner with Communications to create and distribute a realtor information sheet. (October) ***Draft completed and shared with Comms***

3.3.1 Conduct a policy and process review.

- Investigate possible alternatives to our current membership database to combine databases, add capabilities, and improve overall experience (occurring in 2026) ***Continuing research options. Interviewed several companies; none were a suitable match.***

Recreation Department

1.1.2 Assess and improve fitness center functionality

- Work with facilities on plans to expand the Las Campanas Fitness Center. (August) ***Cypress Room activities have been relocated, and additional equipment ordered for the Las Campanas Fitness Center.***

1.2.2 Assess spaces for specific activities and equip those spaces properly, such as art class space with washable floors

- Work with Facilities and Field Services to identify and equip specific rooms suited for activities that can be restricted to these rooms; i.e. poker, yoga, etc. (Ongoing). ***Still in progress with Facilities and Field Services.***

1.2.5 Employ newer technologies to benefit members' abilities to fully utilize faculties (See Facilities).

- Investigation options to implement an online reservation system as part of an updated system/systems for Membership and Recreation (Ongoing). ***Evaluating vendors as they reach out to us. No suitable vendor found yet.***

3.1.1 Work with Communications to promote and highlight activities and events that are accessible to members with mobility challenges and other age-related limitations.

- Identify specific, on-going activities and events which meet these criteria and furnish a list to Communications for follow up (August) ***In progress, will complete by December.***

3.1.3 Continue to identify programming and events that members want.

- Gradually expand food and beverage offerings at West Center (large events such as concerts and dances) and Del Sol Clubhouse (smaller, typically free events) in a disciplined manner which continually retains popular food/beverage choices and regularly offers new options. (Ongoing) ***Pima County has issued appropriate permits for staff to prepare/sell/serve breakfast and lunch items. There has been a growth in the number of small, free events at the Clubhouse.***

3.3.1 Conduct a policy and process review

- Complete SOP documentation for all Recreation functions (August) ***In progress, will complete by December.***

MINUTES

BOARD OF DIRECTORS MEETING
Wednesday, September 23, 2026 - 2pm
West Center Auditorium / Zoom

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Dale Howard, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

Absent: Dave Barker, Kristy McCue

Staff Present: Dave Dixon (CFO), Nanci Moyo (Board and Records Administrator)

Visitors: 15

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The President being in the chair and the Secretary being present.
   President English called the meeting to order at 1:58pm MST. Asst. Secretary Walker called the roll; quorum established.

2. **Amend/Adopt Agenda**
   MOTION: Director Johnson moved, Director Walker seconded to adopt the Agenda.
   Passed: unanimous

3. **President Report**
   - The Strategic Plan is in the final stages of developing. The goals and objectives have been completed, and the initiatives for the each of the goals will be the next step.
   - Thanked the GVR Members for taking the survey in the summer. The survey is a good road map for the next five years.

4. **CEO Report**
   - GVR construction season is coming to an end for 2026.
   - Abrego South Pool construction documents are 90 percent complete. Once 100 percent complete, the next steps will be permits from Pima County.
   - West Center Lobby improvement is nearly complete, with a few minor issues being resolved.
   - Lapidary expansion project is on schedule, with an end of the year completion.
   - West Center Pool completed during the summer.
   - Staff, Fiscal Affairs Committee and the Board are in the middle of the 2027 Budget season.

5. **Committee Reports –** Reports given and placed on file.
   A. Audit
   B. Board Affairs
   C. Fiscal Affairs
   D. Investments

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6. **Consent Agenda**

MOTION: Director Johnson moved, Director Walker seconded to approve Consent Agenda.
Passed: unanimous

A. Minutes:
   1) BOD Special Meeting Minutes: August 24, 2026
   2) BOD Regular Meeting Minutes: August 26, 2026
   3) BOD Special Meeting Minutes: September 2, 2026

B. Financial Statements:
   1) August Financials

7. **Action Items**

A. East Center Cell Tower Proposal

Dave Dixon, CFO, reviewed the placement of the cell tower at East Center, the proposal, and revenue this will generate.

MOTION: Director Walker moved, Director English seconded to approve and forward the East Center Cell Tower proposal and draft agreement for legal review, and for signature by the GVR Board President.
Passed: unanimous

B. Approval of Form 990

Dave Dixon, CFO, reviewed the draft Form 990 and pointed out one change on Page 9 to replace David Webster's name with Dave Dixon.

MOTION: Director English moved, Director Johnson seconded to approve the amended Draft 990 by removing David Webster's name and adding Dave Dixon's name on Page 9 of Form 990.

C. Approval of BAC Recommended CPM Changes

MOTION: Director Reynolds moved, Director Johnson seconded to approve the Corporate Policy Changes recommended by the Board Affairs Committee:
2.1.1.A:
The governing Board year begins at the close of ~~after~~ the Annual Meeting and continues until the close ~~ends following~~ of the ~~next~~ subsequent Annual Meeting;
2.2.3.A:
A nominee is considered "elected" if ~~he/she~~ the nominee receives a majority of the votes cast;
2.3.2.A.2:
Regular Meetings are for decision making, action, and votes. A Director introducing a ~~motion~~ topic may speak for no more than ten (10) minutes regarding the topic ~~to introduce a topic~~;
2.3.3.C.E.and F:
C. Items for agenda consideration must be submitted to the President and CEO (or the respective designee) by 12pm (noon) six (6) business days prior to the date of the ~~Board~~ meeting. If the deadline for item consideration is not met, the item will be placed on the next ~~Regular M~~meeting agenda.
E. A proposed meeting agenda is developed by the Board President and CEO by close of business six (6) business days prior to the ~~Board~~ meeting.
F. Three (3) business days prior to the ~~Board~~ meeting the agenda material will be sent to the Board, posted on the GVR website, and sent to members via an eBlast. Any meeting materials for items on the published agenda not included in the Friday distribution shall

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be emailed to the Board as soon as available and posted online as a Revised Agenda with an * indicating the additions, deletions, or changes. The agenda shall be made available to GVR Members at the ~~Board~~ meeting in hard copy and updated on the GVR website.

2.4.2.A.3:

Any Director against whom an allegation is made has the right to attend the Executive Session and present a ~~his/her~~ defense, and may be accompanied by a legal representative. The accused Director ~~He/She~~ may not be present or participate in any discussion and/or votes regarding the alleged violation. If the accused Director refuses to attend the Executive Session called to discuss the alleged violation, the accused Director will be deemed to have waived ~~his/her~~ the right to present a defense to the allegation.

Part 6 which includes:

6.2.1.J:

The Club Liaison will retain a club file in ~~his/her~~ the Administrative O~~o~~ffice;

6.2.2.H.3:

Each non-GVR individual must sign an agreement acknowledging that ~~he/she~~ the individual will not be covered by GVR Corporate Worker's Compensation nor listed as an additional insured in any GVR commercial insurance policy;

6.2.2.H.5:

Should the individual be a minor, then the parent/guardian must sign the agreement on ~~his/her~~ the individual's behalf.

Passed: unanimous

D. Appointment of Chair for Investments Committee

Candy English, President, appointed Dale Howard Chair of the Investments Committee to replace the resigning Director who chaired the committee.

MOTION: Director Walker moved, Director English seconded to approve the appointment of Dale Howard as the Chair of the Investments Committee.

Passed: unanimous

8. **Member Comments – 0**

9. **Adjournment**

MOTION: Director Walker moved, Director Johnson seconded to adjourn the meeting at 2:28pm.

Passed: unanimous

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MINUTES

BOARD OF DIRECTORS SPECIAL MEETING

Wednesday, October 7, 2026 – 2pm
West Center Auditorium / Zoom
*Code of Conduct

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Dale Howard, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

Absent: Candy English, Chris McCrummen

Visitors: 1

AGENDA TOPIC

1. **Call to Order / Roll Call – Establish Quorum**
   The President being in the chair and the Secretary being present.
   Vice President Reynolds called the meeting to order at 2:00pm MST. Secretary McCue called the roll; quorum established.

2. **Adopt or Amend Agenda**
   MOTION: Director Johnson moved, Director Howard seconded to approve the amended Agenda by adding Action Item for discussion of the Strategic Plan process and timeline.
   Passed: 6 yes / 2 no (Barker, McCue)

3. **Action Items**
   A. Strategic Planning – Review Initiatives
   Terrie Glass, Zelos Consultant, held discussion with the Board on the Strategic Plan for 2027-2031, regarding Initiatives for Goal 5, Provide sound, effective governance and leadership for the corporation, and reviewed the initiatives provided by staff for Goals 1 - 4.

   B. Strategic Plan – Process and Timeline
   - Staff meets with Terrie Glass, Zelos, to talk about implementation of the Strategic Plan.
   - The Board will review the Strategic Plan ahead of the Regular Meeting on October 28 and then approve the Strategic Plan at the Regular Meeting.
   - Staff will promote the Strategic Plan to the GVR Members through its normal tools of eBlast, GVR News and Facebook.

4. **Member Comments –** 0

5. **Adjournment**
   Motion: Director Smith moved, Director Stock seconded to adjourned the meeting at 4:18pm
   Passed: unanimous

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MINUTES

BOARD OF DIRECTORS WORK SESSION
Wednesday, October 14, 2026, 2pm
WC Room 2 / Zoom

Directors: Candy English (President), Steve Reynolds (Vice President), Kristy McCue (Secretary), Lanny Smith (Treasurer), Jodie Walker (Assistant Secretary), Nellie Johnson (Assistant Treasurer), Dave Barker, Dale Howard, Chris McCrummen, Barry Stock, Scott Somers (non-voting)

Staff Present: Dave Dixon (CFO), Steve Kindred (Recreation Program Director), Nanci Moyo (Board and Records Administrator), Howey Murray (Finance Manager), Natalie Whitman (COO), Kris Zubicki (Member Services Director)

Visitors: 10

AGENDA TOPIC

1. **Call to Order / Roll Call 2pm**

2. **Amend / Approve Agenda**
   MOTION: Director Smith moved, Director Howard seconded to approve the Agenda.
   Passed: unanimous

3. **Discussion of Proposed Fiscal Year Budget**
   Scott Somers, CEO, reviewed the proposed 2027 Fiscal Year Budget with these highlights:
   - Recommended Member Dues increase of $30 up to $575, which is $2.50 a month more.
   - Tenant fees proposed are $5 increases for each duration.
   - Additional Card Fees is proposed to go to $170 from $140.
   - Membership Change Fee and Initial Fee will increase to $3,300.
   - Non-reserve capital projects of $20,000 earmarked for accessibility improvements.
   - Personnel costs include a recommended modest 2.5% aggregate increase in wages ($129,335), which also includes an increase of 4.0 full-time equivalents (FTE) from the 2026 budget for a total of 92.45 FTEs in 2027.
   - Total Operating Revenue will increase by $457,267.
   - Total Operating Expense will increase to $12,423,281.
   - The home sales have decreased over the last ten years which affects the revenue from Membership Change Fee and Initial Fees.
   - Capital Improvement Plan is over the course of 5-years: 2027 Current Projects - Woodshop expansion; Las Campanas third Tennis Court; Santa Rita Art League lower level expansion; Abrego South Locker Room Building; and Metal Shop yard expansion. Proposed Projects for 2027 – EC Tennis Court; Infrared Sauna. Instead of waiting to do shade structures at one time, recommendation is spreading it out over three years.

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- Proposed budget for 2027 Maintenance Repair and Replacement-A (MRR-A) project is $2,774,653.
- Proposed 2027 Grand Total Budgets is $16,658,734

4. **Del Sol Café Phase 3**
   Scott Somers, CEO, reviewed the recommended Phase 3 for the Café which would include snacks in the late afternoon and early evening, and alcohol. A private club liquor license needs to be obtained. Direction for the staff to move forward on Phase 3 will be held at the October 28, Regular Meeting.

5. **Member Comments -** 1

Adjournment

MOTION: Director Smith moved, Director Walker seconded to adjourn the meeting at 4:32pm
Passed: unanimous

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Board of Directors Meeting

September 2026 Financial Highlights

Prepared By: Dave Dixon, CFO **Date:** October 28, 2026

Presented By: Dave Dixon, CFO **Consent Agenda:** Yes

Originating Committee / Department:
Administration

Strategic Plan Goal:
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 September 2026:

1. Statement of Financial Position
    a. YTD Operating Cash and Undesignated JP Morgan investments decreased by $2,456,345 with total Days Cash on hand at 102 versus Sep, 2025 at 85.
    b. Net Assets have increased Year to Date by $1,285,268 and include $256,251 of unrealized gains.
2. Statement of Financial Activities
    a. YTD total revenue is under budget (unfavorable) 0.7% or $64,357.
    b. September Capital Revenue (MCF) is over budget (favorable) 33%, 76 paid MCF compared to 57 budgeted. YTD Capital Revenue (MCF) is under budget (unfavorable) 10.5% or $237,447. HB 2119 home resales are excluded in the monthly resales total. GVR has welcomed 14 new Member Households through September with our annual goal of 18.
    c. YTD Recreation Revenue is over budget (favorable) by 7.0% or $50,285.
    d. YTD Total Expenses under budget (favorable) 1.2% or $104,911.
    e. YTD Facilities & Equipment are slightly over budget (unfavorable) by 1.9% or $46,919.
    f. YTD Personnel is slightly over budget (unfavorable) by 0.4% YTD or $19,215.
    g. YTD Program expenses are over budget (unfavorable) by 4.3% or $24,712.
    h. Gross Operating Surplus is $1,028,884 which is 4.1% or $40,554 better than budgeted (favorable).
    i. October home sales for the first half of the month are 38 total and estimated to be close to the budget of 65.

- The following table summarizes the September 30, 2026 total year to date change in Net Assets month over month based on GVR's 2026 Financial Statements:

			GVR 2026		Budget Variance	
Month	Operating Increase Net Assets	Unrealized Gains on Investments	Total Increase in Net Assets		Income Variance Favorable (Unfavorable)	Expense Variance Favorable (Unfavorable)
Jan-26	$114,385	$161,218	$275,603		($39,746)	$48,390
Feb-26	$227,078	$115,864	$342,942		$84,933	$83,519
Mar-26	$168,147	($383,025)	($214,878)		($8,441)	$14,355
Apr-26	$182,521	$413,311	$595,832		($62,168)	$63,179
May-26	$138,650	$154,371	$293,021		($54,100)	$3,905
Jun-26	$99,855	($14,574)	$85,281		$47,429	($54,518)
Jul-26	($47,988)	$24,005	($23,983)		($3,222)	($111,864)
Aug-26	$70,541	$87,545	$158,086		($99,552)	$46,148
Sep-26	$75,695	($302,464)	($226,768)		$70,510	$11,797
Oct-26			$0			
Nov-26			$0			
Dec-26	$0	$0	$0		$0	$0
Total YTD '26	**$1,028,884**	**$256,251**	**$1,285,136**		**($64,357)**	**$104,911**

While the preceding table illustrates the performance for the year 2026 according to the Financial Statements, it does not include any reduction for the necessary funding from Operations for Reserve Funds included in GVR's 2026 budget.

- The Net Fixed Assets are $24,383,023 as of September 30, 2026. Total net Capital Purchases for the year to date are $2,092,977.
- Total Current Liabilities are $3,213,375. This includes 3 months of deferred revenue for 2026 dues.
- Designated Net Assets equal $11,717,176 for the month of September, 2026.

Green Valley Recreation, Inc.

Statement of Financial Position

As of Date: September 30, 2026 and Dec 31, 2025

	September 30, 2026 Total		Dec 31, 2025 Total	
ASSETS				
Current Assets				
Cash/Cash Equivalents		806,563		1,528,231
Accounts Receivable		454,378		404,170
Prepaid Expenses		219,876		267,712
Maintenance Inventory		61,927		61,927
Designated Investments (Charles S./SBH)				
Emergency - Fund	618,001 (1)		573,244 (18)	
MRR - Fund	7,695,223 (2)		7,385,186 (19)	
Initiatives - Fund	1,373,377 (3)		1,339,862 (20)	
Pools & Spas - Fund	2,030,574 (4)		1,697,677 (21)	
Total Designated Investments (CS/SBH)	11,717,176 (5)		10,995,969 (22)	
Undesignated Invest. (JP Morgan Long Term)	1,764,210 (6)		1,609,852 (23)	
Undesignated Invest. (JP Morgan)	716,068 (7)		2,605,102 (24)	
Investments		14,197,453 (8)		15,210,923 (25)
Total Current Assets		**15,740,196**		**17,472,962**
Fixed Assets				
Contributed Fixed Assets		18,017,085		18,017,085
Purchased Fixed Assets		37,496,013		35,403,036
Sub-Total		55,513,098		53,420,121
Less - Accumulated Depreciation		(31,130,075)		(30,085,549)
Net Fixed Assets		**24,383,023** (9)		**23,334,572** (26)
Operating Lease ROU, Net of Accum. Amortization		13,679		13,679
Finance Lease ROU, Net of Accum. Amortization		8,470		8,470
Total Assets		**40,145,369**		**40,829,683**
LIABILITIES				
Current Liabilities				
Accounts Payable		784,778		436,933
Deferred Dues Fees & Programs		2,104,979		4,524,612
Accrued Payroll		162,093		58,200
Compensation Liability		-		-
MCF Refund Liability		141,000		141,000
In-Kind Lease Liability -Current		4,563		2,250
Operating ROU Liability - Current		5,510		5,510
Financing ROU Liability - Curent		10,321		10,321
Total Current Liabilities		**3,213,243**		**5,178,826**
In-Kind Lease Liability - LT		37,149		41,149
Notes Payable		11,000		11,000
Financing ROU Laibility - LT		-		-
Total Long Term Liabilities		**48,149**		**52,149**
TOTAL NET ASSETS		**36,883,976** (10)		**35,598,709** (27)
NET ASSETS				
Temporarily Designated:				
Board Designated:				
Emergency		618,001 (11)		573,244 (28)
Maint - Repair - Replacement		7,695,223 (12)		7,385,186 (29)
Initiatives		1,373,377 (13)		1,339,862 (30)
Pools & Spas		2,030,574 (14)		1,697,677 (31)
Sub-Total		**11,717,176** (15)		**10,995,969**
Unrestricted Net Assets		23,881,532		24,602,740
Net change Year-to-Date		1,285,268 (16)		-
Unrestricted Net Assets		**25,166,800** (17)		**24,602,740**
TOTAL NET ASSETS		**36,883,976**		**35,598,709**
TOTAL LIABILITIES & NET ASSETS		**40,145,369**		**40,829,683**

Green Valley Recreation, Inc.

Summary Statement of Activities

YTD Period: 9 month period ending September 30, 2026

FY Budget Period: Jan 1, 2026 - Dec 31, 2026

	PRIOR YEAR COMPARISON				BUDGET COMPARISON					
	2025 YTD Actual	2026 YTD Actual	Year to Year Variance	%	YTD Actual	YTD Budget	YTD Variance	%	Fiscal Year Budget	Remaining FY Budget
Revenue										
Member Dues	5,522,567	5,682,646	160,079	2.9%	5,682,646	5,676,720	5,926	0.1%	7,568,960	1,886,314
LC,Trans., Crd Fees.	557,919	548,569	(9,350)	(1.7%)	548,569	621,685	(73,116)	(11.8%)	800,700	252,131
Capital Revenue	2,196,406	2,030,996	(165,410)	(7.5%)	2,030,996	2,268,443	(237,447)	(10.5%)	2,860,800	829,804
Programs	241,657	335,317	93,660	38.8%	335,317	364,654	(29,337)	(8.0%)	571,456	236,139
Instructional	371,521	428,950	57,429	15.5%	428,950	349,328	79,622	22.8%	498,000	69,050
Recreational Revenue	***613,178***	***764,267***	***151,089***	***24.6%***	***764,267***	***713,982***	***50,285***	***7.0%***	***1,069,456***	***305,189***
Investment Income	***362,411***	***379,703***	***17,292***	***4.8%***	***379,703***	***326,250***	***53,453***	***16.4%***	***435,000***	***55,297***
Advertising Income	-	-	-	0.0%	-	-	-	0.0%	-	-
Cell Tower Lease Inc.	37,810	39,039	1,229	3.2%	39,039	36,689	2,350	6.4%	48,919	9,880
Comm. Revenue	***37,810***	***39,039***	***1,229***	***3.2%***	***39,039***	***36,689***	***2,350***	***6.4%***	***48,919***	***9,880***
Other Income	81,747	178,484	96,738	118.3%	178,484	86,307	92,178	106.8%	117,350	(61,134)
Facility Rent	11,045	7,410	(3,635)	(32.9%)	7,410	13,965	(6,555)	(46.9%)	18,620	11,210
Marketing Events	-	-	-	0.0%	-	-	-	0.0%	-	-
In-Kind Contributions	3,000	1,688	(1,312)	(43.7%)	1,688	3,000	(1,312)	(43.7%)	4,000	2,313
Del Sol Café Revenue	6	49,883	49,877	831,280%	49,883	-	49,883	0.0%	-	(49,883)
Other Revenue	***95,798***	***237,464***	***141,667***	***147.9%***	***237,464***	***103,272***	***134,193***	***129.9%***	***139,970***	***(97,494)***
Total Revenue	***9,386,089***	***9,682,684***	***296,595***	***3.2%***	***9,682,684***	***9,747,041***	***(64,357)***	***(0.7%)***	***12,923,805***	***3,241,121***
Expenses										
Major Proj.-Rep. & Maint.	155,200	141,350	13,850	8.9%	141,350	179,228	37,878	21.1%	238,970	97,620
Facility Maintenance	341,402	225,853	115,549	33.8%	225,853	316,200	90,347	28.6%	421,600	195,747
Fees & Assessments	386	347	39	10.1%	347	750	403	53.7%	1,000	653
Utilities	717,918	686,346	31,571	4.4%	686,346	766,550	80,204	10.5%	1,084,093	397,747
Depreciation	1,018,006	1,061,026	(43,020)	(4.2%)	1,061,026	951,390	(109,636)	(11.5%)	1,268,520	207,494
Furniture & Equipment	206,367	289,729	(83,362)	(40.4%)	289,729	171,547	(118,182)	(68.9%)	229,874	(59,855)
Vehicles	56,061	87,931	(31,870)	(56.8%)	87,931	60,000	(27,931)	(46.6%)	80,000	(7,931)
Facilities & Equipment	***2,495,340***	***2,492,583***	***2,756***	***0.1%***	***2,492,583***	***2,445,665***	***(46,919)***	***(1.9%)***	***3,324,057***	***831,474***
Wages	3,320,283	3,405,005	(84,722)	(2.6%)	3,405,005	3,438,221	33,216	1.0%	4,584,295	1,179,290
Payroll Taxes	259,341	274,136	(14,796)	(5.7%)	274,136	274,726	590	0.2%	355,699	81,562
Benefits	684,333	729,150	(44,818)	(6.5%)	729,150	676,129	(53,021)	(7.8%)	897,672	168,522
Personnel	***4,263,956***	***4,408,291***	***(144,335)***	***(3.4%)***	***4,408,291***	***4,389,076***	***(19,215)***	***(0.4%)***	***5,837,665***	***1,429,374***
Food & Catering	17,434	47,778	(30,344)	(174.0%)	47,778	64,707	16,929	26.2%	78,698	30,920
Recreation Contracts	444,269	496,207	(51,938)	(11.7%)	496,207	445,579	(50,628)	(11.4%)	651,787	155,580
Bank & Credit Card Fees	43,314	49,848	(6,534)	(15.1%)	49,848	58,835	8,987	15.3%	67,895	18,047
Program	***505,018***	***593,833***	***(88,815)***	***(17.6%)***	***593,833***	***569,121***	***(24,712)***	***(4.3%)***	***798,380***	***204,547***
Communications	80,527	79,392	1,135	1.4%	79,392	80,677	1,284	1.6%	107,569	28,177
Printing	67,142	68,288	(1,146)	(1.7%)	68,288	96,083	27,795	28.9%	129,500	61,212
Advertising	3,818	30,765	(26,947)	(705.8%)	30,765	8,250	(22,515)	(272.9%)	11,000	(19,765)
Communications	***151,487***	***178,445***	***(26,957)***	***(17.8%)***	***178,445***	***185,010***	***6,565***	***3.5%***	***248,069***	***69,624***
Supplies	391,661	304,995	86,666	22.1%	304,995	421,930	116,935	27.7%	570,906	265,911
Postage	14,557	10,394	4,163	28.6%	10,394	18,094	7,700	42.6%	21,125	10,731
Dues & Subscriptions	18,832	15,079	3,753	19.9%	15,079	10,265	(4,814)	(46.9%)	13,687	(1,392)
Travel & Entertainment	1,212	-	1,212	100.0%	-	1,800	1,800	100.0%	2,400	2,400
Other Operating Expense	69,069	75,246	(6,177)	(8.9%)	75,246	63,244	(12,003)	(19.0%)	107,672	32,426
Operations	***495,330***	***405,714***	***89,617***	***18.1%***	***405,714***	***515,332***	***109,619***	***21.3%***	***715,790***	***310,076***
Information Technology	90,227	66,734	23,493	26.0%	66,734	107,083	40,349	37.7%	142,777	76,043
Professional Fees	161,702	174,660	(12,959)	(8.0%)	174,660	184,225	9,565	5.2%	234,350	59,690
Commercial Insurance	323,642	321,205	2,436	0.8%	321,205	335,298	14,093	4.2%	447,064	125,858
Taxes	-	-	-	0.0%	-	-	-	0.0%	53,532	53,532
Conferences & Training	7,059	6,005	1,054	14.9%	6,005	18,150	12,145	66.9%	24,200	18,195
Employee Recognition	6,855	6,197	658	9.6%	6,197	9,750	3,553	36.4%	13,000	6,803
Provision for Bad Debt	-	-	-	0.0%	-	-	-	0.0%	-	-
Corporate Expenses	**589,485**	**574,801**	**14,684**	**2.5%**	**574,801**	**654,506**	**79,705**	**12.2%**	**914,923**	**340,122**
Expenses	***8,500,617***	***8,653,667***	***(153,051)***	***(1.8%)***	***8,653,667***	***8,758,710***	***105,043***	***1.2%***	***11,838,884***	***3,185,217***
										-
Gross Surplus(Rev-Exp)	885,472	1,029,016	143,544	16.2%	1,029,016	988,331	40,686	4.1%	1,084,921	55,904
Net. Gain/Loss on Invest.	696,171	256,251	(439,920)		256,251	-	256,251		-	(256,251)
Net from Operations	1,581,644	1,285,268	(296,376)	(18.7%)	1,285,268	988,331	296,937		1,084,921	(200,347)

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Set Record Date

Prepared By: Nanci Moyo, Board Admin. **Meeting Date:** October 28, 2026

Presented By: Nanci Moyo, BAC Liaison **Consent Agenda:** Yes

Originating Committee / Department: Board Affairs Committee (BAC)
Action Requested: Set the Record Date for January 27, 2027.
Strategic Plan Goal: GOAL 5: Provide sound, effective governance and leadership for the corporation
Background Justification: Each year, the Board of Directors either approves the Record Date recommended by the BAC or selects an alternative date for approval. According to the CPM (Part 3, Section 2), the BAC is tasked with recommending a Record Date to the Board, which should be no more than thirty (30) days before the election. If the Board does not establish a Record Date, the default Record Date will be the date the ballots are delivered
Fiscal Impact: None
Board Options: 1) Approve the Record Date submitted by the Board Affairs Committee. 2) Change the Record Date.
Staff Recommendation: Option #1
Recommended Motion: Move to approve January 27, 2027, as the Record Date to determine the eligible roster of voting members.
Attachments: None

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

2027-31 Strategic Plan

Prepared By: Scott Somers, CEO

Meeting Date: October 28, 2026

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee/Department:
Administration

Action Requested:
Approve the 2027-31 Strategic Plan

Strategic Plan Focus Area:
Goal 5: Provide sound, effective governance and leadership for the corporation

Background Justification:
The current 5-year strategic plan ends December 31, 2026, and a new 5-year plan should begin January 1, 2027. Staff drafted and issued a request for proposal (RFP) for assistance in developing the next strategic plan in February of 2026. The Board awarded a contract to Zelos LLC in April of 2026 to facilitate the development of the next Five-Year Strategic Plan.

Zelos conducted a survey of GVR members and hosted various member and club focus groups. With the membership's feedback in hand, Zelos facilitated several Board workshops to review and update GVR's Mission, Vision, and Strategic Goals and Objectives. Zelos then worked with staff to develop operational Initiatives, assign departments as Leads to those Initiatives and develop timelines for each completion of each Initiative.

The Strategic Plan will provide guidance and a shared focus to boards and staff over the next five years.

Fiscal Impact:
Cost and impacts will vary over the course of the 5-Year Strategic Plan.

Board Options:
1) Approve the 2027-31 Strategic Plan as presented
2) Approve the 2027-31 Strategic Plan with amendments
3) Delay approval and direct staff how to proceed

Staff Recommendation:
Option #1

Recommended Motion:
I move to approve the 2027-31 Strategic Plan as presented.

Attachments:
1) Recommended 5-Year Strategic Plan
2) Strategic Plan Logic for Measures
3) Implementation of Initiatives for 2027

GVR STRATEGIC PLAN

Mission

To provide excellent facilities and services that create opportunities for recreation, social activities, and leisure education to enhance the quality of our members' lives.

Vision

To be a friendly, vibrant community of choice for adults desiring lifelong opportunities for physical, mental, and social engagement.

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

(As measured by a minimum of 90% favorable responses to questions related to GVR providing clean, attractive and well-maintained facilities)

1.1 Ensure that GVR infrastructure is well maintained currently and into the future. *(As measured by a minimum of 90% favorable responses to questions related to GVR providing clean, attractive and well-maintained facilities)*

- 1.1.1 Update written standard operating procedures (SOPs) for all routine maintenance
- 1.1.2 Provide additional training and certification opportunities for the Facilities Maintenance Team
- 1.1.3 Explore options for better maintenance of pool decks and other sports surfaces
- 1.1.4 Complete an IT strategic plan that leads to implementation
- 1.1.5 Implement Dark Skies initiatives

1.2 Ensure there is a sustainable comprehensive capital plan for maintenance. replacement and enhancements *(As measured by fund balances, fully funded balances, and percent funded)*

- 1.2.1 Establish appropriate ranges of fund balances
- 1.2.2 Review and refine how we use the Maintenance, Repair and Replacement (MMRA) reserve study
- 1.2.3 Examine the possibility of changing the vendor for the reserve study (MMRA), including the MMRB
- 1.2.4 Finalize and adopt the Maintenance, Repair and Replacement (MMRB) analysis

1.3 Create spaces that are warm, welcoming, engaging, and accessible that encourage social gathering *(As measured by enhancing three (3) spaces that create new opportunities for members)*

- 1.3.1 Design and develop areas for social gatherings and events
- 1.3.2 Design and develop lobby and patio spaces
- 1.3.3 Update landscaping at three more major centers
- 1.3.4 Develop a list of priorities and an implementation plan for improved signage for accessibility and aesthetics
- 1.3.5 Explore the expansion of food and beverage options at major centers

1.4 Ensure that facility planning includes accommodating and anticipating current and future member needs and wants *(As measured by benchmark survey accessibility plan completion)*

- 1.4.1 Research and identify new and/or improved amenities
- 1.4.2 Complete a facility and program benchmarking survey
- 1.4.3 Support our clubs to identify ways to increase accessible/adaptive activities
- 1.4.4 Develop a comprehensive accessibility plan

Goal 2: Provide quality services and programs that effectively meet the recreational, social, and leisure education needs of our membership

(As measured by the measures in the objectives below.)

2.1 Ensure programs and services are accessible to members of all income levels and abilities *(As measured by development and review of a list of programs and services, with prices for each)*

- 2.1.1 Implement additional private lessons for members who are interested and can pay for this service
- 2.1.2 Explore partnership with a travel agent to offer program and trips
- 2.1.3 Identify members who do not participate currently in GVR activities, analyze common characteristics and learn from them the possibilities to engage them

2.2 Provide an excellent member experience *(As measured by a minimum of 85% favorable responses to questions related to satisfaction with customer service)*

- 2.2.1 Provide ongoing and refresher customer service training for member-facing staff
- 2.2.2 Improve onboarding for newly hired staff to drive our customer service culture
- 2.2.3 Expand and articulate our customer service model for GVR

2.3 Ensure that instructors/ contractors for services are well qualified and aligned with GVR values/principles *(As measured by post-course survey results)*

- 2.3.1 Expand our pool of instructors that provide the services and programming our members expect and want based on attendance/demand

2.4 Continue to evolve programs and services to meet the changing needs and interests of *members (As measured by member participation in new programs, activities and amenities)*

- 2.4.1 (see 1.4.2)

2.4.2 Identify six (6) new acts each year to test the changing interests of members

2.4.3 Enhance the website to improve accessibility for people with visual impairments

Goal 3: Continue promoting increased awareness of GVR and involvement of all GVR members

(As measured by a survey to members measuring their awareness of what GVR offers. A measure will need to be developed for this objective during the next year.)

3.1 Ensure that new members and GVR tenants are aware of what GVR offers

3.1.1 Consider rekindling the 'Intro to GVR' course in the Showcases for new members and tenants, as well as Voluntary Deed Restriction properties

3.1.2 Implement a pilot Ambassador Program assigned to represent specific centers to orient and connect with new GVR members and tenants

3.1.3 Design an educational campaign that periodically educates people about the great value of GVR

3.2 Raise awareness about GVR to those not yet members *(As measured by the number of packets provided to VDRs, tenants and interested parties)*

3.2.1 Improve and expand our tabling efforts

3.2.3 Design strategies for reaching targeted groups outside of Green Valley about what GVR offers

3.3 Ensure systems and processes are easy, simple, and member centric *(As measured by a minimum of 82% favorable responses to questions related to satisfaction with systems and processes.)*

3.3.1 Systematically identify the pain points for members regarding system and process challenges

3.3.2 Work with our software vendors to identify possible improvements (see 1.1.4) to follow up on the results of the pain point challenges

3.3.3 Assess member traffic patterns and implement improvements for ease and simplicity

3.4 Communicate with members in a way that is both transparent and responsive *(As measured by an overall survey rating of 3.7 or higher to the question of how well GVR maintains open lines of communication with members)*

3.4.1 Establish Service Level Agreements (SLAs) for member responses

3.4.2 Identify new ways to share member input results from various polls, surveys, etc.

3.4.3 Identify streamlined ways the budget documents, financial statements, year in review presentations, etc. can be accessed on the website

3.4.4 Review and update the Communications Strategic Plan

Goal 4: Ensure sound financial planning and sustainability that results in good value for our members

(As measured by a minimum of 79% favorable responses to questions about the "value for money" of GVR)

4.1 Review GVR income streams on a regular basis, evaluating the need for any adjustments in how income is generated *(As measured by Board adoption of base level services list/policy)*

4.1.1 Survey similar organizations to identify alternative income streams or fee structures

4.1.2 Develop an understanding (policy) of base-level services and consider additional fees for those services beyond base level

4.2 Ensure that the distribution of GVR revenue balances both current operations and future sustainability *(As measured by audited numbers to illustrate revenue use for operations and reserve funds)*

4.2.1 Review our Corporate Policy Manual (CPM) to have flexibility with the percentages for membership change fee (MCF) and initial fees going into the Initiatives Fund

4.3 Ensure strong fiscal management *(As measured by Board policy adoption and completion of one finance/budgeting primer during orientation)*

4.3.1 Update and recommend additional financial and investment policies as needed

4.3.2 Develop an enhanced list of financial statements and other document to be provided to the FAC and Board on an ongoing basis

4.3.3 Provide ongoing education to Board and Committee members on financial statements, the budget, and the investment policies

4.4 Plan adequately for the future in a fiscally responsible manner *(As measured by annual review and update, if needed, of financial policies)*

4.4.1 Research, design and test a performance measure methodology to consider when deciding on new, expanded or repurposed facilities (see 1.4.2)

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

(As measured by a minimum of 86% "somewhat confident", "quite confident" or "extremely confident" responses about Board abilities to plan and make sound decisions in the best interests of GVR)

5.1 Provide varied and effective methods for the Board to proactively communicate and dialogue with members about the Board, its work and decisions (*As measured by a minimum of 86% "somewhat confident", "quite confident" or "extremely confident" responses about Board abilities to plan and make sound decisions in the best interests of GVR)*

5.1.1 Streamline access to Board and Committee meeting activities, and the related documents

5.1.2 Identify ways to communicate about upcoming Board activities and topics of discussion (e.g., using email blast)

5.1.3 Hold a Leadership Academy once or twice a year to seek out members interested in serving on Committees or the Board

5.1.4 Develop a Board policy to ensure a consistent and sustainable process for issuing responses from the Board concerning member policy questions and comments

5.2 Work together effectively as a team, Board and Executive (*As measured by 88% "quite confident" or "extremely confident" responses about the Board's ability to work collaboratively in a professional and productive manner)*

5.2.1 Develop and update annually the Board Rules (beginning an annual practice) or amend the Corporate Policy Manual (CPM)

5.2.2 Develop policy definitions of "oversight", "fiduciary responsibility", and other terms to ensure a clear unambiguous understanding of roles and responsibilities and reasonable expectations for elected officials

5.2.3 Hold retreat at the beginning of the Board Calendar Year (April) on governance improvement

5.2.4 Conduct a Board self-evaluation on a quarterly basis for increased learning and improvement (i.e., "How have we been doing?")

5.2.5 Annually review roles and responsibilities, Board Code of Conduct, and Board Credo, and financial primer

5.2.6 Include a Board Credo statement in each Friday email

ZELOS

Explanations for Goal and Objective Measures with Targets

Logic:

- Baseline is the 2026 result to the question most closely aligned with the goal or objective. When there were multiple questions that aligned to the goal/objective, the average of those responses was used.
- Targets were one percentage point improvement per year, with an improvement of five percentage points total over five years.
- For two objectives, the baseline was very high and would be hard to improve by five percentage points. In those cases, the measure is to keep the result as high or higher than the baseline.
- "Favorable response" equates to those answers of 4 or 5 on the scale provided for the question.

Goal 1

Provide excellent facilities for members to participate in a variety of activities and social opportunities *(As measured by a minimum of 90% favorable responses to questions related to GVR providing clean, attractive and well-maintained facilities) – 2026 survey result was 91% favorable*

1.1 Ensure that GVR infrastructure is well maintained currently and into the future. *(As measured by a minimum of 90% favorable responses to questions related to GVR providing clean, attractive and well-maintained facilities) – 2026 survey result was 91% favorable*

2.2 Provide an excellent member experience *(As measured by a minimum of 85% favorable responses to questions related to satisfaction with customer service) – 2026 survey result was 80%*

3.3 Ensure systems and processes are easy, simple, and member centric *(As measured by a minimum of 82% favorable responses to questions related to satisfaction with systems and processes.) – Respondents in 2026 provided a favorable rating to GVR services. We will need to ask a more pointed question about systems and processes in 2031 member survey*

3.4 Communicate with members in a way that is both transparent and responsive *(As measured by an overall survey rating of effective, very effective or extremely effective -3.7 or higher - to the question of how well GVR maintains open lines of communication with members) – 2026 survey rating was 3.5 out of 5, between effective and very effective*

Goal 4

Ensure sound financial planning and sustainability that results in good value for our members (*As measured by a minimum of 79% favorable responses to questions about the "value for money" of GVR) – 2026 survey result was 74% favorable*

Goal 5

Provide sound, effective governance and leadership for the corporation (*As measured by a minimum of 86% "somewhat confident", "quite confident" or "extremely confident" responses about Board abilities to plan and make sound decisions in the best interests of GVR) – 2026 average survey result was 81%.*

5.1 Provide varied and effective methods for the Board to proactively communicate and dialogue with members about the Board, its work and decisions. (*As measured by a minimum of 86% "somewhat confident", "quite confident" or "extremely confident" responses about Board abilities to plan and make sound decisions in the best interests of GVR) – 2026 average survey result was 81%*

5.2 Work together effectively as a team (Board and Executive) *(As measured by 88% "quite confident" or "extremely confident" responses about the Board's ability to work collaboratively in a professional and productive manner) – 2026 survey result was 83%*

GVR STRATEGIC PLAN
IMPLEMENTATION
To be completed 2027

1.2.3	Examine the possibility of changing the vendor for the reserve study (MMRA), including the MMRB	Finance and Facilities	2027
5.1.4	Develop a Board policy to ensure a consistent and sustainable process for issuing responses from the Board concerning member policy questions and comments	Admin and Board	2027
5.2.2	Develop policy definitions of "oversight", "fiduciary responsibility", and other terms to ensure a clear unambiguous understanding of roles and responsibilities and reasonable expectations for elected officials	Admin and Board	2027
5.1.3	Hold a Leadership Academy once or twice a year to seek out members interested in serving on Committees or the Board	Admin	2027
5.2.3	Hold retreat at the beginning of the Board Calendar Year (April) on governance improvement	Admin	2027
5.2.6	Include a Board Credo statement in each Friday email	Admin	2027
3.4.1	Establish Service Level Agreements (SLAs) for member responses	Communications	2027
3.4.2	Identify new ways to share member input results from various polls, surveys, etc.	Communications	2027
3.4.4	Update Communications Strategic Plan	Communications	2027
1.2.1	Establish appropriate ranges of fund balances	Finance	August, 2027
4.1.1	Survey similar organizations to identify alternative income streams or fee structures	Finance	Bi-Annually Prior to Budget for 2028

GVR STRATEGIC PLAN
IMPLEMENTATION
To be completed 2027

4.2.1	Review our Corporate Policy Manual (CPM) to have flexibility with the percentages for membership change fee (MCF) and initial fees going into the Initiatives Fund	Finance	July, 2027
4.3.2	Develop an enhanced list of financial statements and other document to be provided to the FAC and Board on an ongoing basis	Finance	April, 2027 with Annual Review
2.2.2	Improve onboarding for newly hired staff to drive our customer service culture	HR	2027
2.2.3	Expand and articulate our customer service model for GVR	HR	2027
3.1.1	Consider rekindling the 'Intro to GVR' course in the Showcases for new members and tenants, as well as Voluntary Deed Restriction properties	Member Services	2027

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Recommended Operations Budget for 2027

Prepared By: Scott Somers, CEO and Dave Dixon, CFO **Meeting Date:** October 28, 2026

Presented By: Scott Somers, CEO **Consent Agenda:** No

Originating Committee / Department:

Finance Department/Fiscal Affairs Committee

Action Requested:

Consider approval of the 2027 Operations Budget and Fees Schedule

Strategic Plan:

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

Background Justification:

Section 5.5.2 of the Corporate Policy Manual requires the Board to approve an annual budget no later than November 15 of each year. The budget policy is to promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives. Staff prepared a Proposed Operating Budget and Fee Schedule for 2027 which was presented and reviewed with the Fiscal Affairs Committee (FAC). The FAC and Staff recommendations were presented to the Board on October 14. A summary of the FAC and Staff Recommended Operating Budget for 2027 is included on Table 1.

There is significant historical information as well as detailed financial data included in the attached Recommended 2027 Budget document. Noteworthy components of the Recommended Budget are:

- Members' 2027 dues rate increase from current $545 to $575 (5.5%). See table 2. **Please note: this $30 dollar increase was forecasted in the 2026 Budget.**
- Membership Change Fee and Initial Fee for 2027 increase from $3,200 to $3,300 (3.1%). See table 2
- Personnel costs include a recommended modest 2.5% aggregate increase in wages ($129,335), which also includes an increase of 4.0 full-time equivalents (FTE) from the 2026 budget for a total of 92.45 FTEs in 2027. See table 3

GVR staff have updated the three-year forecast for the years 2028 through 2030. While the Board of Directors are not asked or required to approve this forecast, it is helpful for informational and planning purposes. A high-level summary of this forecast found in table 1 is as follows:

Year	Forecasted Dues Rate	Forecasted Increase
2028	$595	3.6%
2029	$620	4.3%
2030	$645	4.1%

Table 1

	2027 Budget & 3-Year Forecast	2027 1..12 Budget	2028 Forecast	2029 Forecast	2030 Forecast	2028 Projected % Increase	2029 % Increase	2030 % Increase
	Full Time Equivalents	92.45	92.45	92.45	92.45			
	Head Count	116	116	116	116	2.00%	2.00%	2.00%
Revenue	Member Dues	8,001,700	8,287,160	8,642,800	8,999,040	3.6%	4.3%	4.1%
	Life Care, Transfer Fees, Card Fees	750,730	782,540	783,590	789,240	4.2%	0.1%	0.7%
	Capital Revenue	2,752,200	2,845,800	2,929,500	3,013,200	3.4%	2.9%	2.9%
	Membership Revenue	11,504,630	11,915,500	12,355,890	12,801,480			
	Programs	563,574	591,753	633,175	677,498	5.0%	7.0%	7.0%
	Instructional	552,048	568,609	597,040	629,877	3.0%	5.0%	5.5%
	Recreational Revenue	1,115,622	1,160,362	1,230,215	1,307,375			
	Investment Income	415,000	423,300	431,766	440,401	2.0%	2.0%	2.0%
	Cell Tower Lease Income	-	-	-	-	0.0%	0.0%	0.0%
	Communication Revenue	-	-	-	-			
	Other Income	109,750	111,945	114,744	118,186	2.0%	2.5%	3.0%
	Facility Rent/Leases	14,520	14,956	15,404	15,866	3.0%	3.0%	3.0%
	Café Sales Income	216,550	225,212	234,220	243,589	4.0%	4.0%	4.0%
	Contributed Income	5,000	-	-	-	0.0%	0.0%	0.0%
	Other Revenue	345,820	352,113	364,368	377,642			
	Total Operating Revenue	13,381,072	13,851,275	14,382,240	14,926,898	3.5%	7.5%	11.6%
Expenses	Major Proj.-Rep. & Maint.	244,724	249,618	254,611	259,703	2.0%	2.0%	2.0%
	Facility Maintenance	387,763	395,518	403,429	411,497	2.0%	2.0%	2.0%
	Fees & Assessments	-	-	-	-	2.0%	2.0%	2.0%
	Utilities	1,042,493	1,101,205	1,136,727	1,174,751	3.0%	3.0%	3.0%
	Depreciation	1,577,204	1,608,748	1,640,923	1,673,742	2.0%	2.0%	2.0%
	Furniture & Equipment	252,546	257,597	262,749	268,004	2.0%	2.0%	2.0%
	Vehicle Expenses	90,000	91,800	93,636	95,509	2.0%	2.0%	2.0%
	Facilities & Equipment	3,594,731	3,704,487	3,792,075	3,883,206			
	Wages	4,825,093	5,018,097	5,218,821	5,427,573	4.0%	4.0%	4.0%
	Payroll Taxes	374,120	389,084	404,648	420,834	4.0%	4.0%	4.0%
	Benefits	999,442	1,049,414	1,091,390	1,135,046	5.0%	4.0%	4.0%
	Personnel	6,198,654	6,456,595	6,714,859	6,983,453			
	Food & Catering	105,003	107,103	109,245	111,430	2.0%	2.0%	2.0%
	Recreation Contracts	760,049	790,451	829,973	871,472	4.0%	5.0%	5.0%
	Bank & Credit Card Fees	87,123	88,866	90,643	92,456	2.0%	2.0%	2.0%
	Program	952,175	986,420	1,029,862	1,075,358			
	Communications	92,020	93,860	95,738	97,652	2.0%	2.0%	2.0%
	Printing	103,965	106,044	108,165	110,328	2.0%	2.0%	2.0%
	Advertising	15,000	15,300	15,606	15,918	2.0%	2.0%	2.0%
	Communications	210,985	215,204	219,509	223,899			
	Supplies	465,049	471,638	474,590	474,064	2.0%	1.0%	1.0%
	Postage	22,800	23,256	23,721	24,196	2.0%	2.0%	2.0%
	Dues & Subscriptions	19,770	20,165	20,569	20,980	2.0%	2.0%	2.0%
	Travel	8,575	8,661	8,747	8,835	1.0%	1.0%	1.0%
	Other Operating Expense	109,550	110,646	111,752	112,869	1.0%	1.0%	1.0%
	Operations	625,744	634,366	639,380	640,944			
	Information Technology	136,508	139,238	142,022	144,863	2.0%	2.0%	2.0%
	Professional Fees	191,250	193,589	197,461	201,410	2.0%	2.0%	2.0%
	Commercial Insurance	458,057	480,960	495,389	510,251	5.0%	3.0%	3.0%
	Taxes	18,654	19,028	19,408	19,796	2.0%	2.0%	2.0%
	Conferences & Training	23,522	23,522	23,757	23,995	0.0%	1.0%	1.0%
	Employee Recognition	13,000	13,000	13,130	13,261	0.0%	1.0%	1.0%
	Corporate Expenses	840,991	869,337	891,168	913,576			
	Total Operating Expenses	12,423,281	12,866,409	13,286,851	13,720,436			
Net	Gross Surplus (Rev-Exp)/Net Cash Flow	957,791	984,866	1,095,388	1,206,462			
	Unrealized Gain/(Loss) on Investments		-	-	-			
	Accrual Basis Net from Operations	957,791	984,866	1,095,388	1,206,462			
Adj. to Cash Basis	Subtract: In Kind	(2,250)	(2,250)	(2,250)	(2,250)			
	Non-Reserve Capital Projects	(20,000)	(20,000)	(20,000)	(20,000)			
	Income From Reserve Funds	(290,500)	(296,310)	(302,236)	(308,281)			
	Reserved Funding/Initiatives	(552,420)	(571,200)	(588,000)	(604,800)			
	MRR B (Pools & Spas)	(366,778)	(392,452)	(419,924)	(449,319)			
	Reserve Funding/MRR A	(1,508,102)	(1,616,102)	(1,724,102)	(1,832,102)			
	Cash Basis Change in Net Assets Net of Reserves	(1,782,259)	(1,913,448)	(1,961,124)	(2,010,290)			
	Add Back:							
	MRR Operating Expenses	115,054	212,000	224,720	238,203			
	Depreciation	1,577,204	1,608,748	1,640,923	1,673,742			
	Expenses from Reserve Funds	90,000	92,700	95,481	98,345			
	Cash Basis Net Surplus (Deficit)	-	-	-	-			

Table 2

Fee Schedule	2026	2027	
	Fee	**Fee**	**% Increase**
Annual Dues per Household	$545	**$575**	**5.5%**
Life Care, Transfer, Tenant & Addl Card Fees			
Annual Life Care Member Dues	$545	**$575**	**5.5%**
Transfer Fee (Resale)	$470	**$480**	**2.1%**
Guest Card Fees Annual Pass			
Guest Card Daily Pass	$5	**$5**	**0.0%**
Guest Card Weekly Pass	$15	**$15**	**0.0%**
Guest Card Annual Pass (30 Day Punch Pass)	$85	**$85**	**0.0%**
1-7 Days	$40	**$45**	**12.5%**
2 Weeks	$50	**$55**	**10.0%**
1 Month	$65	**$70**	**7.7%**
2 Months	$100	**$105**	**5.0%**
3 Months	$140	**$145**	**3.6%**
4 Months	$180	**$185**	**2.8%**
5 Months	$215	**$220**	**2.3%**
6-12 Month Pass	$250	**$255**	**2.0%**
Tenant Fees			
Additional Card Fees	$140	**$170**	**21.4%**
Membership Change Fee	$3,200	**$3,300**	**3.1%**
Initial Fee	$3,200	**$3,300**	**3.1%**
Capital Revenue			
Late Fees	$25	**$25**	**0.0%**
Estate Planning Fee	$105	**$105**	**0.0%**
GVR Card Issuance Fee	$5	**$5**	**0.0%**
Card Replacement Fee	$5	**$5**	**0.0%**

Table 3

GVR Wages		
	Proposed 2027 Budget	% Increase
Cost of Living Adjustments	$96,915	2.0%
Performance and Merit Adjustments	23,229	1.0%
Total Wage Increase	120,144	
Payroll Tax Increase	9,191	
Total Increase of Wages & Taxes	$129,335	
% of Dues to Pay for the Increase	1.6%	

CONSOLIDATED OPERATING AND CAPITAL BUDGET

A summary of the consolidated Operating and Capital Budget for 2027 illustrated on table 4.

Table 4

GVR
Budget
FY 2027

	2027
INITIATIVES CAPITAL IMPROVEMENT PLAN:	
Del Sol Clubhouse Parking Lot Note	$ 11,000
Woodshop Expansion	$ 300,000
Abrego South Locker Room Building	$ 175,000
EC Tennis Court ($150,000)	$ 60,000
Infrared Sauna	$ 11,000
Shade Structures-Pools	$ 47,000
TOTAL BUDGETED INITIATIVES CAPITAL	**$ 604,000**
NON RESERVE CAPITAL PROJECTS	**$ 20,000**
MRR-A CAPITAL PROJECTS	**$ 2,774,653**
MRR-B - POOLS AND SPAS - ABREGO SOUTH	**$ 1,238,600**
GRAND TOTAL CAPITAL BUDGET	**$ 4,637,253**
2027 OPERATING BUDGET	$ 12,423,281
GRAND TOTAL 2027 BUDGETS	$ 17,060,534

Fiscal Impact:

Upon approval, the 2027 Operating Budget of $12,423,281 and Fee Schedule would be implemented on January 1, 2027.

Board Options:

1) Approve the FAC and Staff Recommended 2027 Operating Budget and Fees Schedule as presented.
2) Approve the FAC and Staff Recommended 2027 Operating Budget and Fees Schedule with amendments.
3) Provide alternate direction to staff with the understanding that the Budget must be approved no later than November 15.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve the FAC and Staff Recommended 2027 Operating Budget and Fees Schedule as presented.

Attachments:

1) FAC and Staff Recommended 2027 Budgets document

GVR

GREEN VALLEY RECREATION

DRAFT

2027 BUDGETS

Pending Approval and Adoption

October 28, 2026

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BUDGET MESSAGE
Fiscal Year 2027

Board of Directors and Members of Green Valley Recreation:

In accordance with the Bylaws and Corporate Policy Manual (CPM) of Green Valley Recreation, Inc. (GVR), we are pleased to submit the Fiscal Year 2027 (FY2027) Budget. Included in this Total Budget are the Operating Budget, Fee Schedule, Capital Budget, and the Five-Year Capital Improvement Plan for fiscal years 2027-2031.

We believe this budget advances GVR's Strategic Plan, Mission, and Vision by providing excellent facilities, programs, and services that create opportunities for recreation, social engagement, and leisure education. These investments enhance the overall member experience and quality of life while supporting a sound financial foundation and delivering strong value to our members.

Department directors remain committed to managing operations responsibly within budget parameters while ensuring the continued delivery of a broad range of essential services and programs. This budget supports quality recreation programming, proactive maintenance, and necessary infrastructure improvements, while balancing these priorities with the realities of limited resources and responsible financial stewardship.

With a continued focus on exceptional member service, staff is actively seeking opportunities to modernize processes, increase operational efficiencies, and enhance service delivery. Through these efforts, we strive to improve the member experience, maximize the value of available resources, and ensure GVR remains responsive to the evolving needs and expectations of our members.

THE BUDGET PROCESS

GVR operates on a fiscal year running from January 1 to December 31. The budget process begins in August with guidelines issued to department directors and managers by the Chief Executive Officer (CEO). Departmental requests are prepared and submitted in August. The CEO and Chief Financial Officer (CFO) meet with each department manager to discuss their requests. Changes and revisions to the requests and revenue projections are incorporated into the budget, which is submitted to the Board of Directors in October for consideration.

The CEO and CFO meet with the Fiscal Affairs Committee and Board of Directors in August, September, and October to assist with budget preparation and development. Per the CPM, the Board shall have an approved budget available for execution no later than November 15 of any given year.

The basis of budgeting conforms to Generally Accepted Accounting Principles (GAAP) as required by Bylaws Article VII, Section 4. D. The 2026 projected income and expenses are included for comparison purposes (page 26) and are the staff's best estimates. Included with the 2027 Budget is a three-year revenue and expenditure projection for years 2028 through 2030 (page 30).

The 2027 Budget presented includes the following functional areas:

Administrative Services: Board of Directors, administration, finance, membership services, human resources, communications and information technology.
Field Services: Center customer service, including custodial.
Facilities Maintenance: Maintenance, aquatics, landscaping, project management.
Recreation: Events and entertainment, movies, trips and tours, clubs, classes, fitness, drop-in opportunities.

INTRODUCTION

Despite ongoing declines in the real estate market, GVR remains financially sound. Through prudent fiscal management, we are well positioned to prepare responsibly for the future while maintaining the high-value services and facilities our members expect.

Over the past five years, GVR has successfully completed approximately 13.7 million dollars' worth of projects, including Maintenance, Repair, and Replacement (MRR) planned projects, Non-Reserve Capital projects, and Initiatives projects. These investments reflect our ongoing commitment to maintaining and enhancing our facilities while meeting the evolving needs of our members.

FY2027 OPERATING BUDGET

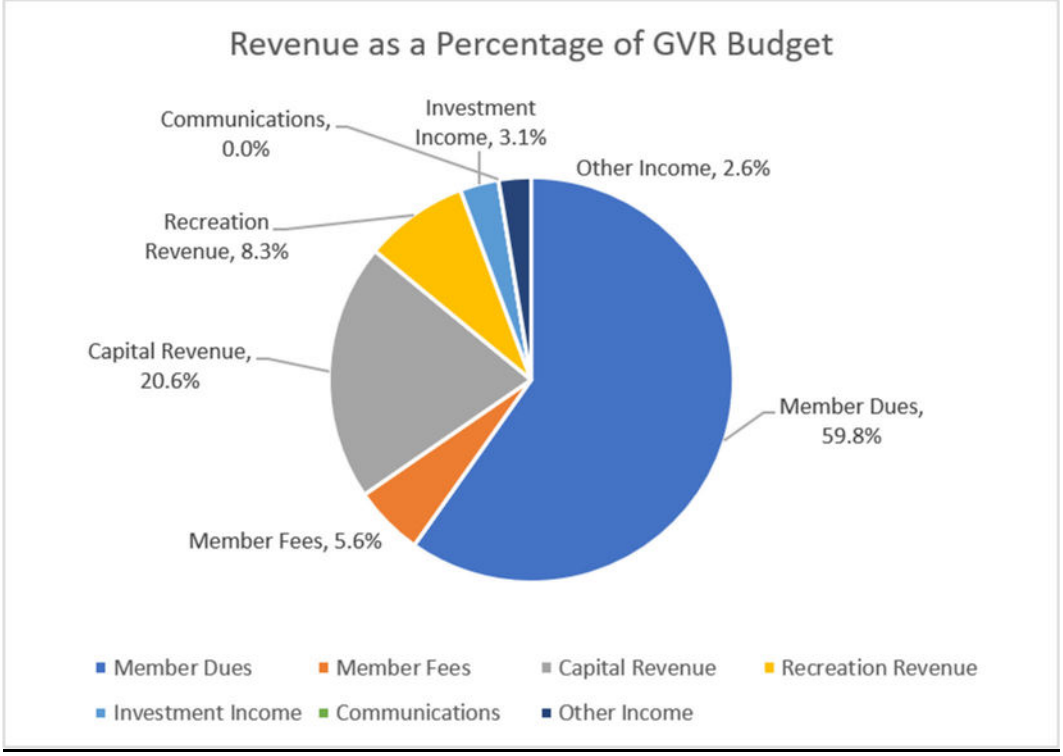
Revenue

In consideration of the economic climate, we believe GVR's anticipated revenue assumptions for FY2027 are appropriate, especially when viewed considering the solid revenue performance over recent years, as illustrated in Figure 1:

Figure 1 **Total Revenue: Fiscal Year 2022-2027**

	Total Revenue Fiscal Years 2022 - 2027						
	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budgeted	FY 2026 Projected	FY 2027 Recommended
Member Dues	$ 6,947,340	$ 7,051,390	$ 7,134,340	$ 7,366,506	$ 7,568,960	$ 7,578,564	$ 8,001,700
Member Fees	$ 785,602	$ 740,844	$ 685,399	$ 759,426	$ 800,700	$ 828,194	$ 750,730
Capital Revenue	$ 3,099,400	$ 2,753,060	$ 2,428,476	$ 2,835,806	$ 2,860,800	$ 2,524,416	$ 2,752,200
Recreation Revenue	$ 401,553	$ 514,095	$ 774,073	$ 868,769	$ 1,069,456	$ 1,111,300	$ 1,115,622
Investment Income	$ 372,078	$ 456,354	$ 426,501	$ 457,320	$ 435,000	$ 534,478	$ 415,000
Communications	$ 43,105	$ 47,478	$ 49,004	$ 50,583	$ 48,919	$ 51,804	$ -
Other Income	$ 112,273	$ 107,844	$ 139,275	$ 159,775	$ 139,970	$ 286,829	$ 345,820
Total Revenue	$ 11,761,351	$ 11,671,065	$ 11,637,068	$ 12,498,184	$ 12,923,805	$ 12,915,585	$ 13,381,072

***Figure 2* Revenue Budgeted Highlights, Fiscal Year 2027**



A summary of the fee changes:

- Member dues: 2026 rate of $545 increases $30 to $575 for 2027 (5.5%).
- Life Care Fees: 2026 rate of $545 increases $30 to $575 for 2027 (5.5%).
- Initial Fee: 2026 rate of $3,200 increases to $3,300 for 2027 (3.125%).
- Membership Change Fee (MCF): 2026 rate of $3,200 increases to $3,300 for 2027 (3.125%).
- Transfer Fee: 2026 rate of $470 increases $10 to $480 (2.125%)
- Tenant Fees:
    - 1 – 7 Days rate increase from $40 to $45
    - 2 Weeks rate increase from $50 to $55
    - 1 Month rate increase from $65 to $70
    - 2 Months rate increase from $100 to $105
    - 3 Months rate increase from $140 to $145
    - Tenant Fee 4 months 2027 rate is $185
    - Tenant Fee 5 months 2027 rate is $220
    - Tenant Fee 6-12 months 2027 rate is $255
- Additional Card Fee rate increases from $140 to $170
- GVR Card Issuance Fee: 2027 rate is $5

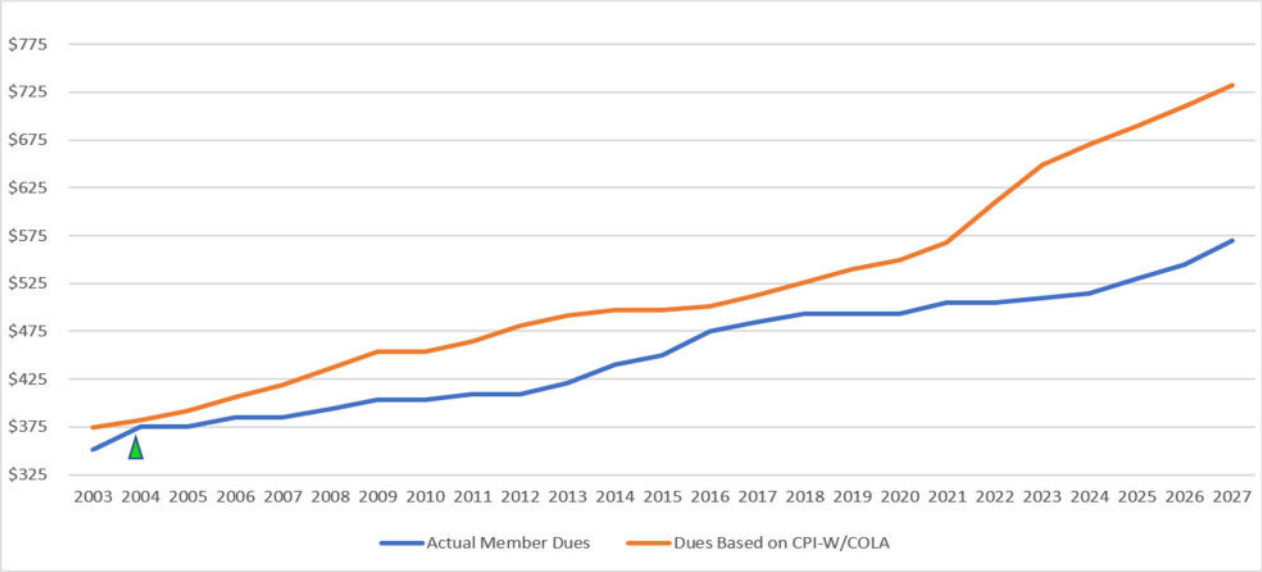
- GVR Card Replacement Fee: 2027 rate is $5
- Late Fees remain $25
- Estate Planning Fees remain at $105

Guest card fees remain the same, including a daily guest card pass for $5 per pass, a weekly guest card pass for $15 per pass, and an annual guest card pass for $85 per card.

The calculation of revenue is as follows:

Total member dues are based on 13,916 properties at $575 per member household. The proposed dues rate reflects a **$30 increase** in the annual dues rate effective January 1, 2027. Figure 3 illustrates how GVR has kept our dues rates below the rates indicated by the CPM. The CPM (Section 1 MEMBERSHIP & FACILITIES Subsection 1.1.2) states, "In establishing annual dues, the Fiscal Affairs Committee (FAC) and the Board shall use the following formula as a starting point: The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increases / decrease for the current year." Per the formula, the starting point is 3.15% (50% of 3.5% plus 50% of 2.8%). The proposed dues increase of $30, or 5.5%, is above the 3.15% starting point guided by the CPM. The proposed rate recognizes that the CPM formula serves as a starting point for establishing annual dues and that additional consideration must be given to GVR's actual operating environment, financial requirements to fund reserves, and anticipated costs. The proposed increase will provide the resources necessary to sustain operations, meet financial obligations, and maintain the level of services expected by the membership.

***Figure 3* Actual Member Dues vs. Dues based on CPI-W/COLA per CPM**



The last time the annual member dues were close to matching GVR policy was in 2004. Since that time, the divergence has widened from a $7 difference in 2004 to a $165 difference in 2026 and a projected $157 difference in 2027. See Figure 4 for past years' dues rates.

Figure 4

GVR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actual Member Dues	$ 375	$ 375	$ 385	$ 385	$ 394	$ 403	$ 403	$ 409	$ 409	$ 421	$ 440	$ 450
Dues Based on CPI-W/COLA	$ 382	$ 392	$ 406	$ 419	$ 436	$ 454	$ 454	$ 464	$ 481	$ 491	$ 497	$ 497

GVR	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Actual Member Dues	$ 475	$ 485	$ 493	$ 493	$ 493	$ 505	$ 505	$ 510	$ 515	$ 530	$ 545	$ 575
Dues Based on CPI-W/COLA	$ 501	$ 513	$ 526	$ 540	$ 549	$ 568	$ 609	$ 649	$ 670	$ 690	$ 710	$ 732

The Membership Change Fee (MCF) rate reflects a $100 increase to $3,300. The 2027 MCF assumption is based on an estimated 822 total property transactions, along with 12 new voluntary deed-restricted properties charged the Initial Fee of $3,300. Staff is projecting 789 home sales in 2026. The local real estate market has declined over the past three years. Below is a summary of home sales for the past ten years:

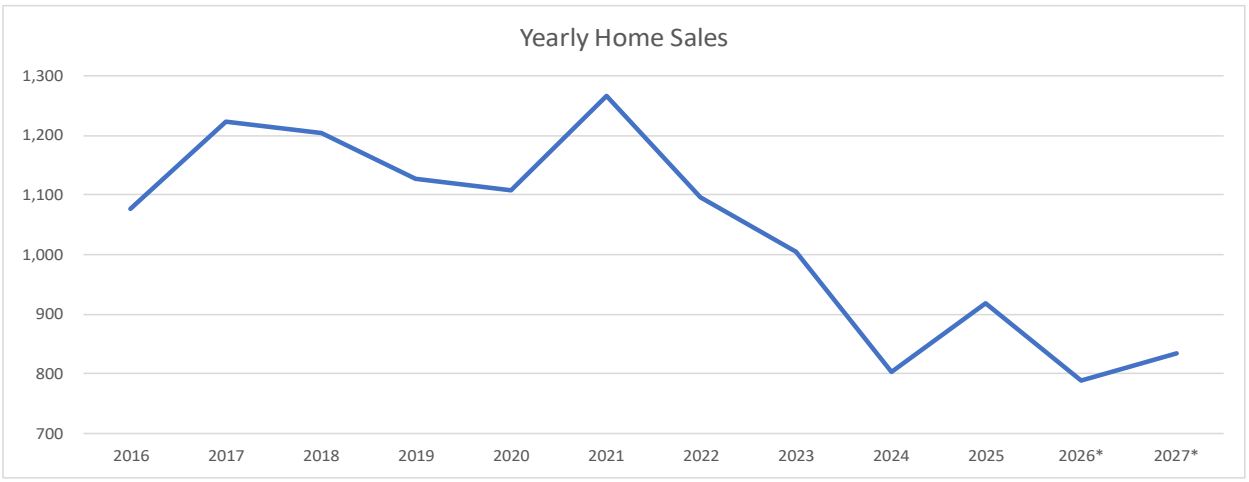
Figure 5

Home Sales 2016 - 2027													
Home Sales													
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026	**2027**
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Projected	**Budget**
1,076	1,222	1,204	1,126	1,109	1,267	1,095	1,005	803	918	876	789	**834**

From 2016 to 2025, GVR collected fees associated with 1,083 home sales per year. In 2025, there were 918 GVR home sales and in 2026 we are forecasting to be about 10% unfavorable to our budgeted amount of 876 home sales. For the 2027 budget, staff used an average of just under 69 home sales per month along with adding 12 new households in the new year for voluntary deed-restricted or newly built properties. Therefore, the 2027 budget for collecting MCF/Initial Fees is 834, a 4.8% decrease to the 2026 budget.

Figure 6 illustrates the long-term trend for Membership Change Fees and includes the 789 homes projected for 2026.

***Figure 6* Home Sales: Long-Term Trend, 2016-2027**



*Projected/**Budgeted**

Figures 7 and 8 depict how MCF rate increases have outpaced increases in dues since 2019.

***Figure 7* Cumulative Dues Rate Increases vs. Cumulative MCF Rate Increases**

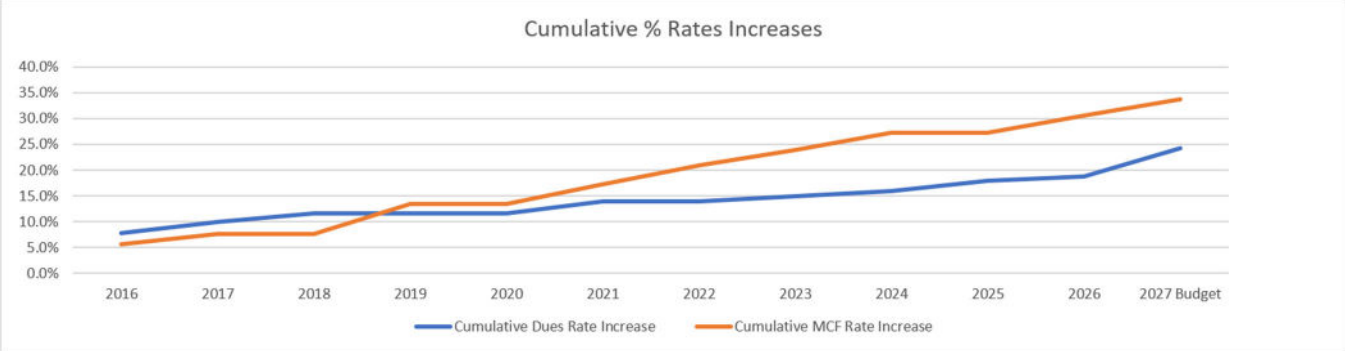


***Figure 8* Historical Increases in GVR Dues and Member Change Fees, 2016-2027**

GVR												
Dues and Member Change Fees Historical Increases												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Budget	2027 Budget
Dues Rate	$475	$485	$493	$493	$493	$505	$505	$510	$515	$530	$545	$575
Membership Change Fee	$2,425	$2,474	$2,474	$2,616	$2,616	$2,716	$2,816	$2,900	$3,000	$3,100	$3,200	$3,300
Dues Rate Increase %	5.6%	2.1%	1.6%	0.0%	0.0%	2.4%	0.0%	1.0%	1.0%	2.9%	2.8%	5.5%
MCF Rate Increase %	5.6%	2.0%	0.0%	5.7%	0.0%	3.8%	3.7%	3.0%	3.4%	3.3%	3.2%	3.1%
Dues Revenue	$6,402,286	$6,627,415	$6,690,385	$6,712,673	$6,748,910	$6,942,771	$6,947,340	$7,051,930	$7,134,340	$7,257,326	$7,568,960	$8,001,700
MCF Revenue	$2,007,135	$2,439,129	$2,345,508	$2,423,079	$2,533,963	$3,147,953	$3,099,400	$2,753,060	$3,039,780	$2,868,541	$2,860,800	$2,752,200
Cumulative **Dues** Rate Increas	5.6%	7.7%	9.3%	9.3%	9.3%	11.7%	11.7%	12.7%	13.7%	15.6%	16.5%	22.0%
Cumulative **MCF** Rate Increase	5.6%	7.6%	7.6%	13.4%	13.4%	17.2%	20.9%	23.9%	27.3%	27.2%	30.5%	33.7%

Initial Fees are charged when a property first enters GVR, either through a Voluntary Deed Restriction or a new build in a new or expanding development. As with the MCF, the 2027 proposed budget includes a $100 rate change for Initial Fees. This rate will increase to $3,300, and the budget is based on 12 anticipated net property transactions in 2027. There are currently 18 projected transactions for 2026.

Guest Card fees and Annual Guest Pass fees remain unchanged for 2027. We believe the number of projected guest and tenant card transactions is conservative.

Transfer Fees will increase from $470 to $480. The proposed 2027 budget includes a projected 915 properties at the rate of $480 per transfer for a total of $439,200.

Recreation Revenue. Program revenue in 2027 is offset by recreation expense contracts that generally equal 70% of the recreation revenue.

The total anticipated revenue for 2027 is $13,381,072, which is an increase of $457,267 (3.5%) from the 2026 Budget.

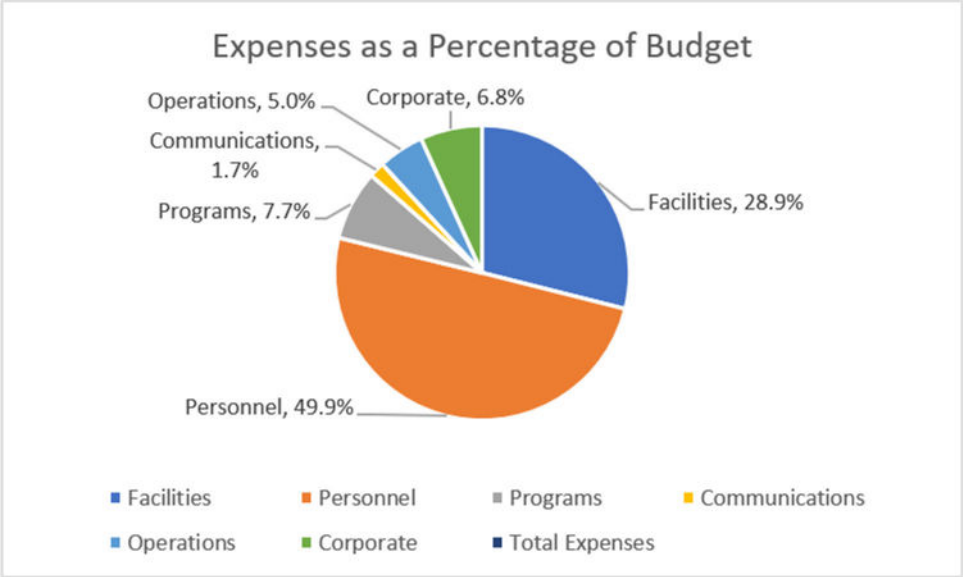
Expenditures

The FY2027 budget provides for all salaries and wages, employee benefits, operating expenditures, and non-reserve capital outlays. It also provides for significant funding to capital reserve funds.

Figure 9

	Total Expenses Fiscal Years 2022 - 2027						
	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budgeted	FY 2026 Projected	FY 2027 Recommended
Facilities	$ 3,343,227	$ 3,689,031	$ 3,475,794	$ 3,340,032	$ 3,324,057	$ 3,352,005	$ 3,594,731
Personnel	$ 5,143,126	$ 5,015,239	$ 5,565,775	$ 5,696,073	$ 5,837,662	$ 5,802,314	$ 6,198,654
Programs	$ 463,890	$ 472,846	$ 642,435	$ 708,330	$ 798,380	$ 893,959	$ 952,175
Communications	$ 209,141	$ 214,478	$ 231,646	$ 212,108	$ 248,069	$ 238,750	$ 210,985
Operations	$ 592,522	$ 705,331	$ 628,020	$ 665,202	$ 715,792	$ 589,494	$ 625,744
Corporate	$ 759,851	$ 913,377	$ 749,742	$ 828,928	$ 914,925	$ 816,956	$ 840,991
Total Expenses	$ 10,511,757	$ 11,010,302	$ 11,293,412	$ 11,450,673	$ 11,838,885	$ 11,693,478	$ 12,423,281

Figure 10 **Budgeted Expenditures by Category**



Personnel

The 2027 personnel costs include a 2.5% aggregate increase in wages. Over the course of 2026, we have added 4.0 full-time equivalents (FTE) with the addition of a pool operator and 3.0 FTEs for the Del Sol Café. This brings our total FTEs to 92.45, which we have budgeted to stay the same for 2027. The personnel costs for 2027 reflect a $370,956 total increase and include wage increases per the compensation plan. These personnel costs also include taxes, health and dental insurance, workers' compensation insurance, and other personnel-related expenditures. GVR anticipates a 5% mid-year increase in benefits cost rates for 2027. The total proposed changes from 2026 budgeted costs are:

Figure 11 **Historical Summary of GVR Full-Time Equivalents (FTEs), 2016-2027**

GVR
FTEs

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Information Technology	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	4.0	4.0
Administration	11.0	11.0	11.0	12.0	13.0	12.0	14.0	11.0	9.0	8.0	7.0	7.0
Membership Services								9.0	7.0	6.0	5.4	5.4
Administrative Services	14.0	14.0	14.0	16.0	17.0	16.0	18.0	24.0	21.0	19.0	16.4	16.4
Field Services										36.2	38.35	38.35
Recreation Services	23.0	23.0	23.0	23.0	23.0	23.0	23.0	34.4	28.2	8.6	8.7	8.7
Maintenance	13.0	13.0	13.0	14.0	13.0	13.0	13.0	12.0	15.0	15.0	13.0	13.0
Aquatics	6.0	6.0	6.0	6.0	6.0	7.0	5.0	5.0	6.0	6.0	7.0	7.0
Landscaping	5.0	5.0	5.0	6.0	6.0	6.0	7.0	8.0	6.0	6.0	6.0	6.0
Custodial	31.0	31.0	31.0	31.0	30.0	30.0	31.0	10.0	20.0			
Facility Services	55.0	55.0	55.0	57.0	55.0	56.0	56.0	35.0	47.0	27.0	26.0	26.0
Del Sol Clubhouse	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0
Total GVR	92.0	92.0	92.0	96.0	95.0	95.0	97.0	93.4	96.2	90.8	92.45	92.45

Corporate Expenses

The proposed corporate expenses budget reflects a decrease of $73,934 (-8.1%) compared to the 2026 budget.

- Information Technology has continued to value engineer our internal structure while maintaining controls and mitigating risk, and will be reducing expenses by over $6,000.
- Conferences and training reflect a $679 (2.8%) decrease from budgeted 2026 expenses.
- Commercial insurance includes a $10,993 (5.0%) mid-year increase due to rising insurance costs.
- GVR is not budgeting any additional allowance for doubtful accounts. The current allowance is $104,000, a $14,000 decrease during the 2026 fiscal year. This will be re-evaluated prior to the end of the year to determine if the allowance is sufficient based on our outstanding receivables.
- Investment expenses account for $90,000 of the operations expenses. These expenses are paid directly from the reserve accounts.

RESERVE FUNDING

The Capital Improvement Plan is summarized and included on page 29. Reserve funds include:

- Maintenance, Repair, and Replacement (MRR) capital budget is $2,774,653 and is detailed below. The 2026 MRR capital budget was $2,532,877.
- MRR-B is for replacement of pools and spas. The proposed budget is listed on page 15 and includes funding in the amount of $366,778. The only expenditure out of this pool fund is for the replacement of Abrego South, in the amount of $1,238,600.
- The Non-Reserve Capital projects amount for the proposed 2027 budget equals a total of $20,000 in capital projects for accessibility solutions.
- The Initiatives Fund Capital Projects budgeted for 2027 are on pages 16-17.
- The Emergency Fund has no budgeted expenditures in 2027.

Maintenance Repair & Replacement

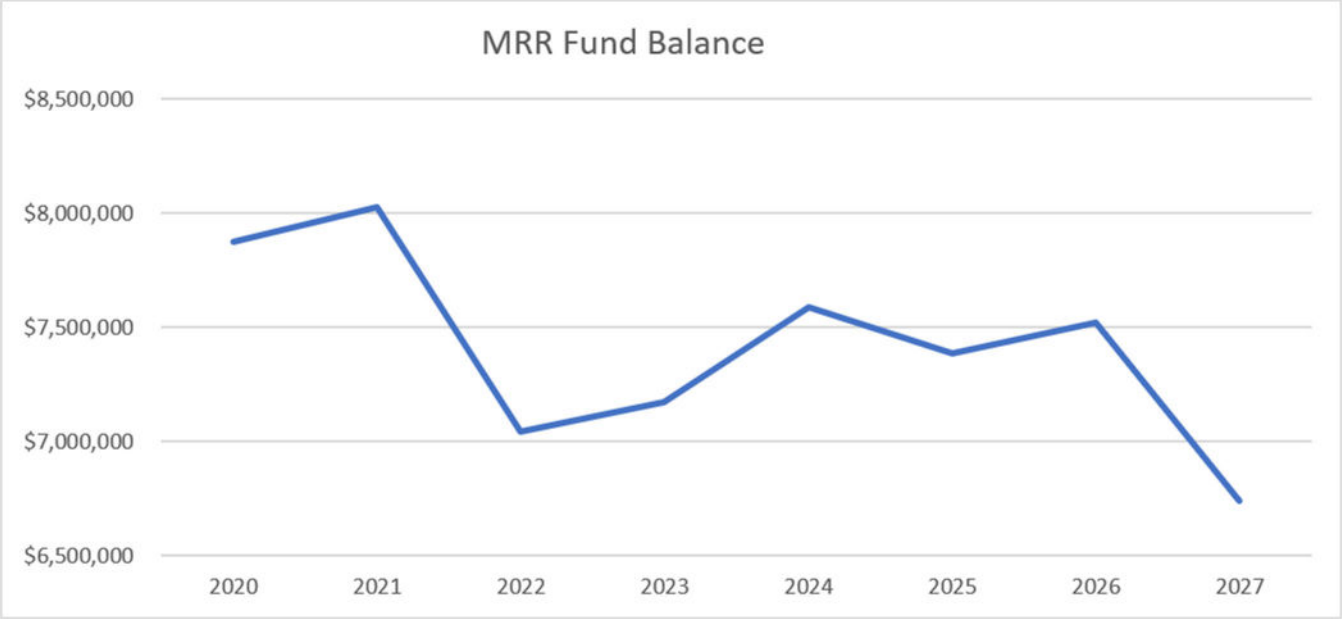
A major component of the 2027 budget is funding and execution of the Maintenance, Repair, and Replacement reserve (MRR). This reserve account is funded annually in January as determined by the reserve study. The MRR reserve study is a budgetary tool that establishes the annual contribution and schedules work components such as replacing floors and HVAC equipment, painting, pool maintenance, etc. The study provides a 30-year financial plan for maintaining and replacing components. The Browning Reserve Group, the consulting company that manages the study, states, "Based on the 30-year cash flow projection, GVR's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years."

The MRR Fund is a reserve fund invested in a separate investment account. This account has a unique Board-approved Investment Policy Statement (IPS) that allows GVR to achieve the best return on investment while minimizing the investment risk over the long term.

The MRR-A Reserve Study provides a structured framework for long-term forecasting, but the assumptions are established and continually refined by staff based on actual operating experience, market conditions, and anticipated costs. The Reserve Study allows staff to project two, three, and four years out while adjusting for what we are actually seeing in the marketplace. If pool furniture is lasting five years rather than seven, or recent bids are materially higher than projected, we adjust the assumptions accordingly. It is a collaborative

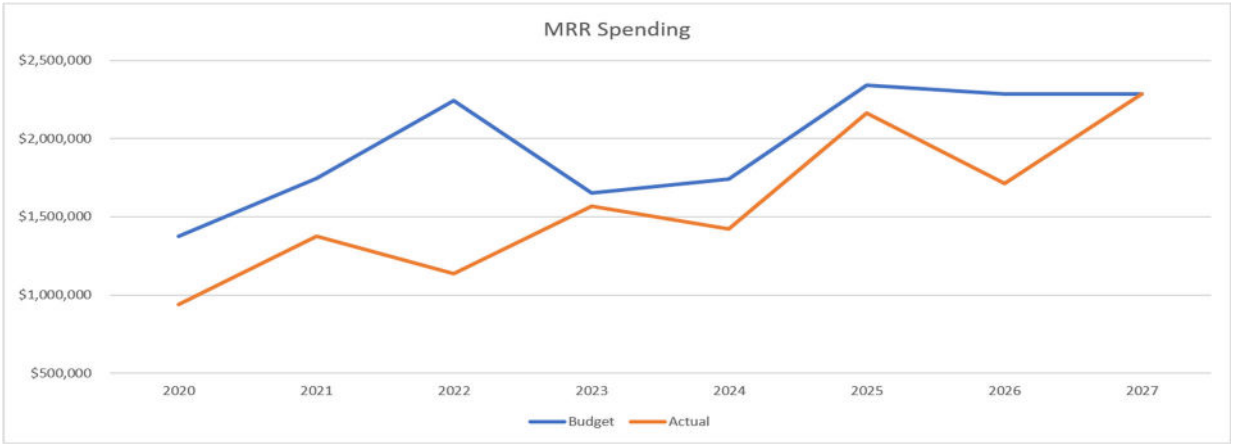
process with the consultant. The Reserve Study provides the framework; staff provides the operational knowledge and judgment necessary to keep the projections realistic. The Reserve Study does not dictate the budget—it informs it. Over the past several years, our experience with the consultant has enabled us to use the tool more effectively and make it a valuable resource for long-term budgeting and capital planning.

Figure 13 **GVR MRR Fund Balance Trend 2020-2027**



The budgeted MRR contribution equates to $108.37 per household and constitutes 18.8% of the proposed annual dues rate ($108.37 / $575.00). The fund contribution for January 2027 is $1,508,102, which equals 9.9% of the 2027 Total Operating and Capital Budget. GVR anticipates spending $2,774,653 on MRR components in 2027. GVR's commitment to maintaining its assets is reflected in the growth of actual expenditures out of the MRR Fund:

Figure 14 **GVR MRR Components Spending Trend, 2020-2027**



MRR funding is budgeted at $1,508,102 as presented by the Browning Reserve Group, which is $108,000 more than 2026. The third draft 2026 reserve study report has calculated the MRR reserve funding level to be 47.1% for 2027. The prior year funding level was 50.4%. The MRR funding increased $7.55 to approximately $108.37 per member household. These percentages will change once we receive the first draft and then after the final draft is received prior to the audit.

Figure 15

Maintenance Repair and Replacement (MRR - A) Fund Budgeted Expenditures for 2027	Total Amount	Percent of Total MRR - A Budget
Roofing	$650,000	23.43%
Sports Courts	$429,276	15.47%
Pool Equipment and Decks	$374,247	13.49%
Kitchen, Restroom & Locker Room Rehab	$366,534	13.21%
Vehicles	$135,962	4.90%
Painting Exterior	$127,187	4.58%
Structural Repairs	$105,302	3.80%
Furnishings	$94,548	3.41%
Recreation	$92,296	3.33%
Flooring	$91,814	3.31%
Outdoor Equipment	$61,161	2.20%
Mechanical Equipment	$47,362	1.71%
Office Equipment	$46,161	1.66%
Safety	$36,772	1.33%
Painting Interior	$36,236	1.31%
Appliances	$35,253	1.27%
Water System	$19,542	0.70%
Audio / Visual	$10,000	0.36%
Maintenance Equipment	$10,000	0.36%
Fencing	$5,000	0.18%
Total 2027 MRR - A Budget	**$2,774,653**	**100%**

MRR-B (Pools and Spas Replacement)

The funding of MRR-B is budgeted at $366,778 and is $23,995 (7.0%) more than in 2026. The construction of Abrego South Pool will start by the end of 2026, concluding in the late spring of 2027. The project estimate is $1,238,600, split between 2026 and 2027.

Non-Reserve Capital

The 2026 Non-Reserve Capital Budget was $20,000. Due to 2027 budget constraints, this budget does not include the $100,000 allocation for non-budgeted, unplanned items, per the Capital Improvement Policy and Process. However, the 2027 Budget does include $20,000 for accessibility projects.

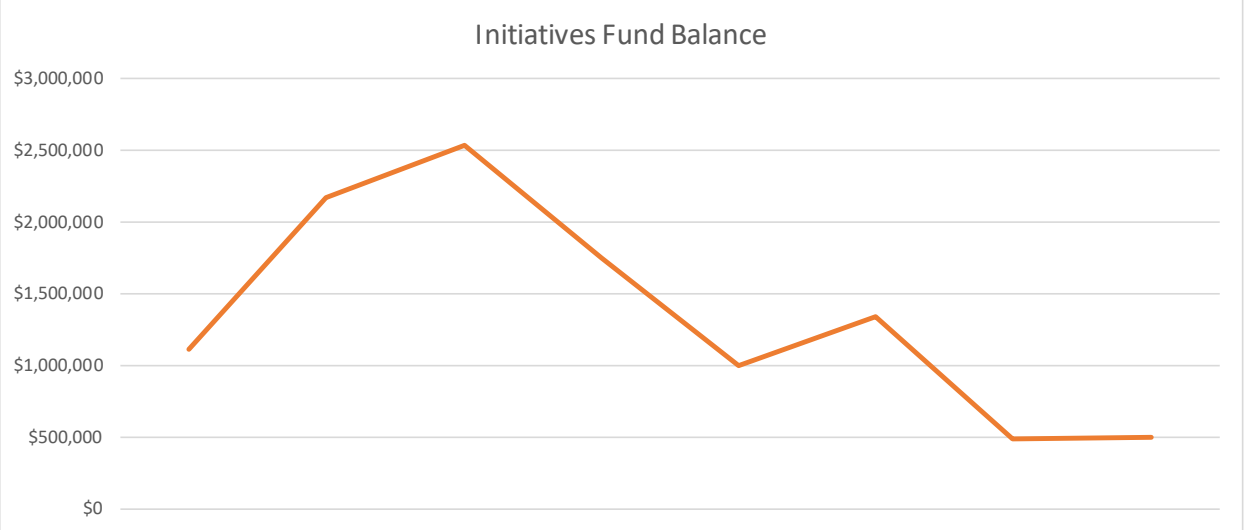
Initiatives Reserve Fund

The Initiatives Reserve Fund is funded as prescribed by CPM Section 5.3.5 where 20% of the Membership Change Fee and 25% of Initial Fees assessed on each GVR member property sold is transferred to the Initiatives Reserve Fund on a monthly basis. Figure 16 illustrates the balance of this fund over the past five years:

Figure 16 **GVR Initiatives Reserve Fund Balances 2020-2027**

GVR Initiative Reserve Fund Balance (2020 - 2027)

2020	2021	2022	2023	2024	2025	2026*	2027*
$ 1,114,873	$ 2,166,737	$ 2,531,557	$ 1,750,056	$ 993,706	$ 1,339,862	$ 484,488	$ 498,897



*Estimated

GVR has invested over $5.5 million in Initiatives projects since 2020, including the Pickleball Center, Del Sol Clubhouse, Glass Arts, Desert Hills Fitness Center, Artisan Shop, Metal Arts, West Center Lobby, Las Campanas Fitness Center Expansion, Santa Rita Springs Fitness Center Expansion and West Center Lapidary Expansion.

Figure 17

GVR
Budget
FY 2027

		2027
INITIATIVES CAPITAL IMPROVEMENT PLAN:		
Del Sol Clubhouse Parking Lot Note	$	11,000
Woodshop Expansion	$	300,000
Abrego South Locker Room Building	$	175,000
EC Tennis Court ($150,000)	$	60,000
Infrared Sauna	$	11,000
Shade Structures-Pools	$	47,000
TOTAL BUDGETED INITIATIVES CAPITAL	**$**	**604,000**

Based on current revenue projections, the Initiatives Reserve Fund is anticipated to have enough cash to fund all these projects. See Five-Year Capital Improvement Plan on page 29.

BUDGET SUMMARY

The proposed 2027 budget is based on a net zero surplus approach. Adjustments to the net consolidated accrual basis surplus can be seen below:

Adjustments to the Net Consolidated Accrual Basis Surplus

Total Budgeted Income	$13,381,072
Total Budgeted Expenses	($12,423,281)
Gross Surplus	$ 957,791
Less Non-Cash In-Kind Revenue	($ 2,250)
Less Non-Reserve Capital Projects	($ 20,000)
Less Income from Reserves	($ 290,500)
Initiatives Reserve Funding	($ 552,420)
MRR-B Pools & Spas Reserve Funding	($ 366,778)
MRR Reserve Funding	($ 1,508,102)
MRR Operating Expenses paid by MRR Fund	$ 115,054
Depreciation	$ 1,577,204
Management expenses of Reserve Funds	$ 90,000
Net Surplus (Deficit)	$ 0

The amounts to determine the zero-balance budget are also listed at the bottom of page 26.

The total anticipated expenditures for 2027 are $12,423,281 which is an increase of $584,395 (4.9%) from the 2026 Budget.

DEPARTMENT DETAILS

Facilities Maintenance Department

The Facilities Department is responsible for maintaining and improving GVR's physical infrastructure, ensuring that all facilities are safe and fully operational. The department oversees the planning and execution of maintenance, repair, and capital improvement projects to enhance the quality of services for members.

Significant 2026 Accomplishments

- Completed approximately two million dollars' worth of maintenance, repair, and replacement projects, including:
    - Renovations at Las Campanas including new flooring, new paint, and a lobby redesign to provide a new space for drop-in use.
    - Rehabilitation of the West Center locker rooms, pool, spa, and pool deck
    - Exterior paint at Las Campanas (pending), the Pickleball Center, Continental Vistas, Abrego North, and Casa Paloma II
    - Structural repairs in four locations
    - Pool equipment upgrades at Las Campanas (pending)
    - Roofing repairs and recoating in seven locations
    - Paving repair and maintenance in five locations
    - HVAC and water heater replacement in six locations
    - Updated fire suppression systems in two locations
    - Updated flooring at Canoa Ranch and East Center
- Completed five capital improvement projects:
    - Expansion of kiln room at Desert Hills Ceramics Studio
    - West Center lobby renovation to consolidate member services and customer services
    - Las Campanas fitness expansion
    - Santa Rita Springs fitness expansion
    - Pickleball Center fencing
- Completed landscaping overhaul projects at West Center and Las Campanas.
- Completed on-demand and preventive work orders at an average rate of 309 per month, up from 247 in 2026.

Budget Highlights

- Despite the unpredictable market and rising cost of gasoline, the Facilities Department is pleased to be on budget for 2026. Improved preventive maintenance systems implemented in 2026 contributed to this outcome.

Figure 18 **GVR Facilities Maintenance Personnel 2023-2027**

Positions	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Maintenance	12	15	15	13	13
Landscaping	8	6	6	6	6
Aquatics	5	6	6	7	7
Total Personnel	**25**	**27**	**27**	**26**	**26**

Figure 19 **Facilities Maintenance Summary of Expenditures, 2023-2027**

Type	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Salaries & Wages	1,016,388	1,212,042	1,198,895	1,213,895	1,319,895
Taxes	75,736	86,182	87,501	92,863	100,925
Benefits	283,614	333,598	219,572	228,119	260,831
Other Operating Costs	2,518,778	2,201,879	2,189,732	2,252,333	2,065,344
Total Expenditures	**$3,894,101**	**$3,833,702**	**$3,695,700**	**$3,787,210**	**$3,746,995**

Administrative Services

GVR's Administrative Services Department encompasses a range of critical functions, including member services, human resources, finance, administration, governance, communications, information technology, and risk management. These departments ensure efficient operations, support organizational governance, and provide essential services that enhance our member experience and internal operations.

Significant 2026 Accomplishments

- Reduction in Property Taxes by $28k.
- Enhanced our employee review process.

- Surveyed employees for feedback on areas of opportunity.
- Continue to manage our vendor relationships to maximize value for our members:
    - New copier lease with an annual savings of over $14,000.
    - Negotiated a lump sum buyout of our cell towers for over $900k.
    - Managed our outgoing cash to maximize vendor terms and increase our interest earned.
    - New Cell Tower Agreement at East Center to generate future revenue starting in 2028.
    - Increased usage of our corporate credit card program to increase rebates and reduce our bank fees.

Figure 20 **Administrative Services Personnel, 2023-2027**

Positions	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Information Technology	4	5	5	4	4
Administration (Finance, HR, Communications, Admin)	11	9	8	7	7
Membership Services	9	7	6	5.4	5.4
Total Personnel	**24**	**21**	**19**	**16.4**	**16.4**

Figure 21 **Administrative Services Summary of Expenditures, 2023-2027**

Type	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Salaries & Wages	$1,234,350	$1,285,524	$1,327,521	$1,353,373	$1,241,786
Taxes	$91,242	$100,419	$98,536	$108,533	$100,693
Benefits	$289,536	$303,933	$333,741	$333,243	$285,837
Other Operating Costs	$1,412,762	$1,295,703	$1,201,110	$1,250,709	$1,392,221
Total Expenditures	**$3,027,890**	**$2,985,579**	**$2,960,908**	**$3,045,858**	**$3,020,537**

Field Services

In 2025, Field Services became GVR's largest department, including Custodial, Recreation Services Attendant (RSA), and Center Operations Assistant (COA), and

Procurement/Inventory Control staff members. Field Services staff provide on-site customer service and perform various roles, maximizing efficiency and quality.

Budget Highlights

In 2026, the diligent work of the Procurement/Inventory Control team resulted in a budget surplus for this department.

Figure 22 **Field Services Personnel 2023-2027**

Positions	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Field Services	0	0	36.2	38.35	38.35
Custodial	10	20	0	0	0
Total Personnel	**10**	**20**	**36.2**	**38.35**	**38.35**

Figure 23 **Field Services, Summary of Expenditures 2023-2027**

Type	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Salaries & Wages	$200,001	$131,198	$1,484,041	$1,557,975	$1,670,667
Taxes	$16,107	$10,727	$121,189	$119,185	$127,806
Benefits	$19,421	$36,066	$241,403	$241,471	$317,292
Other Operating Costs	$175,296	$341,402	$148,764	$176,740	$157,682
Total Expenditures	**$410,825**	**$519,393**	**$1,995,397**	**$2,095,371**	**$2,273,447**

Recreation Services Department

Recreation Services is responsible for supporting clubs and delivering all programs and events, including concerts, dances, leisure education, personal training, tours, movies, and various free activities. Additionally, the Clubhouse Café falls under Recreation Services.

Significant 2026 Accomplishments

Thanks to a staff commitment to steadily grow and diversify programs and events, the Recreation Department will complete 2026 swimmingly and continue into 2027 with very favorable numbers.

- Leisure Education class attendance, through August of each year, is up 2% in 2026 over 2025. This follows increases of 12% and 34% in the prior two years.
- Event/Tour attendance is up 44% through August of each year. We have increased the number of tours and smaller, free events associated with the Clubhouse Café.
- The Clubhouse Café began serving coffee/espresso drinks and baked goods in April, 2026. Recently, a sandwich menu was added during lunch hours, to be followed by additions of soup, salads and desserts.

Figure 24 **Recreation Services Personnel 2023-2027**

Positions	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Recreation Services	34.4	28.2	8.6	8.7	8.7
Del Sol Café	0	0	0	0.0	3.0
Total Personnel	**34.4**	**28.2**	**8.6**	**8.7**	**11.7**

Figure 25 **Recreation Services, Summary of Expenditures, 2023-2027**

Type	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Budget	FY 2027 Budget
Salaries & Wages	$1,386,893	$1,419,049	$435,931	$459,052	$473,985
Taxes	$105,600	$126,304	$35,730	$35,117	$36,260
Benefits	$296,350	$290,858	$112,013	$94,835	$91,404
Other Operating Costs	$581,988	$567,613	$751,882	$874,121	$1,129,800
Total Expenditures	**$2,370,831**	**$2,403,824**	**$1,335,556**	**$1,463,125**	**$1,731,449**

CLOSING

Special thanks to the members of the Fiscal Affairs Committee, chaired by Director Lanny Smith, the clubs who participated in the early Initiative projects planning session, and our board members who contributed throughout the FY2027 budget process.

GVR provides important services to a unique population of approximately **22,300** members in Green Valley, Arizona. With a lean staffing ratio of **one** staff position for every **241** members, our team continues to demonstrate a strong commitment to stewardship and to making every dollar count. Through careful planning, thoughtful decision-making, and a shared commitment to fiscal responsibility, GVR staff work diligently to provide a high level of service and quality facilities our members expect and deserve.

Developing the FY2027 Budget required us to carefully balance organizational priorities with available resources while completing the 2022-2026 Five-Year Strategic Plan. As we enter the next fiscal year, we will continue to closely monitor revenues and expenditures, ensuring that revenues are tracking as budgeted and making thoughtful adjustments when necessary. We are confident that our dedicated staff will continue to meet these challenges with the resourcefulness, dedication, and commitment they have demonstrated throughout the budget process.

The FY2027 Budget is the result of many hours of collaboration among staff, the Fiscal Affairs Committee, and the Board of Directors. We extend our sincere appreciation to everyone involved, with special thanks to our staff and management team for their hard work.

In summary, the FY2027 Budget fulfills the Bylaws requirement that GVR "shall be guided by the actual expense of operating the recreational facilities of the corporation, including a reasonable reserve for capital replacements with the objective of operating the facilities on a self-sustaining basis." It continues to provide a solid foundation for keeping GVR fiscally strong, responsive to our members, and focused on you!

Scott Somers, CEO

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	2027 Budget	2027 1..12 Budget
	Full Time Equivalents	92.45
	Head Count	116
Revenue	Member Dues	8,001,700
	Life Care, Transfer Fees, Card Fees	750,730
	Capital Revenue	2,752,200
	Membership Revenue	11,504,630
	Programs	563,574
	Instructional	552,048
	Recreational Revenue	1,115,622
	Investment Income	415,000
	Advertising Income	-
	Cell Tower Lease Income	-
	Communication Revenue	-
	Other Income	109,750
	Facility Rent/Leases	14,520
	Café Sales Income	216,550
	Contributed Income	5,000
	Other Revenue	345,820
	Total Operating Revenue	13,381,072
Expenses	Major Proj.-Rep. & Maint.	244,724
	Facility Maintenance	387,763
	Fees & Assessments	-
	Utilities	1,042,493
	Depreciation	1,577,204
	Furniture & Equipment	252,546
	Vehicle Expenses	90,000
	Facilities & Equipment	3,594,731
	Wages	4,825,093
	Payroll Taxes	374,120
	Benefits	999,442
	Personnel	6,198,654
	Food & Catering	105,003
	Recreation Contracts	760,049
	Bank & Credit Card Fees	87,123
	Program	952,175
	Communications	92,020
	Printing	103,965
	Advertising	15,000
	Communications	210,985
	Supplies	465,049
	Postage	22,800
	Dues & Subscriptions	19,770
	Travel	8,575
	Other Operating Expense	109,550
	Operations	625,744
	Information Technology	136,508
	Professional Fees	191,250
	Commercial Insurance	458,057
	Taxes	18,654
	Conferences & Training	23,522
	Employee Recognition	13,000
	Corporate Expenses	840,991
	Total Operating Expenses	12,423,281
Net	Gross Surplus (Rev-Exp)/Net Cash Flow	957,791
	Accrual Basis Net from Operations	957,791
Adj. to Cash Basis	Subtract:	
	Non-Reserve Capital Projects	(20,000)
	Income From Reserve Funds	(290,500)
	Reserved Funding/Initiatives	(552,420)
	MRR B (Pools & Spas)	(366,778)
	Deduct Non-Cash In Kind Revenue	(2,250)
	Reserve Funding/MRR A	(1,508,102)
	Cash Basis Change in Net Assets Net of Reserve	(1,782,259)
	Add Back:	
	MRR Operating Expenses	115,054
	Depreciation	1,577,204
	Expenses from Reserve Funds	90,000
	Cash Basis Net Surplus (Deficit)	-

	2027 Budget	2026 1..12 Budget	2026 1..12 Projected	2027 1..12 Budget	2027 Budget v. 2026 Projected		2027 Budget v 2026 Budgeted	
	Full Time Equivalents	88.45	92.45	92.45				
	Head Count	111	116	116				
Revenue	Member Dues	7,568,960	7,578,564	8,001,700	423,136	5.6%	432,740	5.7%
	Life Care, Transfer Fees, Card Fees	800,700	828,194	750,730	(77,464)	-9.4%	(49,970)	-6.2%
	Capital Revenue	2,860,800	2,524,416	2,752,200	227,784	9.0%	(108,600)	-3.8%
	Membership Revenue	11,230,460	10,931,174	11,504,630	573,456	5.2%	274,170	2.4%
	Programs	571,456	559,227	563,574	4,347	0.8%	(7,882)	-1.4%
	Instructional	498,000	552,073	552,048	(25)	0.0%	54,048	10.9%
	Recreational Revenue	1,069,456	1,111,300	1,115,622	4,322	0.4%	46,166	4.3%
	Investment Income	435,000	534,478	415,000	(119,478)	-22.4%	(20,000)	-4.6%
	Advertising Income	-		-			-	
	Cell Tower Lease Income	48,919	51,804	-	(51,804)	-100.0%	(48,919)	-100.0%
	Communication Revenue	48,919	51,804	-	(51,804)	-100.0%	(48,919)	-100.0%
	Other Income	121,350	120,910	109,750	(11,160)	-9.2%	(11,600)	-9.6%
	Facility Rent/Leases	18,620	23,296	14,520	(8,776)	-37.7%	(4,100)	-22.0%
	Café Sales Income	-	90,935	216,550	125,615	138.1%	216,550	N/A
	Contributed Income	-	51,687	5,000	(46,687)	-90.3%	5,000	N/A
	Other Revenue	139,970	286,829	345,820	58,991	20.6%	205,850	147.1%
							-	
	Total Operating Revenue	12,923,805	12,915,585	13,381,072	465,487	3.6%	457,267	3.5%
Expenses								
	Major Proj.-Rep. & Maint.	238,970	246,801	244,724	(2,077)	-0.8%	5,754	2.4%
	Facility Maintenance	421,600	366,849	387,763	20,914	5.7%	(33,837)	-8.0%
	Fees & Assessments	1,000	317	-	(317)	-100.0%	(1,000)	-100.0%
	Utilities	1,084,093	987,796	1,042,493	54,697	5.5%	(41,600)	-3.8%
	Depreciation	1,268,520	1,433,822	1,577,204	143,382	10.0%	308,684	24.3%
	Furniture & Equipment	229,874	209,270	252,546	43,276	20.7%	22,672	9.9%
	Vehicle Expenses	80,000	107,150	90,000	(17,150)	-16.0%	10,000	12.5%
	Facilities & Equipment	3,324,057	3,352,005	3,594,731	242,726	7.2%	270,674	8.1%
	Wages	4,584,295	4,513,999	4,825,093	311,094	6.9%	240,798	5.3%
	Payroll Taxes	355,698	361,463	374,120	12,657	3.5%	18,422	5.2%
	Benefits	897,670	926,852	999,442	72,589	7.8%	101,772	11.3%
	Personnel	5,837,662	5,802,314	6,198,654	396,340	6.8%	360,992	6.2%
	Food & Catering	78,698	72,122	105,003	32,881	45.6%	26,305	33.4%
	Recreation Contracts	651,787	740,133	760,049	19,916	2.7%	108,262	16.6%
	Bank & Credit Card Fees	67,895	81,704	87,123	5,420	6.6%	19,228	28.3%
	Program	798,380	893,959	952,175	58,217	6.5%	153,795	19.3%
	Communications	107,569	110,219	92,020	(18,199)	-16.5%	(15,549)	-14.5%
	Printing	129,500	98,531	103,965	5,434	5.5%	(25,535)	-19.7%
	Advertising	11,000	30,000	15,000	(15,000)	-50.0%	4,000	36.4%
	Communications	248,069	238,750	210,985	(27,765)	-11.6%	(37,084)	-14.9%
	Supplies	570,906	432,585	465,049	32,464	7.5%	(105,857)	-18.5%
	Postage	21,125	25,025	22,800	(2,225)	-8.9%	1,675	7.9%
	Dues & Subscriptions	13,687	12,408	19,770	7,362	59.3%	6,083	44.4%
	Travel	8,623	9,139	8,575	(564)	-6.2%	(48)	-0.6%
	Other Operating Expense	101,451	110,337	109,550	(787)	-0.7%	8,099	8.0%
	Operations	715,792	589,494	625,744	36,250	6.1%	(90,048)	-12.6%
	Information Technology	142,777	118,422	136,508	18,086	15.3%	(6,269)	-4.4%
	Professional Fees	234,350	213,595	191,250	(22,345)	-10.5%	(43,100)	-18.4%
	Commercial Insurance	447,064	450,464	458,057	7,593	1.7%	10,993	2.5%
	Taxes	53,533	17,771	18,654	883	5.0%	(34,878)	-65.2%
	Conferences & Training	24,201	4,649	23,522	18,873	406.0%	(679)	-2.8%
	Employee Recognition	13,000	12,055	13,000	945	7.8%	-	0.0%
	Corporate Expenses	914,925	816,956	840,991	24,036	2.9%	(73,934)	-8.1%
	Total Operating Expenses	11,838,885	11,693,478	12,423,281	729,803	6.2%	584,395	4.9%
Net	Gross Surplus (Rev-Exp)/Net Cash Flow	1,084,920	1,222,107	957,791				
	Accrual Basis Net from Operations	1,084,920	1,222,107	957,791				
Adj. to Cash Basis	Subtract:							
	Non-Reserve Capital Projects	(20,000)	(22,486)	(20,000)				
	Income From Reserve Funds	(260,400)	(340,533)	(290,500)				
	Reserved Funding/Initiatives	(575,040)	(507,763)	(552,420)				
	MRR B (Pools & Spas)	(342,783)	(342,783)	(366,778)				
	Deduct Non-Cash In Kind Revenue	(4,000)	(2,250)	(2,250)				
	Reserve Funding/MRR A	(1,400,102)	(1,400,102)	(1,508,102)				
	Cash Basis Change in Net Assets Net of Reserves	(1,517,405)	(1,393,810)	(1,782,259)				
	Add Back:							
	MRR Operating Expenses	172,885	172,885	115,054				
	Depreciation	1,268,520	1,433,822	1,577,204				
	Expenses from Reserve Funds	76,000	92,860	90,000				
	Cash Basis Net Surplus (Deficit)	-	305,757	-				

Fee Schedule

	2026			2027		
	Fee	Quantity	Revenue	**Fee**	**Quantity**	**Revenue**
Annual Dues per Household	$545	13,888	$7,568,960	**$575**	**13,916**	**$8,001,700**
Life Care, Transfer, Tenant & Addl Card Fees						
Annual Life Care Member Dues	$545	42	$22,890	**$575**	**42**	**$24,150**
Transfer Fee (Resale)	$470	1,040	$488,800	**$480**	**915**	**$439,200**
Guest Card Fees Annual Pass						
Guest Card Daily Pass	$5	550	$2,750	**$5**	**550**	**$2,750**
Guest Card Weekly Pass	$15	450	$6,755	**$15**	**450**	**$6,750**
Guest Card Annual Pass (30 Day Punch Pass)	$85	1,400	$119,000	**$85**	**1,400**	**$119,000**
1-7 Days	$40	60	$2,400	**$45**	**54**	**$2,430**
2 Weeks	$50	72	$3,600	**$55**	**65**	**$3,575**
1 Month	$65	282	$18,330	**$70**	**254**	**$17,780**
2 Months	$100	220	$22,000	**$105**	**198**	**$20,790**
3 Months	$140	258	$36,120	**$145**	**233**	**$33,785**
4 Months	$180	95	$17,100	**$185**	**86**	**$15,910**
5 Months	$215	95	$20,425	**$220**	**86**	**$18,920**
6-12 Month Pass	$250	195	$48,540	**$255**	**176**	**$44,670**
Tenant Fees		1,277	$168,515		**1,152**	**$157,860**
Additional Card Fees	$140	4	$560	**$170**	**6**	**$1,020**
Membership Change Fee	$3,200	876	$2,803,200	**$3,300**	**822**	**$2,712,600**
Initial Fee	$3,200	18	$57,600	**$3,300**	**12**	**$39,600**
Capital Revenue			$2,860,800			**$2,752,200**
Late Fees	$25	3,200	$80,000	**$25**	**3,200**	**$80,000**
Estate Planning Fee	$105			**$105**		
GVR Card Issuance Fee	$5	1,400	$7,000	**$5**	**1,400**	**$7,000**
Card Replacement Fee	$5	250	$1,250	**$5**	**250**	**$1,250**

GVR
Budget
FY 2027

	2027
INITIATIVES CAPITAL IMPROVEMENT PLAN:	
Del Sol Clubhouse Parking Lot Note	$ 11,000
Woodshop Expansion	$ 300,000
Abrego South Locker Room Building	$ 175,000
EC Tennis Court ($150,000)	$ 60,000
Infrared Sauna	$ 11,000
Shade Structures-Pools	$ 47,000
TOTAL BUDGETED INITIATIVES CAPITAL	**$ 604,000**
NON RESERVE CAPITAL PROJECTS	**$ 20,000**
MRR-A CAPITAL PROJECTS	**$ 2,774,653**
MRR-B - POOLS AND SPAS - ABREGO SOUTH	**$ 1,238,600**
GRAND TOTAL CAPITAL BUDGET	**$ 4,637,253**
2027 OPERATING BUDGET	$ 12,423,281
GRAND TOTAL 2027 BUDGETS	$ 17,060,534

Capital Improvement Plan (CIP)
Cash Funding Projections

	2027	2028	2029	2030	2031
Initiatives					
Beginning Balance	$ 484,488	$ 451,897	$ 348,145	$ 860,698	$ 844,350
Funding From Operations Revenue	$ 552,420	$ 571,200	$ 588,000	$ 604,800	$ 604,800
Additional Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 13,989	$ 13,048	$ 10,053	$ 24,852	$ 24,380
Club Contributions	$ 5,000				
Total Revenue	**$ 571,409**	**$ 584,248**	**$ 598,053**	**$ 629,652**	**$ 629,180**
Expenditures					
Current Projects:					
Del Sol Clubhouse Parking Lot Note	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	
Woodshop Expansion	$ (300,000)	$ (600,000)			
LC Third Tennis Court				$ (200,000)	
SRAL Lower Level Expansion				$ (400,000)	
Abrego South Locker Room Building	$ (175,000)				
Metal Arts Shop & Yard				$ (35,000)	
Proposed Projects:					
EC Tennis Court ($150,000)	$ (60,000)				
DH Steam Room			$ (60,000)		
Infrared Sauna	$ (11,000)				
Sidewalk at SRS			$ (14,500)		
Shade Structures-Pools	$ (47,000)	$ (77,000)			
Total Expenditures	**$ (604,000)**	**$ (688,000)**	**$ (85,500)**	**$ (646,000)**	**$ -**
Ending Balance	**$ 451,897**	**$ 348,145**	**$ 860,698**	**$ 844,350**	**$ 1,473,531**
Maintenance Repair & Replacement					
Beginning Balance	$ 7,522,214	$ 6,739,667	$ 6,691,540	$ 6,498,781	$ 6,747,175
Annual Funding (per Reserve Study)	$ 1,508,102	$ 1,616,102	$ 1,724,102	$ 1,832,102	$ 1,940,102
Additional Funding					
Net Investment Earnings	$ 484,004	$ 428,384	$ 441,744	$ 423,877	$ 447,148
Projects:					
Per Reserve Study (Third Draft 2026 for 2028+)	$ (2,774,653)	$ (2,092,613)	$ (2,358,605)	$ (2,007,585)	$ (2,218,780)
Ending Balance	**$ 6,739,667**	**$ 6,691,540**	**$ 6,498,781**	**$ 6,747,175**	**$ 6,915,645**
MRR Part B - Pools and Spas					
Beginning Balance	$ 2,201,512	$ 1,434,990	$ 1,902,367	$ 2,417,505	$ 2,984,364
Funding	$ 366,778	$ 392,452	$ 419,924	$ 449,319	$ 480,771
Additional Funding					
Net Investment Earnings	$ 105,300	$ 74,925	$ 95,214	$ 117,540	$ 142,071
Abrego South Pool	$ (1,238,600)				
Ending Balance	**$ 1,434,990**	**$ 1,902,367**	**$ 2,417,505**	**$ 2,984,364**	**$ 3,607,205**
Subtotal Capital Projects Reserves	**$ 8,626,554**	**$ 8,942,052**	**$ 9,776,984**	**$ 10,575,889**	**$ 11,996,381**
Emergency					
Beginning Balance	$ 641,272	$ 667,564	$ 694,934	$ 723,426	$ 753,087
Annual Funding	$ -	$ -	$ -	$ -	$ -
Transfer to Initiative					
Net Investment Earnings	$ 26,292	$ 27,370	$ 28,492	$ 29,660	$ 30,877
Projects:					
Ending Balance	**$ 667,564**	**$ 694,934**	**$ 723,426**	**$ 753,087**	**$ 783,964**
Total Board Designated Funds	**$ 9,294,118**	**$ 9,636,986**	**$ 10,500,410**	**$ 11,328,976**	**$ 12,780,345**

	2027 Budget & 3-Year Forecast	2027 1..12 Budget	2028 Forecast	2029 Forecast	2030 Forecast
	Full Time Equivalents	92.45	92.45	92.45	92.45
	Head Count	116	116	116	116
Revenue	Member Dues	8,001,700	8,287,160	8,642,800	8,999,040
	Life Care, Transfer Fees, Card Fees	750,730	782,540	783,590	789,240
	Capital Revenue	2,752,200	2,845,800	2,929,500	3,013,200
	Membership Revenue	11,504,630	11,915,500	12,355,890	12,801,480
	Programs	563,574	591,753	633,175	677,498
	Instructional	552,048	568,609	597,040	629,877
	Recreational Revenue	1,115,622	1,160,362	1,230,215	1,307,375
	Investment Income	415,000	423,300	431,766	440,401
	Cell Tower Lease Income	-	-	-	-
	Communication Revenue	-	-	-	-
	Other Income	109,750	111,945	114,744	118,186
	Facility Rent/Leases	14,520	14,956	15,404	15,866
	Café Sales Income	216,550	225,212	234,220	243,589
	Contributed Income	5,000	-	-	-
	Other Revenue	345,820	352,113	364,368	377,642
	Total Operating Revenue	13,381,072	13,851,275	14,382,240	14,926,898
Expenses	Major Proj.-Rep. & Maint.	244,724	249,618	254,611	259,703
	Facility Maintenance	387,763	395,518	403,429	411,497
	Fees & Assessments	-	-	-	-
	Utilities	1,042,493	1,101,205	1,136,727	1,174,751
	Depreciation	1,577,204	1,608,748	1,640,923	1,673,742
	Furniture & Equipment	252,546	257,597	262,749	268,004
	Vehicle Expenses	90,000	91,800	93,636	95,509
	Facilities & Equipment	3,594,731	3,704,487	3,792,075	3,883,206
	Wages	4,825,093	5,018,097	5,218,821	5,427,573
	Payroll Taxes	374,120	389,084	404,648	420,834
	Benefits	999,442	1,049,414	1,091,390	1,135,046
	Personnel	6,198,654	6,456,595	6,714,859	6,983,453
	Food & Catering	105,003	107,103	109,245	111,430
	Recreation Contracts	760,049	790,451	829,973	871,472
	Bank & Credit Card Fees	87,123	88,866	90,643	92,456
	Program	952,175	986,420	1,029,862	1,075,358
	Communications	92,020	93,860	95,738	97,652
	Printing	103,965	106,044	108,165	110,328
	Advertising	15,000	15,300	15,606	15,918
	Communications	210,985	215,204	219,509	223,899
	Supplies	465,049	471,638	474,590	474,064
	Postage	22,800	23,256	23,721	24,196
	Dues & Subscriptions	19,770	20,165	20,569	20,980
	Travel	8,575	8,661	8,747	8,835
	Other Operating Expense	109,550	110,646	111,752	112,869
	Operations	625,744	634,366	639,380	640,944
	Information Technology	136,508	139,238	142,022	144,863
	Professional Fees	191,250	193,589	197,461	201,410
	Commercial Insurance	458,057	480,960	495,389	510,251
	Taxes	18,654	19,028	19,408	19,796
	Conferences & Training	23,522	23,522	23,757	23,995
	Employee Recognition	13,000	13,000	13,130	13,261
	Corporate Expenses	840,991	869,337	891,168	913,576
	Total Operating Expenses	12,423,281	12,866,409	13,286,851	13,720,436
Net	Gross Surplus (Rev-Exp)/Net Cash Flow	957,791	984,866	1,095,388	1,206,462
	Unrealized Gain/(Loss) on Investments		-	-	-
	Accrual Basis Net from Operations	957,791	984,866	1,095,388	1,206,462
Adj. to Cash Basis	Subtract: In Kind	(2,250)	(2,250)	(2,250)	(2,250)
	Non-Reserve Capital Projects	(20,000)	(20,000)	(20,000)	(20,000)
	Income From Reserve Funds	(290,500)	(296,310)	(302,236)	(308,281)
	Reserved Funding/Initiatives	(552,420)	(571,200)	(588,000)	(604,800)
	MRR B (Pools & Spas)	(366,778)	(392,452)	(419,924)	(449,319)
	Reserve Funding/MRR A	(1,508,102)	(1,616,102)	(1,724,102)	(1,832,102)
	Cash Basis Change in Net Assets Net of Reserve	(1,782,259)	(1,913,448)	(1,961,124)	(2,010,290)
	Add Back:				
	MRR Operating Expenses	115,054	212,000	224,720	238,203
	Depreciation	1,577,204	1,608,748	1,640,923	1,673,742
	Expenses from Reserve Funds	90,000	92,700	95,481	98,345
	Cash Basis Net Surplus (Deficit)	-	-	-	-

Fee Schedule

	2027			2028			2029			2030		
	Fee	**Quantity**	**Revenue**	Fee	Quantity	Revenue	Fee	Quantity	Revenue	Fee	Quantity	Revenue
Annual Dues per Household	**$575**	**13,916**	**$8,001,700**	$595	13,928	$8,287,160	$620	13,940	$8,642,800	$645	13,952	$8,999,040
Life Care, Transfer, Tenant & Addl Card Fees												
Annual Life Care Member Dues	**$575**	**42**	**$24,150**	$595	42	$24,990	$620	42	$26,040	$645	42	$27,090
Transfer Fee (Resale)	**$480**	**915**	**$439,200**	$485	920	$446,200	$485	920	$446,200	$490	920	$450,800
Guest Card Fees Annual Pass												
Guest Card Daily Pass	**$5**	**550**	**$2,750**	$10	550	$5,500	$10	550	$5,500	$10	550	$5,500
Guest Card Weekly Pass	**$15**	**450**	**$6,750**	$30	450	$13,500	$30	450	$13,500	$30	450	$13,500
Guest Card Annual Pass (30 Day Punch Pass)	**$85**	**1,400**	**$119,000**	$90	1,400	$126,000	$90	1,400	$126,000	$90	1,400	$126,000
1-7 Days	**$45**	**54**	**$2,430**	$45	54	$2,430	$45	54	$2,430	$45	54	$2,430
2 Weeks	**$55**	**65**	**$3,575**	$55	65	$3,575	$55	65	$3,575	$55	65	$3,575
1 Month	**$70**	**254**	**$17,780**	$70	254	$17,780	$70	254	$17,780	$70	254	$17,780
2 Months	**$105**	**198**	**$20,790**	$105	198	$20,790	$105	198	$20,790	$105	198	$20,790
3 Months	**$145**	**233**	**$33,785**	$145	233	$33,785	$145	233	$33,785	$145	233	$33,785
4 Months	**$185**	**86**	**$15,910**	$185	95	$17,575	$185	95	$17,575	$185	95	$17,575
5 Months	**$220**	**86**	**$18,920**	$220	95	$20,900	$220	95	$20,900	$220	95	$20,900
6-12 Month Pass	**$255**	**176**	**$44,670**	$255	195	$49,515	$255	195	$49,515	$255	195	$49,515
Tenant Fees		**1,152**	**$157,860**		1,152	$166,350		1,152	$166,350		1,152	$78,360
Additional Card Fees	**$170**	**6**	**$1,020**	$200	6	$1,200	$230	6	$1,380	$260	6	$1,560
Membership Change Fee	**$3,300**	**822**	**$2,712,600**	$3,400	825	$2,805,000	$3,500	825	$2,887,500	$3,600	825	$2,970,000
Initial Fee	**$3,300**	**12**	**$39,600**	$3,400	12	$40,800	$3,500	12	$42,000	$3,600	12	$43,200
Capital Revenue			**$2,752,200**			$2,845,800			$2,929,500			$3,013,200
Late Fees	**$25**	**3,200**	**$80,000**	$25	3,200	$80,000	$25	3,200	$80,000	$25	3,200	$80,000
Estate Planning Fee	**$105**			$105			$105			$105		
GVR Card Issuance Fee	**$5**	**1,400**	**$7,000**	$5	1,400	$7,000	$5	1,400	$7,000	$5	1,400	$7,000
Card Replacement Fee	**$5**	**250**	**$1,250**	$5	250	$1,250	$5	250	$1,250	$5	250	$1,250

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Recommended Capital Budget for 2027

Prepared By: Scott Somers, CEO and Dave Dixon, CFO **Meeting Date:** October 28, 2026

Presented By: Scott Somers, CEO **Consent Agenda:** No

Originating Committee / Department:

Finance Department/Fiscal Affairs Committee

Action Requested:

Consider approval of the 2027 Capital Budget and Capital Improvement Plan

Strategic Plan:

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

Background Justification:

Section 5.5.2 of the Corporate Policy Manual requires the Board to approve an annual budget no later than November 15 of each year. The budget policy is to promote sound financial management and assist in the organization's stability, efficiency, and effectiveness to accomplish the Strategic Plan, Mission, Vision, Goals and Objectives. Staff prepared a Proposed Capital Budget and Capital Improvement Plan (CIP) for 2027 which was presented and reviewed with the Fiscal Affairs Committee (FAC). The FAC and Staff recommendations were presented to the Board on October 14.

Initiatives 5-Year Capital Improvement Plan and Capital Budget

The Board suggested and agreed to several changes to the Initiatives Capital Improvement Plan and Capital Budget, which included installing an infra-red sauna at Las Campanas in 2027 and installing shade structures at various pools beginning in 2027 as illustrated on Table 1.

Per the Corporate Policy Manual (CPM), Section 3, Subsection 5.3.5, the Initiatives Reserve Fund shall be used to support new initiatives that contribute to meeting GVR ends. Funds come from twenty percent (20%) of the Membership Change Fee (MCF) assessed on each GVR Member property sold; and twenty five percent (25%) of the Initial Fee assessed on each GVR member property sold. The MCF fee applies upon transfer of title of a GVR membership property. The Initial Fee applies upon the sale of a deed-restricted GVR property from a developer to a third party or upon an owner electing to voluntarily deed restrict property for GVR membership.

Table 1

Capital Improvement Plan (CIP)
Cash Funding Projections

	2027	2028	2029	2030	2031
Initiatives					
Beginning Balance	$ 484,488	$ 451,897	$ 348,145	$ 860,698	$ 844,350
Funding From Operations Revenue	$ 552,420	$ 571,200	$ 588,000	$ 604,800	$ 604,800
Additional Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 13,989	$ 13,048	$ 10,053	$ 24,852	$ 24,380
Club Contributions	$ 5,000				
Total Revenue	**$ 571,409**	**$ 584,248**	**$ 598,053**	**$ 629,652**	**$ 629,180**
Expenditures					
Current Projects:					
Del Sol Clubhouse Parking Lot	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	
Woodshop Expansion	$ (300,000)	$ (600,000)			
LC Third Tennis Court				$ (200,000)	
SRAL Lower Level Expansion				$ (400,000)	
Abrego South Locker Room	$ (175,000)				
Metal Arts Shop & Yard				$ (35,000)	
Proposed Projects:					
EC Tennis Court ($150,000)	$ (60,000)				
DH Steam Room			$ (60,000)		
Infrared Sauna	$ (11,000)				
Sidewalk at SRS			$ (14,500)		
Shade Structures-Pools	$ (47,000)	$ (77,000)			
Total Expenditures	**$ (604,000)**	**$ (688,000)**	**$ (85,500)**	**$ (646,000)**	**$ -**
Ending Balance	**$ 451,897**	**$ 348,145**	**$ 860,698**	**$ 844,350**	**$ 1,473,531**

Non-Reserve Capital Projects

The 2026 Non-Reserve Capital Budget was $20,000. Due to 2027 budget constraints, this budget does not include a $100,000 allocation for non-budgeted, unplanned items, per the Capital Improvement Policy and Process. However, the 2027 Budget does include $20,000 for accessibility projects.

Maintenance, Repair & Replacement Reserve Fund (MRR-A)

The recommended reserve contribution for 2027 is $1,508,102 which will be transferred from the Operations Fund at the beginning of the year. See Table 2. Anticipated project costs scheduled in 2027 from the reserve study are $2,774,653 as noted in table 3.

Per the CPM, Section 3, Subsection 5.3.3, this fund shall be used only to maintain, repair or replace existing equipment and facilities as listed in the Component List of the Annual Reserve Study. Annually, GVR shall transfer the full year's Annual Reserve Contribution as determined by the Annual Reserve Study for the current fiscal year from operations to this reserve.

The target total balance of the MRR-A fund shall be at or about 25 percent of the total replacement cost with a target of at or about 70 percent of the fully funded balance calculated with the Annual

Reserve Study. Based on the current MRR-A Reserve Study draft, the fund is at ____ percent of total replacement cost and at ____ percent of the fully funded balance. **NOTE: percents will be inserted once Reserve Study draft is received.**

Table 2

Capital Improvement Plan (CIP)
Cash Funding Projections

	2027	2028	2029	2030	2031
Maintenance Repair & Replacement					
Beginning Balance	$ 7,522,214	$ 6,739,667	$ 6,691,540	$ 6,498,781	$ 6,747,175
Annual Funding (per Reserve Study)	$ 1,508,102	$ 1,616,102	$ 1,724,102	$ 1,832,102	$ 1,940,102
Additional Funding					
Net Investment Earnings	$ 484,004	$ 428,384	$ 441,744	$ 423,877	$ 447,148
Projects:					
Per Reserve Study [illegible]	$ (2,774,653)	$ (2,092,613)	$ (2,358,605)	$ (2,007,585)	$ (2,218,780)
Ending Balance	**$ 6,739,667**	**$ 6,691,540**	**$ 6,498,781**	**$ 6,747,175**	**$ 6,915,645**

Table 3

Maintenance Repair and Replacement (MRR - A) Fund Budgeted Expenditures for 2027	Total Amount	Percent of Total MRR - A Budget
Roofing	$650,000	23.43%
Sports Courts	$429,276	15.47%
Pool Equipment and Decks	$374,247	13.49%
Kitchen, Restroom & Locker Room Rehab	$366,534	13.21%
Vehicles	$135,962	4.90%
Painting Exterior	$127,187	4.58%
Structural Repairs	$105,302	3.80%
Furnishings	$94,548	3.41%
Recreation	$92,296	3.33%
Flooring	$91,814	3.31%
Outdoor Equipment	$61,161	2.20%
Mechanical Equipment	$47,362	1.71%
Office Equipment	$46,161	1.66%
Safety	$36,772	1.33%
Painting Interior	$36,236	1.31%
Appliances	$35,253	1.27%
Water System	$19,542	0.70%
Audio / Visual	$10,000	0.36%
Maintenance Equipment	$10,000	0.36%
Fencing	$5,000	0.18%
Total 2027 MRR - A Budget	**$2,774,653**	**100%**

Maintenance, Repair & Replacement of Pools and Spas (MRR-B)

The MRR-B Fund is a relatively new fund. Per the CPM, the fund shall be used to fund the replacement of pools and spas. The target total balance of the MRR-B fund shall be at or about 25 percent of the total replacement cost with a target of at or about 70 percent of the fully funded balance calculated with the Annual Reserve Report completed by staff. The targeted balance shall be based on GVR's staff estimate and GVR shall strive to reach the desired target range over the years. Based on the MRR-B analysis, the fund is at 11.2% percent of total replacement cost and at 11.04% percent of the fully funded balance. Should the Board approve a cell tower lease buy out and deposit the $910,000 into the MRR-B Fund, the total replacement cost would increase to 15.83% and the fully funded balance would increase to 15.61%. The 2027 funding of MRR-B is budgeted at $366,778 and is $23,995 (7.0%) more than 2026.

The 2025 Fiscal Affairs Committee (FAC) suggested taking a different assessment approach to pools and spas going forward than presented in 2025. Staff concurred and have therefore developed a newly revised pools and spas analysis based on cost per square foot (Tables 4 and 5 respectively), rather than cost per gallon, the methodology used when developing the 2026 MRR-B plan and cash flow analysis. In additional to using cost per square foot, this analysis assumes and corrects the following:

- Year Built dates have been corrected and verified.
- Pool dimensions have been corrected and verified.
- Life expectancy of a pool is assumed to be 50 years except if a pool has been replastered within the last 12 years, in which case, 12 years was added to the life expectancy of a pool from the date of replaster. This currently applies to CP1, DH, and WC.
- Analysis assumes a 3% inflation escalation beginning with a cost per square foot of $550 in 2027.
- Cash flow assumes a 7% additional contribution through 2033 and then decreases to 3% in 2034.
- Cash flow assumes first payment for ABS to occur in 2027.
- As estimates or actual costs are identified, the charts are updated to reflect the most recent and accurate numbers.

At first glance, the cash flow for MRR-B is concerning (Table 5). However, recall the analysis is based on certain assumptions such as a life expectancy of 50 years for a pool, which, in many cases, may be extended with proper maintenance and upkeep, including replastering of the vessel. For example, CP2, CP1, and CV will all need to be replaced on or before 2029 and MV by 2033 based on these assumptions. Yet, staff have no reason to believe these mentioned pools will fail anytime soon. This doesn't mean they won't and that GVR shouldn't plan for a worst-case scenario, but it appears unlikely at this time that any of them will fail within the next five years.

The Board has several options at its disposal for increasing funding to MRR-B, if and when necessary, to support and maintain existing GVR pools:

1. Should a cell tower lease buy-out for the WC and DH cell towers occur, staff has recommended the proceeds be deposited into the MRR-B Fund. This could occur in 2026, but has not been included in this analysis.

2. Dependent upon the projects planned and approved in the Initiatives 5-Year Capital Improvement Plan, beginning in 2031, the Board could redirect a portion of annual contributions from the Initiatives Fund to the MRR-B Fund.
3. The 7% contribution rate increase from the Operations Fund could be extended past 2033, when it is scheduled to decrease from 7% to 3%.
4. Any annual surplus could be deposited into the MRR-B Fund.
5. Use of a portion or all the Emergency Fund.

Table 4

MRR-B Pools and Spas
Life Expectancies and Cost Replacement

Inflation	3.00%
Life Expect.	50

Pool	Sq Ft	$/Sq Ft	2026 Cost Est	Year Built	Life Expec.	Replac. Year	Plan Year to Rebuild	Number Years to Rebuild
Abrego North	2,196	$ 550	$ 1,207,800	2016	50	2066	2066	40
Abrego South	2,100	$ 590	$ 1,238,600	2027	50	2077	2077	51
Canoa Hills	4,510	$ 550	$ 2,480,500	1990	50	2040	2040	14
Canoa Ranch	2,982	$ 550	$ 1,640,100	2007	50	2057	2057	31
Casa Paloma I	2,240	$ 550	$ 1,232,000	1975	50	2025	2028	2
Casa Paloma II	1,800	$ 550	$ 990,000	1977	50	2027	2027	1
Continental Vistas	1,800	$ 550	$ 990,000	1979	50	2029	2029	3
Desert Hills	3,510	$ 550	$ 1,930,500	1981	50	2031	2040	14
East Center	2,250	$ 550	$ 1,237,500	2023	50	2073	2073	47
Las Campanas	4,100	$ 550	$ 2,255,000	1997	50	2047	2047	21
Madera Vistas	1,500	$ 550	$ 825,000	1983	50	2033	2033	7
Santa Rita Springs	2,850	$ 550	$ 1,567,500	1996	50	2046	2046	20
West Center	3,750	$ 550	$ 2,062,500	1980	50	2030	2038	12

Table 5

MRR-B Pool & Spa Cash Flow

Interest	6.00%	
Annual Inc. Contr. Thru 2033	7.0%	through '33
Annual Inc. Contr. After 2033	3.0%	beginning in '34

Year	Beginning Balance	Annual Contributions	Income	Available	Expenditure	Ending Balance	Location
2026	1,697,677	342,783	122,428	2,162,888	-	2,162,888	
2027	2,162,888	366,778	151,780	2,681,445	(2,258,300)	423,145	ABS & CP2
2028	423,145	392,452	48,936	864,533	(1,307,029)	(442,495)	CP1
2029	(442,495)	419,924	(1,354)	(23,926)	(1,081,800)	(1,105,725)	CV
2030	(1,105,725)	449,319	(39,384)	(695,791)	-	(695,791)	
2031	(695,791)	480,771	(12,301)	(227,322)	-	(227,322)	
2032	(227,322)	514,425	17,190	303,693	-	303,693	
2033	303,693	550,435	51,248	905,376	(1,014,646)	(109,270)	MV
2034	(109,270)	566,948	27,461	485,138	-	485,138	
2035	485,138	583,956	64,146	1,133,240	-	1,133,240	
2036	1,133,240	601,475	104,083	1,838,797	-	1,838,797	
2037	1,838,797	619,519	147,499	2,605,815	-	2,605,815	
2038	2,605,815	638,105	194,635	3,438,555	(2,940,632)	497,923	WC
2039	497,923	657,248	69,310	1,224,481	-	1,224,481	
2040	1,224,481	676,965	114,087	2,015,533	(6,672,033)	(4,656,500)	DH & CH
2041	(4,656,500)	697,274	(237,554)	(4,196,780)	-	(4,196,780)	
2042	(4,196,780)	718,192	(208,715)	(3,687,303)	-	(3,687,303)	
2043	(3,687,303)	739,738	(176,854)	(3,124,418)	-	(3,124,418)	
2044	(3,124,418)	761,930	(141,749)	(2,504,238)	-	(2,504,238)	
2045	(2,504,238)	784,788	(103,167)	(1,822,616)	-	(1,822,616)	
2046	(1,822,616)	808,332	(60,857)	(1,075,142)	(2,831,079)	(3,906,221)	SRS
2047	(3,906,221)	832,582	(184,418)	(3,258,058)	(4,194,964)	(7,453,022)	LC
2048	(7,453,022)	857,559	(395,728)	(6,991,191)	-	(6,991,191)	
2049	(6,991,191)	883,286	(366,474)	(6,474,379)	-	(6,474,379)	
2050	(6,474,379)	909,785	(333,876)	(5,898,470)	-	(5,898,470)	
2051	(5,898,470)	937,078	(297,684)	(5,259,076)	-	(5,259,076)	
2052	(5,259,076)	965,190	(257,633)	(4,551,518)	-	(4,551,518)	
2053	(4,551,518)	994,146	(213,442)	(3,770,815)	-	(3,770,815)	
2054	(3,770,815)	1,023,970	(164,811)	(2,911,655)	-	(2,911,655)	
2055	(2,911,655)	1,054,690	(111,418)	(1,968,383)	-	(1,968,383)	
2056	(1,968,383)	1,086,330	(52,923)	(934,976)	-	(934,976)	
2057	(934,976)	1,118,920	11,037	194,981	(4,100,382)	(3,905,401)	CR
2058	(3,905,401)	1,152,488	(165,175)	(2,918,088)	-	(2,918,088)	
2059	(2,918,088)	1,187,062	(103,862)	(1,834,887)	-	(1,834,887)	
2060	(1,834,887)	1,222,674	(36,733)	(648,945)	-	(648,945)	
2061	(648,945)	1,259,355	36,625	647,034	-	647,034	
2062	647,034	1,297,135	116,650	2,060,819	-	2,060,819	
2063	2,060,819	1,336,049	203,812	3,600,680	-	3,600,680	
2064	3,600,680	1,376,131	298,609	5,275,420	-	5,275,420	
2065	5,275,420	1,417,415	401,570	7,094,404	-	7,094,404	
2066	7,094,404	1,459,937	513,260	9,067,602	(3,939,889)	5,127,713	ABN
2067	5,127,713	1,503,735	397,887	7,029,335	-	7,029,335	
2068	7,029,335	1,548,847	514,691	9,092,873	-	9,092,873	
2069	9,092,873	1,595,313	641,291	11,329,477	-	11,329,477	
2070	11,329,477	1,643,172	778,359	13,751,008	-	13,751,008	
2071	13,751,008	1,692,467	926,608	16,370,083	-	16,370,083	
2072	16,370,083	1,743,241	1,086,799	19,200,124	-	19,200,124	
2073	19,200,124	1,795,538	1,259,740	22,255,402	(4,964,720)	17,290,682	EC
2074	17,290,682	1,849,405	1,148,405	20,288,492	-	20,288,492	
2075	20,288,492	1,904,887	1,331,603	23,524,981	-	23,524,981	
2076	23,524,981	1,962,033	1,529,221	27,016,236	-	27,016,236	
2077	27,016,236	2,020,894	1,742,228	30,779,358	(5,592,803)	25,186,555	ABS

Emergency Fund

The Emergency Fund was created to help pay for major, unanticipated repairs to, renovations of, or replacement of a GVR facility or infrastructure caused by a major event or events, defined as costing $25,000 or more.

In the past, the Board has transferred the amounts greater than $500,000 to the Initiatives Fund to help pay for initiative-type projects.

This budget proposal recommends maintaining all emergency funds in the Emergency Fund since the investment policy of the Emergency Fund has a higher anticipated rate of return than either the Initiatives Fund of MRR-B Fund.

Table 6

Capital Improvement Plan (CIP)
Cash Funding Projections

	2027	2028	2029	2030	2031
Initiatives					
Beginning Balance	$ 484,488	$ 451,897	$ 348,145	$ 860,698	$ 844,350
Funding From Operations Revenue	$ 552,420	$ 571,200	$ 588,000	$ 604,800	$ 604,800
Additional Funding (Surplus)					
Transfer from Emergency					
Net Investment Earnings	$ 13,989	$ 13,048	$ 10,053	$ 24,852	$ 24,380
Club Contributions	$ 5,000				
Total Revenue	**$ 571,409**	**$ 584,248**	**$ 598,053**	**$ 629,652**	**$ 629,180**
Expenditures					
Current Projects:					
Del Sol Clubhouse Parking Lot Note	$ (11,000)	$ (11,000)	$ (11,000)	$ (11,000)	
Woodshop Expansion	$ (300,000)	$ (600,000)			
LC Third Tennis Court				$ (200,000)	
SRAL Lower Level Expansion				$ (400,000)	
Abrego South Locker Room Building	$ (175,000)				
Metal Arts Shop & Yard				$ (35,000)	
Proposed Projects:					
EC Tennis Court ($150,000)	$ (60,000)				
DH Steam Room			$ (60,000)		
Infrared Sauna	$ (11,000)				
Sidewalk at SRS			$ (14,500)		
Shade Structures-Pools	$ (47,000)	$ (77,000)			
Total Expenditures	**$ (604,000)**	**$ (688,000)**	**$ (85,500)**	**$ (646,000)**	**$ -**
Ending Balance	**$ 451,897**	**$ 348,145**	**$ 860,698**	**$ 844,350**	**$ 1,473,531**
Maintenance Repair & Replacement					
Beginning Balance	$ 7,522,214	$ 6,739,667	$ 6,691,540	$ 6,498,781	$ 6,747,175
Annual Funding (per Reserve Study)	$ 1,508,102	$ 1,616,102	$ 1,724,102	$ 1,832,102	$ 1,940,102
Additional Funding					
Net Investment Earnings	$ 484,004	$ 428,384	$ 441,744	$ 423,877	$ 447,148
Projects:					
Per Reserve Study (Third Draft 2026 for 2028+)	$ (2,774,653)	$ (2,092,613)	$ (2,358,605)	$ (2,007,585)	$ (2,218,780)
Ending Balance	**$ 6,739,667**	**$ 6,691,540**	**$ 6,498,781**	**$ 6,747,175**	**$ 6,915,645**
MRR Part B - Pools and Spas					
Beginning Balance	$ 2,201,512	$ 1,434,990	$ 1,902,367	$ 2,417,505	$ 2,984,364
Funding	$ 366,778	$ 392,452	$ 419,924	$ 449,319	$ 480,771
Additional Funding					
Net Investment Earnings	$ 105,300	$ 74,925	$ 95,214	$ 117,540	$ 142,071
Abrego South Pool	$ (1,238,600)				
Ending Balance	**$ 1,434,990**	**$ 1,902,367**	**$ 2,417,505**	**$ 2,984,364**	**$ 3,607,205**
Subtotal Capital Projects Reserves	**$ 8,626,554**	**$ 8,942,052**	**$ 9,776,984**	**$ 10,575,889**	**$ 11,996,381**
Emergency					
Beginning Balance	$ 641,272	$ 667,564	$ 694,934	$ 723,426	$ 753,087
Annual Funding	$ -	$ -	$ -	$ -	$ -
Transfer to Initiative					
Net Investment Earnings	$ 26,292	$ 27,370	$ 28,492	$ 29,660	$ 30,877
Projects:					
Ending Balance	**$ 667,564**	**$ 694,934**	**$ 723,426**	**$ 753,087**	**$ 783,964**
Total Board Designated Funds	**$ 9,294,118**	**$ 9,636,986**	**$ 10,500,410**	**$ 11,328,976**	**$ 12,780,345**

CONSOLIDATED OPERATING AND CAPITAL BUDGET

Table 7

GVR
Budget
FY 2027

	2027
INITIATIVES CAPITAL IMPROVEMENT PLAN:	
Del Sol Clubhouse Parking Lot Note	$ 11,000
Woodshop Expansion	$ 300,000
Abrego South Locker Room Building	$ 175,000
EC Tennis Court ($150,000)	$ 60,000
Infrared Sauna	$ 11,000
Shade Structures-Pools	$ 47,000
TOTAL BUDGETED INITIATIVES CAPITAL	**$ 604,000**
NON RESERVE CAPITAL PROJECTS	**$ 20,000**
MRR-A CAPITAL PROJECTS	**$ 2,774,653**
MRR-B - POOLS AND SPAS - ABREGO SOUTH	**$ 1,238,600**
GRAND TOTAL CAPITAL BUDGET	**$ 4,637,253**
2027 OPERATING BUDGET	$ 12,423,281
GRAND TOTAL 2027 BUDGETS	$ 17,060,534

Fiscal Impact:
Upon approval, the 2027 Capital Budget of $4,637,253 would be implemented on January 1, 2027.

Board Options:
1) Approve the FAC and Staff Recommended 2027 Capital Budget and Capital Improvement Plan presented.
2) Approve the FAC and Staff Recommended 2027 Capital Budget and Capital Improvement Plan with amendments.
3) Provide alternate direction to staff with the understanding that the Budget must be approved no later than November 15.

Staff Recommendation:
Option #1

Attachments:
See Staff Report Attachment for Proposed Operating Budget 2027 on Page 45

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

Cell Tower Leases Buyout

Prepared By: Scott Somers, CEO

Meeting Date: October 28, 2026

Presented By: Scott Somers, CEO

Consent Agenda: No

Originating Committee / Department:
Fiscal Affairs Committee / Finance Department

Action Requested:
Consider approval of a Purchase and Sale of Telecom Easement and Assignment Agreement plus Exhibits with Landmark Dividend regarding a cell tower leases buyout for West Center (Verizon) and Desert Hills (T-Mobile).

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

Background Justification:
GVR has two cell tower land leases. One at West Center with Verizon through Pinnacle Consulting and the second at Desert Hills with T-Mobile. GVR was approached by two different companies regarding a lump sum buyout of GVR's two cell tower leases. The offers from both companies were very similar with Landmark offering $1,000,000 for both agreements along with a 50/50 split on any future revenue generated by the two current cell towers. Landmark Dividend came in with a slightly higher offer. They were transparent, professional, and prompt with our inquiries.

At the August 18, 2026 FAC meeting, the Committee recommend the Board approve an initial Letter of Intent, outlining terms of an agreement. GVR's attorney reviewed and made edits to the Letter of Intent. During a Special Meeting of the Board on September 2, 2026, the Board approved the Letter of Intent with Landmark Dividend, with the understanding the Board would be asked to approve a final agreement at some time in the future. Once the Letter of Intent was approved, each party continued performing their due diligence

As Landmark was performing their due diligence, they became aware through review of existing agreements that T-Mobile has been overpaying GVR for several years. The lease terms with T-Mobile are to escalate payment to GVR by 5% every 5 years but instead T-Mobile was paying the 5% escalation annually, which resulted in the overpayment. Contractually, T-Mobile is currently paying GVR $1,857 per month, but should be paying $1,527 per month. As a result, the T-Mobile Lease Agreement isn't as valuable as first offered ($440,000). Additionally, Landmark will hold back additional funds from their original offer to reimburse T-Mobile for their overpayment. The updated offer for the T-Mobile lease is $350,000, a $90,000 reduction. Coupled with the Verizon offer of $560,000, the total Purchase and Sale Agreement is amended to $910,000.

Approval of this purchase agreement would infuse $910,000 in cash within 30-45 days of signing the agreement into GVR coffers. The biggest impact for GVR will be reducing risk. The current cell tower leases have clauses where both parties may terminate the current agreements within 30 and 60 days. Accepting the buyout not only eliminates GVR's risk, but provides GVR with an unanticipated windfall of $910,000. The Fiscal Affairs Committee Recommends 100% of these funds be deposited in the Pools and Spas (MRR-B) Fund. Legal Counsel has reviewed the agreement and has no legal concerns. Staff recommends approval of the agreement.

Fiscal Impact:

An unanticipated windfall of $910,000 and the elimination of any risk that either carrier could exercise the termination clauses of their agreements at any time.

Board Options:

1) Approve a Purchase and Sale of Telecom Easement and Assignment of Lease Agreement (T-Mobile) plus Exhibits, and Easement and Assignment of Lease Agreement (Verizon), plus Exhibits; and to execute the Closing Documents to effectuate the Agreements by authorizing President English to sign on behalf of GVR.
2) Maintain the existing lease agreements with T-Mobile and Verizon which carries the risk of potential lease termination at any time but provides approximately $50,000 of annual income to GVR.
3) Provide alternate direction to staff.

Staff Recommendation:

Option #1

Motion:

I move to approve a Purchase and Sale of Telecom Easement and Assignment of Lease Agreement (T-Mobile) plus Exhibits, and Easement and Assignment of Lease Agreement (Verizon), plus Exhibits; and to execute the Closing Documents to effectuate the Agreements by authorizing President English to sign on behalf of GVR.

Attachments:

1) Purchase and Sales Agreement, Easement and Assignment of Lease, Assignment of Rents and Site Management Agreement

Note: Full Closing Package on file at GVR Administrative Office

PURCHASE AND SALE OF TELECOM EASEMENT AND ASSIGNMENT AGREEMENT

THIS PURCHASE AND SALE OF TELECOM EASEMENT AND ASSIGNMENT AGREEMENT ("**Agreement**") dated September 30, 2026 (the "**Effective Date**") is by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation ("**Grantor**") and **LD TELECOM ASSETCO 3 LLC,** a Delaware limited liability company ("**Grantee**").

R E C I T A L S

WHEREAS, Grantor owns certain real property located at 2980 S. Camino Del Sol, Green Valley, in the County of Pima, State of Arizona, as more fully described in the legal description attached hereto as Exhibit A (the "**Property**"). For the avoidance of doubt, the parties acknowledge that Grantor owns several properties, and the defined term Property, as used herein, shall be limited only to the real property described on Exhibit A and nothing set forth herein shall be deemed to grant Grantee any rights with respect to any other properties owned or controlled by Grantor;

WHEREAS, Grantor leases a portion or portions of the Property to Sprint Spectrum Realty Company, LLC ("**Tenant**") pursuant to that certain lease, a copy of which is attached hereto as Exhibit B (the **Existing Agreement**");

WHEREAS, subject to the Existing Agreements, Grantor now intends to grant to Grantee an exclusive easement together with a non-exclusive easement in, to under, over and through portions of the Property as more fully described in Exhibit C attached hereto (the "**Easement Area**") for the Permitted Uses (as hereinafter defined) and assign the Existing Agreement to Grantee as further described herein, and Grantee desires to accept and assume the same;

WHEREAS, Grantor and Grantee intend to further describe and memorialize the rights granted, conferred, transferred, assigned and the obligations retained by the Grantor and the rights accepted and assumed by the Grantee in a recorded Easement and Assignment of Lease Agreement (the "**Easement Agreement**"), the form of which is attached hereto and incorporated herein as Exhibit D.

NOW, THEREFORE, in consideration of the mutual covenants contained in the Agreement and good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. PURCHASE AND SALE OF EASEMENT AND ASSIGNMENT OF EXISTING AGREEMENT.

a. Grantor hereby desires to grant and convey to Grantee (i) an exclusive easement ("**Communications Easement**") for the purpose of operating, leasing, subleasing, or licensing space in and on the Easement Area to communications tenant(s) and any other lawful uses Grantee may reasonably require including, without limitation, the installation, operation, maintenance of and access to communications facilities ("**Permitted Uses**") and (ii) a non-exclusive easement for ingress, egress, maintenance, repair, utility service, placement of cabling and antennas and any other ancillary uses associated with the Existing Agreement (and any replacement thereof) (the "**Access and Utility Easement**") in, to, under, over and through portions of the Property, and the building located on the Property, as more fully described in Exhibit C attached hereto (the Communications Easement and Access and Utility Easement, hereinafter collectively as the "**Easement**") for the Term (as defined below) of this Agreement.

b. Grantor further desires to sell, transfer and assign to Grantee all of Grantor's right, title and interest in and to the Existing Agreements (the "**Assignment**"). Notwithstanding the foregoing, the parties acknowledge and agree that, Grantor shall retain and continue to faithfully perform and discharge any and all of obligations of lessor under the Existing Agreement that are incidental to fee ownership of the Property including, without limitation, maintenance, access, quiet enjoyment, non-interference, cooperation with all requests for permit applications put forth by any tenant or licensee of Grantee, maintaining the Property free of all defaults and any voluntary or involuntary lien against the Property and payment of real property taxes ("**Fee Owner Obligations**") and Grantee shall assume all other obligations of lessor thereunder. Grantee shall use commercially reasonable efforts to enforce

the obligations of Tenant under the Existing Agreement, including without limitation, maintenance, repair and payment of taxes, in favor of Grantor. Notwithstanding any other provision contained in this Agreement or any attachments hereto, Grantor and Grantee jointly and severally reserve the rights to insurance and indemnification defined pursuant to the Existing Agreement as against Tenant.

2. PURCHASE PRICE. On or about the Effective Date, Grantee shall pay to Grantor a one-time, lump-sum payment in an amount equal to **THREE HUNDRED FIFTY THOUSAND DOLLARS ($350,000.00)** (the "**Purchase Price**"). The only amounts to be deducted from the purchase price shall be: (1) prorated rent for the remainder of the month of closing; (2) if rent is paid monthly, the next two months' of rent payments to account for the time it takes Tenant to recognize Grantee as the new payee (Grantor shall be entitled to receive and deposit the next two monthly rent checks after closing, provided however, if one or both rent checks are received by Grantee, Grantee will pay to Grantor the sum of the rental revenue not received by Grantor for the 2 months following closing once received by Grantee); and (3) transfer taxes. In the event that Tenant pay to Grantor any fees other than base rent and any escalations thereto, for the purpose of utility service or taxes, such fees shall continue to be paid by Tenant to Grantor, although Grantee may collect and distribute same.

3. TERM. Commencing on the Effective Date, the term of this Agreement and the rights of Grantee with respect to the Easement Area shall be **perpetual** (the "**Term**"). Grantor may not terminate this Agreement. Notwithstanding anything to the contrary herein, the Grantee may unilaterally terminate this Agreement and the Easement Agreement at any time during the Term, in which case Grantee shall cooperate in providing documentation necessary to memorialize the termination of the Easement Agreement the reversion of the Existing Agreement(s) back to Grantor.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTOR. Grantor represents, warrants and covenants to Grantee, as of the Effective Date: (a) this Agreement and all other documents executed by Grantor in connection with it constitute the legal, valid and binding obligation of Grantor, enforceable against Grantor in accordance with their terms; (b) the execution, delivery and performance by Grantor of this Agreement, the Easement Agreement, and all other documents executed by Grantor herewith do not and will not violate or conflict with any provision of Grantor's organizational documents (if Grantor is an organization) or of any agreement to which Grantor is a party including, without limitation, permits, mortgages and deeds of trust, or by which Grantor or the Property is bound and will not violate or conflict with any law, rule, regulation, judgment, order or decree to which Grantor is subject; (c) Grantor has the full authority and power to enter into and perform its obligations under this Agreement, and, to the extent applicable, the person or persons executing this Agreement on behalf of Grantor have the authority to enter into and deliver this Agreement on behalf of Grantor; (d) to the extent applicable, Grantor is duly organized, validly existing, and in good standing in the jurisdiction in which Grantor was organized, formed, or incorporated, as applicable, and is otherwise in good standing and authorized to transact business in each jurisdiction in which such qualifications are required; (e) Grantor has not previously deeded, granted, assigned, mortgaged, pledged, hypothecated, alienated or otherwise transferred any of its right, title and interest in and to the Easement Area (or any portion thereof) or in and to the Existing Agreement (or any portion thereof); (f) except for the Existing Agreement, Grantor has not executed or otherwise entered into any leases, tenancies, licenses or concession agreements, occupancy agreements or other agreements with respect to rights that would adversely affect Grantee's, or Tenant's, possession or occupancy of any portion of the Easement Area or use of the Property pursuant to this Agreement, the Easement Agreement or the Existing Agreement; (g) Grantor has not breached or defaulted on any of Grantor's obligations under the Existing Agreement; (h) Grantor has not delivered or received notice of a breach or default by either Grantor or Tenant under the Existing Agreement or received or had actual notice of any fact, condition or circumstance which would constitute a breach or default by either Grantor or Tenant under the Existing Agreement; (i) neither Tenant, nor its agents or contractors have notified Grantor of any intention or desire to terminate, or materially modify the Existing Agreement, reduce rent or surrender or abandon the leased premises; (j) Grantor is not aware of and has not received notice from, any governmental or quasi-governmental authority that the Property, or the use thereof, violates any statutes, ordinances, orders or regulations; (k) there is no pending or threatened action, judgment, order, decree or proceeding (including, without limitation, any bankruptcy, insolvency, eminent domain, zoning or other land use regulatory actions) that would adversely affect Grantee's right to use the Easement Area or would preclude Grantor from entering into this Agreement, the Easement Agreement or all other such other documents as necessary to consummate the transaction contemplated herein or to perform its obligations hereunder or thereunder, or limit Grantee's ability to use the Easement Area; (l) Grantor owns one hundred percent (100%) of

the fee title to the Property and the lessor's interest in and to the Existing Agreement; (m) Grantor has no knowledge of any substance, chemical or waste (collectively "**Hazardous Substance**") on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulations; (n) Grantor will forward any rent payments received from Tenant (excluding the rental amounts withheld from the disbursement and reflected on the settlement statement to be provided at the closing of the transaction contemplated herein), to Grantee within five (5) business days of receipt thereof; and (o) Grantee shall peaceably and quietly hold, exercise, and enjoy the Easements during the Term without any hindrance, molestation or ejection by any party whomsoever. All representations and covenants by Grantor contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the time of closing, shall be deemed to be material, and shall survive the execution, commencement and delivery of this Agreement, the Easement Agreement and recordation thereof.

5. LANDLORD ESTOPPEL. As the current landlord under the Existing Agreement, Grantor represents and warrants that: (a) the Existing Agreement is presently in full force and effect and unmodified, and Grantee has been provided with full and complete copies thereof; (b) any improvements to be made by Tenant have been completed to the satisfaction of the Grantor and any and all other special conditions to be performed by Tenant pursuant to the Existing Agreement have been fully performed and satisfied; (c) Tenant's obligations to pay rent have commenced in full and Tenant is currently paying the scheduled rent set forth in the Existing Agreement; (d) except as set forth in the Existing Agreement, no rents have been paid more than thirty (30) days in advance; and (e) Tenant is not in default under the Existing Agreement and have no claim of setoff under the Existing Agreement or otherwise against rents or other charges due or to become due thereunder.

6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE. Grantee represents and warrants to Grantor, as of the Effective Date: (a) this Agreement and all other documents executed by Grantee constitute the legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with their terms; (b) Grantee is a validly existing limited liability company and the signatory of this Agreement has the authority to execute this Agreement on behalf of Grantee; (c) the execution, delivery and performance by Grantee of this Agreement does not and will not violate or conflict with any provision of Grantee's organizational documents or of any agreement to which Grantee is a party or conflict with any law, rule, regulation, judgment, order or decree to which Grantee is subject; and (d) Grantee shall not introduce or use any Hazardous Substance on the Property or in the Easement Area in violation of any applicable federal, state or local environmental laws.

7. REMEDIES. In addition to any other remedy the parties may have at law and equity, in the event of a default under this Agreement or the Easement Agreement by Grantor, Grantee may seek as damages reimbursement for rents and monies reasonably anticipated to be paid to Grantee under the Existing Agreement as such Existing Agreement may be extended, amended or replaced from time to time by Grantee.

8. FURTHER ASSIGNMENT. In relation to any assignment of the Easement Agreement pursuant to its terms, Grantee may pledge, assign, transfer, mortgage, grant a security interest, or otherwise encumber its interest in and to this Agreement. This Agreement may be assigned to secured parties, successors-in-interest, acquiring entities or individuals, and any other party to whom Grantee may be required to provide collateral or demonstrate credit-worthiness. Notwithstanding the foregoing, any security instrument recorded by Grantee shall be limited to its interest in the Easement and Existing Agreements only and shall not otherwise affect the Property or Grantor's interest therein.

9. NOTICES. All notices, requests, demands and other communications hereunder shall be delivered by Certified Mail Return Receipt Requested, and/or a nationally recognized overnight courier. Notice shall be deemed accepted upon proof of delivery. Notices shall be delivered:

As to Grantor: 1070 Calle de las Casitas
Green Valley, AZ 85614

As to Grantee: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429

El Segundo, CA 90245
Attn: Asset Management
Re: TC260282

With a copy to: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429
El Segundo, CA 90245
Re: TC260282

10. MISCELLANEOUS.

a. **Governing Law; Venue; Severability.** This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located, without regard to principles of conflicts of law thereof. Each party submits to the exclusive jurisdiction of the applicable United States District Court for the District the Property is located in, and each party waives any objection which it may have to the laying of venue in such court, whether on the basis of inconvenient forum or otherwise. In the event any provision of this Agreement is found to be invalid, illegal or unenforceable in any respect, by a court of competent jurisdiction, such provision shall only be ineffective to the extent of such invalidity, illegality or unenforceability. The remaining provisions of this Agreement shall remain in full force and effect.

b. **Amendments, Etc.** This Agreement may not be amended or modified unless in writing signed by the parties and consented to by any lender of Grantee that has delivered notice of its status and its notice address to Grantor. No other act or failure to act shall be deemed to constitute an amendment, modification or termination hereof.

c. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. The rights of Grantee under the Easement Agreement shall run with the land upon which the Easement Area is located.

d. **Recording and Memorandum.** Grantor and Grantee shall, on or after the Effective Date, acknowledge, execute and record the exchange of rights created under this Agreement in the Easement Agreement. Grantee's interest in this Agreement and the Easement is intended to be, and shall be, an interest in real property.

e. **Attorneys' Fees**. In any action or proceeding brought to enforce any provision of this Agreement, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs. All damages or other sums payable by one party to another hereunder shall bear interest from the date incurred or payable until paid at a rate equal to the highest rate permitted by applicable law.

f. **Further Assurances**. Grantor and Grantee hereby agree that Grantee shall, at any time and from time to time, in its reasonable discretion, require the Grantor to execute such documents or instruments and take such further actions as may be reasonably required or desirable to carry out the provisions hereof, consummate the transactions contemplated in all transaction documents and for Grantee to receive the benefit of the bargain contemplated herein. If Grantor requests any additional documentation, modifications to any document associated with the transaction contemplated herein or makes any other request requiring significant effort and/or expense on the part of Grantee, Grantor shall, for each request made, pay to Grantee a reasonable administrative fee in addition to any fees and costs actually incurred by Grantee. The covenant contained in this clause shall survive the execution, delivery and recordation of the Easement Agreement.

g. **Specific Performance**. The parties understand and agree that the Easement is unique and for that reason, among others, Grantee will be irreparably damaged if this Agreement is not specifically enforced. Accordingly, in the event of any breach or default in or of this Agreement or any of the representations, warranties, covenants, terms or provisions hereof by Grantor, Grantee shall have, in addition and without prejudice to any right or remedy available at law or in equity, the right to demand and have specific performance of this Agreement.

h. **Counterparts.** This Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, even though Grantor and Grantee are not signatories to the original or same counterparts.

[Remainder of page left intentionally blank. Signatures appear on following page.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

GRANTOR:

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

By: _____
Name: _____
Title: _____

GRANTEE:

LD TELECOM ASSETCO 3LLC, a Delaware limited liability company

By: _____
Name: _____
Title: Authorized Signatory

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

ALL THAT PART OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF CIRCULO DE LAS LOMAS AND CAMINO DEL SOL; THENCE NORTH ALONG SAID CENTERLINE OF CAMINO DEL SOL, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 20° 10' 00" AND A RADIUS OF 800.00 FEET, AN ARC LENGTH OF 281.58 FEET TO A POINT OF TANGENCY, SAID TANGENT BEARING BEING N 63° 44' 35" W;

THENCE AT RIGHT ANGLES TO SAID TANGENT BEARING S 26° 15' 25" W 75.00 FEET TO THE WEST RIGHT-OF-WAY OF CAMINO DEL SOL, SAID POINT BEING ON THE BOUNDARY OF BLOCK A AND ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE N 63° 44' 35" W 229.99 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE S 38° 00' 00" W 523.65 FEET TO A POINT ON THE EAST RIGHT-OF-WAY OF CAMINO MERCADO, SAID POINT BEING A POINT OF REVERSE CURVATURE;

THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY OF SAID STREET, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 7° 45' 17" AND A RADIUS OF 1096.83 FEET, AN ARC LENGTH OF 148.45 FEET;

THENCE N 73° 43' 00" E 152.25 FEET;

THENCE S 16° 17' 00" E 124.96 FEET;

THENCE N 73° 43' 00" E 337.48 FEET;

THENCE N 51° 07' 00" E 243.82 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE NORTH ALONG A CURVE, SAID CURVE BEING THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL, HAVING A CENTRAL ANGLE OF 20° 14' 17" AND A RADIUS OF 725.00 FEET, AN ARC LENGTH OF 305.96 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6.042 ACRES OF LAND, MORE OR LESS

PARCEL ID: 304-63-754G

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION, INC., AN ARIZONA NON-PROFIT CORPORATION FROM LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE, UNDER THAT CERTAIN TRUST AGREEMENT KNOWN AS TRUST NUMBER 6486-T, IN A DEED DATED JANUARY 21, 1982 AND RECORDED JANUARY 22, 1982, IN BOOK 6703 PAGE 317.

EXHIBIT B

EXISTING AGREEMENT

[See attached]

DocuSign Envelope ID: 7D143F3E-8693-4590-BFDF-520C5886C777

Site # PH40802A (PH54XC532)
Market: Phoenix

SECOND AMENDMENT TO SITE AGREEMENT

This Second Amendment to Site Agreement ("Amendment") is made and entered into by and between Green Valley Recreation, Inc., an Arizona non-profit corporation ("Owner"), and Sprint Spectrum Realty Company LLC (formerly a limited partnership) a Delaware Limited Liability Company ("SSRC").

Recitals

The parties hereto recite, declare and agree as follows:

A. Owner and SSRC (or as applicable, their respective predecessors in interest) entered into a Site Agreement dated February 28, 2003 as amended by the First Amendment to Site Agreement dated February 21, 2007 (including any prior amendments, the "Agreement"), with respect to Property located at 2980 S. Camino Del Sol, Green Valley, Arizona 85622.

B. Owner and SSRC desire to enter into this Amendment in order to modify and amend certain provisions of the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and T-Mobile covenant and agree as follows:

1. Owner Consent. Exhibit A-1 is added to the Agreement and is incorporated into it. SSRC acknowledges that it obtained all governmental permissions and consent, where applicable, which is attached hereto and by this reference incorporated herein, which equipment shall be considered part of the Premises under the agreement. Owner hereby consents to and approves of the modifications described and depicted on Exhibit A-1 in all respects.

2. Rent. Commencing on 90 days after the date of last execution of this Second Amendment, each month SSRC shall pay an additional $275.00 in equal monthly installments as Rent, partial months to be prorated, in advance, and shall continue during the term.

3. Terms; Conflicts. The terms and conditions of the Agreement are incorporated herein by this reference, and capitalized terms used in this Amendment shall have the same meanings such terms are given in the Agreement. Except as specifically set forth herein, this Amendment shall in no way modify, alter or amend the remaining terms of the Agreement, all of which are ratified by the parties and shall remain in full force and effect. To the extent there is any conflict between the terms and conditions of the Agreement and this Amendment, the terms and conditions of this Amendment will govern and control.

4. Approvals. Owner represents and warrants to SSRC that the consent or approval of no third party, including, without limitation, a lender, is required with respect to the execution of this Amendment, or if any such third-party consent or approval is required, Owner has obtained any and all such consents or approvals.

5. Authorization. The persons who have executed this Second Amendment represent and warrant that they are duly authorized to execute this Second Amendment in their individual or representative capacity as indicated.

DocuSign Envelope ID: 7D143F3E-8693-4590-BFDF-520C5886C777

Site # PH40802A (PH54XC532)
Market: Phoenix

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date of execution by the last party to sign.

Owner
Green Valley Recreation Inc, an Arizona non-profit corporation

By: _____

Name: Scott Somers

Title: CEO

Date: 8/1/22

SSRC
Sprint Spectrum Realty Company, LLC a Delaware limited liability company

By: DocuSigned by: Michael Fulton 0A8654316E434CB...

Name: Michael Fulton

Title: Market Director

Date: 8/23/2022

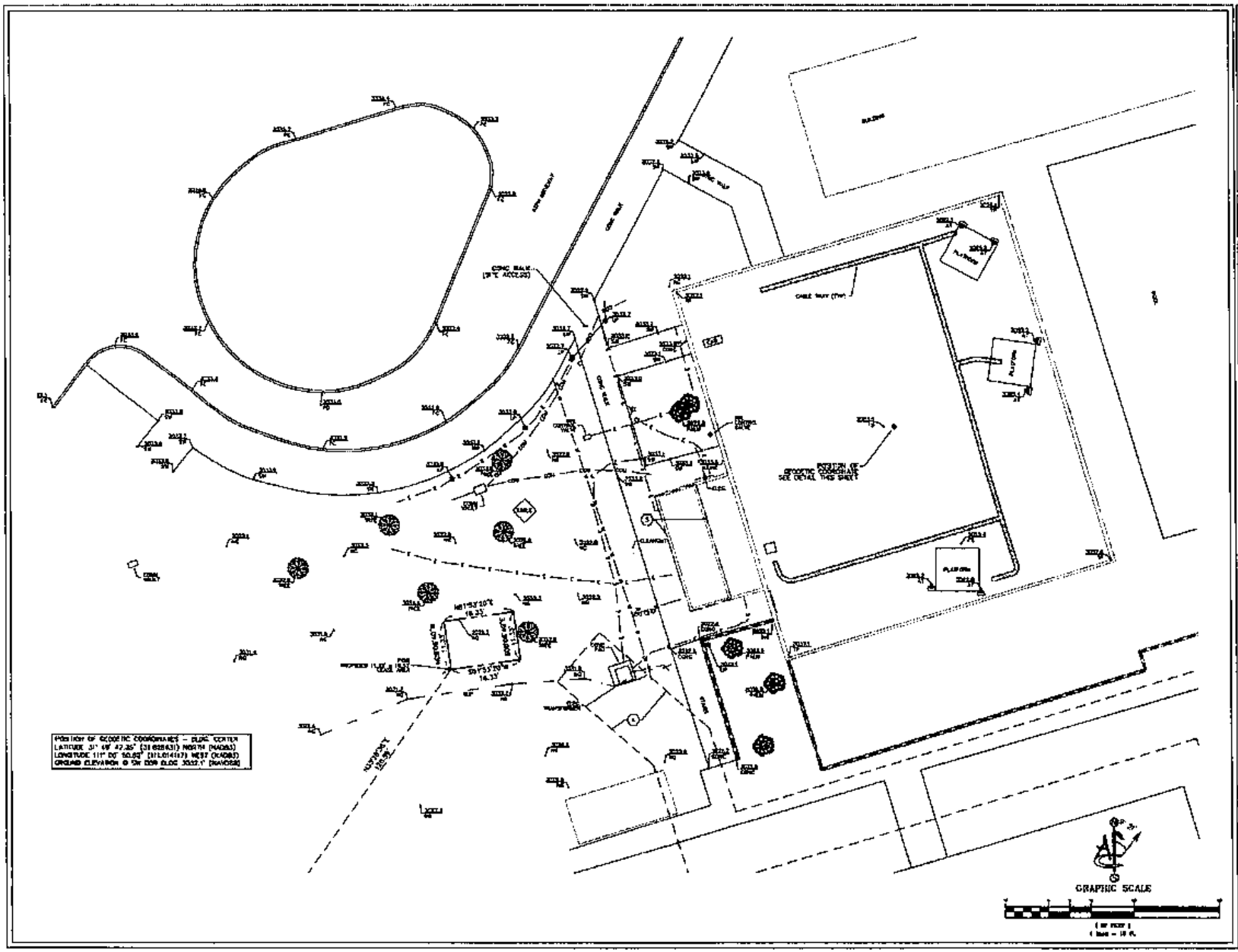
DS MLS DS LD AJ Digitally signed by AJ Date: 2022.08.23 09:37:00 -04'00'

Approved

TMO Signatory Level : L06

DocuSign Envelope ID: 7D143F3E-8693-4590-BFDF-520C5886C777

Exhibit A-1
Description of Premises



T··Mobile·

PROJECT INFORMATION:

PH40802A

2900 S CAMINO DEL SOL
GREEN VALLEY, AZ 85622

PIMA COUNTY

ORIGINAL ISSUE DATE:

04/24/2022

REV.	DATE	DESCRIPTION	BY
A	04/24/2022	PRELIMINARY	AR
B	05/06/2022	TITLE (C)	SB
1	05/12/2022	DESIGN (C)	SB
2	05/19/2022	TITLE EXC 3 (C)	SB

PROJECT COORDINATION:

COAL CREEK CONSULTING

SURVEY PREPARED BY:

ambit consulting

DRAWN BY:	CHK:	APV:
AR	MP	XX

LICENSED

SHEET TITLE:

SURVEY DETAIL

SHEET NUMBER:

LS-2

LESSOR'S LEGAL DESCRIPTION

PROPERTY LOCATED IN PIMA COUNTY, ARIZONA

ALL THAT PART OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 23, RECORDS OF PIMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF CIRCULO DE LAS LOMAS AND CAMINO DEL SOL; THENCE NORTH ALONG SAID CENTERLINE OF CAMINO DEL SOL, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 3°3' 10" OC" AND A RADIUS OF 2000.00 FEET, AN ARC LENGTH OF 213.28 FEET TO A POINT OF TANGENCY SAID TANGENT BEARING BEING N 83° 44'35" W;

THENCE AT RIGHT ANGLES TO SAID TANGENT BEARING S 29° 15' 25" W 75.00 FEET TO THE WEST RIGHT-OF-WAY OF CAMINO DEL SOL, SAID POINT BEING ON THE BOUNDARY OF BLOCK A AND ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE N 83° 44'35" W 328.83 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE S 38° 00' 00" W 652.83 FEET TO A POINT ON THE EAST RIGHT-OF-WAY OF CAMINO MERCADO, SAID POINT BEING A POINT OF REVERSE CURVATURE;

THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY OF SAID STREET, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 7° 43'17" AND A RADIUS OF 1090.83 FEET, AN ARC LENGTH OF 146.45 FEET;

THENCE N 73° 43' 00" E 162.25 FEET;

THENCE S 16° 17' 00" E 124.00 FEET;

THENCE N 73° 43' 00" E 337.48 FEET;

THENCE N 29° 00' 00" E 342.82 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE NORTH ALONG A CURVE, SAID CURVE BEING THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL, HAVING A CENTRAL ANGLE OF 7° 14'37" AND A RADIUS OF 730.00, AN ARC LENGTH OF 368.80 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6.612 ACRES OF LAND MORE OR LESS.

AND BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION, INC., AN ARIZONA NON-PROFIT CORPORATION FROM LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION BY DEED DATED JANUARY 21, 1982 AND RECORDED JANUARY 22, 1982 IN DEED BOOK 6703, PAGE 317.

TAX PARCEL NO. 304-83-7340

SCHEDULE "B" NOTE

REFERENCE IS MADE TO THE REPORT OF TITLE ORDER #07508878, ISSUED BY FIDELITY NATIONAL TITLE, DATED MAY 4, 2022. ALL EASEMENTS CONTAINED WITHIN SAID TITLE REPORT AFFECTING THE IMMEDIATE AREA SURROUNDING THE LEASE HAVE BEEN PLOTTED

ITEMIZED NOTES:

1. TAXES
   TYPE OF TAX: COUNTY
   CALENDAR YEAR: 2021
   AMOUNT: $8,006 ANNUALLY
   PARCEL #: # 304-83-7340
   PAID THROUGH: 2020, 2021 DELINQUENT IN THE AMOUNT OF $8,102, PLUS ANY PENALTY AND INTEREST THAT MAY APPLY
   ASSESSMENT: $300.00 (TOTAL of LAND AND IMPROVEMENTS, IF ANY)
   (THE EXCEPTION IS A STANDARD EXCEPTION AND NOT THE TYPE TO BE DEPICTED HEREON)

2. MATTERS AS SHOWN AND NOTED ON PLAT RECORDED IN PLAT BOOK 31, PAGE 23 (NOTHING TO SHOW)

(A) RIGHT OF WAY EASEMENT IN FAVOR OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION SET FORTH IN INSTRUMENT RECORDED ON APRIL 27, 1983 IN DEED BOOK 7019, PAGE 1183. (APPROXIMATE LOCATION SHOWN)

(B) RIGHT OF WAY EASEMENT IN FAVOR OF TUCSON ELECTRIC POWER COMPANY, AN ARIZONA CORPORATION SET FORTH IN INSTRUMENT RECORDED ON AUGUST 10, 2001 IN DEED BOOK 12811, PAGE 1438. (AS SHOWN ON SURVEY)

(C) CERTIFICATE FOR RECORDING OF MEMORANDUM OF PCS SITE AGREEMENT RECORDED ON APRIL 29, 2003 IN DEED BOOK 12037, PAGE 312. (APPROXIMATE LEASE AREA LOCATION SHOWN)

E. MEMORANDUM OF LICENSE AGREEMENT DATED JUNE 28, 2018, BY AND BETWEEN GREEN VALLEY RENEWABLE ENERGY LLC, A COLORADO LIMITED LIABILITY COMPANY AND GREEN VALLEY RECREATION, INC., AN ARIZONA CORPORATION, RECORDED ON AUGUST 14, 2018 IN INSTRUMENT NO. 20182280916. (BLANKET IN NATURE)

LEASE AREA LEGAL DESCRIPTION

A PORTION OF PROPERTY DESCRIBED IN DEED BOOK 6703, PAGE 317, OFFICIAL RECORDS OF PIMA COUNTY, STATE OF ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT MOST NORTHERLY CORNER OF DOCKET 6451, PAGE 464, AS SHOWN ON RECORD OF SURVEY RECORDED AS BOOK 83 PAGE 1 OF SAID COUNTY, BEING MONUMENTED BY A REBAR WITH TAG LS 38748; FROM WHICH A NAIL AND TAG LS 38748, MONUMENTING THE NORTHWEST CORNER THEREOF, BEARS SOUTH 33°05'44" WEST, 1552.06 FEET; THENCE NORTH 38°28'36" EAST, 128.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH 08°01'40" WEST, 11.33 FEET; THENCE NORTH 81°58'20" EAST, 16.33 FEET; THENCE, SOUTH 08°01'40" EAST, 11.33 FEET; THENCE SOUTH 81°58'20" WEST, 16.33 FEET, RETURNING TO THE POINT OF BEGINNING.

CONTAINING 185 SQUARE FEET (0.004 ACRES) OF LAND, MORE OR LESS

ACCESS NOTE

RESERVING NONEXCLUSIVE RIGHT OF USE ACROSS LESSOR'S PROPERTY FOR NECESSARY APPURTENANCES TO CONSTRUCT, OPERATE, AND MAINTAIN A COMMUNICATION FACILITY FOR USERS SUCH AS, BUT NOT LIMITED TO, SPRINT, TOWERCO, FIBERCO, VEHICULAR MANEUVERING, EQUIPMENT, AND UTILITIES.

T-Mobile

1230 WEST SOUTHERN AVENUE STE. A-102
TEMPE, AZ 85282
PH: (480) 858-7000
FAX: (480) 839-8859

PROJECT INFORMATION:

PH40802A

7980 S CAMINO DEL SOL
GREEN VALLEY, AZ 85622

PIMA COUNTY

ORIGINAL ISSUE DATE:

04/24/2022

REV.	DATE:	DESCRIPTION:	BY:
A	04/26/2022	PRELIMINARY	MR
0	05/06/2022	TITLE (C)	SB
1	06/10/2022	DESIGN (C)	SB
2	08/12/2022	TITLE (CC)	SB

PROJECT COORDINATION:

COAL CREEK CONSULTING
8655 N HAYDEN ROAD, SUITE 2250
SCOTTSDALE, AZ 85258
PH: (623) 321-0111
FAX: (623) 332-3407

SURVEY PREPARED BY:

ambit consulting

DRAWN BY:	CHK.:	APV.:
KR	MF	XX

LICENSER:

SHEET TITLE:

NOTES

SHEET NUMBER:

LS-3

SITE AGREEMENT

Site Name: ~~AZRA~~ Sprint PCS Site ID #: PH54XC523A

1. Premises and Use. Owner leases to Sprint Spectrum L.P., a Delaware limited partnership ("Sprint PCS"), the site described below **[*Check all appropriate boxes*]:**

☐ Land consisting of approximately _____ square feet upon which Sprint PCS will construct its
☐ base station equipment and ☐ antenna support structure;
☐ Building interior space consisting of approximately _____ square feet for placement of base station equipment;
☒ Building exterior space consisting of approximately 100 square feet for placement of base station equipment;
X Building exterior space for attachment of antennas;
☐ Tower space between the ___ foot and ___ foot level on the tower for attachment of antennas;

as well as space required for cable runs to connect its equipment and antennas in the location(s) shown on **Exhibit A**, attached hereto, together with non-exclusive easements for reasonable access thereto, for placement of an underground grounding system, and for access to the appropriate source of electric and telephone facilities, in the discretion of Sprint PCS (the "Site"). The Site will be used by Sprint PCS for the purpose of installing, removing, replacing, modifying, maintaining and operating, at its expense, a communications service facility, including, without limitation, antenna and base station equipment, cable, wiring, back-up power sources (including generators and fuel storage tanks), related fixtures and, if applicable to the Site, an antenna support structure (the "Facilities"). Sprint PCS will use the Site in a manner which will not unreasonably disturb the occupancy of Owner's other tenants, if any. Sprint PCS will have unrestricted access to the Site 24 hours per day, 7 days per week.

2. Term. The term of this Agreement (the "Initial Term") is 5 years, commencing on the date that both Owner and Sprint PCS have executed this Agreement ("Lease Commencement Date"). This Agreement will be automatically renewed for 4 additional terms of 5 years each (each a "Renewal Term"), unless Sprint PCS provides Owner with notice of its intention not to renew not less than 90 days prior to the expiration of the Initial Term or any Renewal Term.

3. Rent. Until the date which is 60 days after the issuance of a building permit, or if no building permit is required, the date that is 60 days after the date Sprint PCS commences installation of the Facilities at the Site ("Rent Commencement Date"), rent will be a one-time aggregate payment of $100, the receipt of which Owner acknowledges. Thereafter, rent will be paid in advance in equal monthly installments of $1,500.00 (until increased as set forth herein), partial months to be prorated. Rent for each Renewal Term will be increased on the anniversary of the Lease Commencement Date to an amount equal to 115% of the rental rate in effect for the prior Term. Notwithstanding anything contained in this Section, Sprint PCS' obligation to pay rent is contingent upon Sprint PCS' receipt of a W-9 form setting forth the tax identification number of Owner or of the person or entity to whom rent checks are to be made payable as directed in writing by Owner.

4. Title and Quiet Possession. Owner represents and warrants to Sprint PCS and further agrees that: (a) it is the owner of the Site; (b) it has the right to enter into this Agreement; (c) the person signing this Agreement has the authority to sign; (d) Sprint PCS is entitled to access the Site at all times and to the quiet possession of the Site throughout the Initial Term and each Renewal Term so long as Sprint PCS is not in default beyond the expiration of any cure period; and (e) Owner will not have unsupervised access to the Site or to the Facilities.

5. Assignment/Subletting. Sprint PCS will have the right to sublease the Site or assign its rights under this Agreement without notice to or consent of Owner. Sprint will promptly give Owner written notice that a sublease or assignment has occurred,

6. Notices. All notices must be in writing and are effective only when deposited in the U.S. mail, certified and postage prepaid, or when sent via overnight delivery. Notices to Sprint PCS are to be sent to: National Lease Management Group, 6391 Sprint Parkway, Mailstop KSOPHT0101-Z2650, Overland Park, Kansas 66251-2650, with a copy to: Sprint Law Department, 6391 Sprint Parkway, Mailstop KSOPHT0101-Z2020, Overland Park, Kansas 66251-2020, Attn.: Sprint PCS Real Estate Attorney. Notices to Owner must be sent to the address shown underneath Owner's signature.

7. Improvements. Sprint PCS may, at its expense, make improvements on the Site as it deems necessary or desirable from time to time for the operation of the Facilities. Owner agrees to cooperate with Sprint PCS with respect to obtaining any required zoning or other governmental approvals for the Site and the Facilities. Upon termination or expiration of this Agreement, Sprint PCS may remove the Facilities and will restore the Site to substantially the condition existing on the Lease Commencement Date, except for ordinary wear and tear and casualty loss.

8. Compliance with Laws. Owner represents and warrants to Sprint PCS that Owner's property (including the Site), and all improvements located thereon, are in substantial compliance with building, life/safety, disability and other laws, codes and regulations of applicable governmental authorities. Sprint PCS will substantially comply with all applicable laws relating to its possession and use of the Site.

9. Interference. Sprint PCS will resolve technical interference problems with other equipment located at the Site on the Lease Commencement Date or any equipment that becomes attached to the Site at any future date when Sprint PCS desires to add additional equipment to the Site. Likewise, Owner will not permit or suffer the installation of any equipment after the Lease Commencement Date that: (a) results in technical interference problems with the Facilities; or (b) encroaches onto the Site.

10. Utilities. Owner represents and warrants to Sprint PCS that all utilities adequate for Sprint PCS' use of the Site are available at or near the Site. Sprint PCS will pay for all utilities used by it at the Site. Owner will cooperate with Sprint PCS in Sprint PCS' efforts to obtain utilities from any location provided by Owner or the servicing utility, including signing any easement(s) or other instrument(s) reasonably required by the utility company. If there is a loss of electrical service at the Site, Sprint PCS may, at its expense, install and maintain a temporary generator and fuel storage tank at the Site or the property adjacent to the Site at the location depicted in Exhibit A.

11. Termination. Notwithstanding any provision contained in this Agreement, Sprint PCS may, in Sprint PCS' sole and absolute discretion and at any time and for any or no reason, terminate this Agreement without further liability by delivering prior written notice to Owner.

12. Default. If either party is in default under this Agreement for a period of 30 days following receipt of written notice from the non-defaulting party, the non-defaulting party may pursue any remedies available to it against the defaulting party at law or in equity, including, but not limited to, the right to terminate this Agreement. If a non-monetary default cannot reasonably be cured within a 30-day period, this Agreement may not be terminated if the defaulting party commences action to cure the default within the 30-day period and proceeds with due diligence to fully cure the default.

13. Indemnity. Subject to Section 17 hereof, Owner and Sprint PCS each indemnifies and agrees to defend the other against and holds the other harmless from any and all costs (including reasonable attorneys' fees) and claims of liability or loss which arise out of the ownership, use and occupancy of the Site by the indemnifying party. This indemnity does not apply to any claims

arising from the negligence or intentional misconduct of the indemnified party. The indemnity obligations under this Section will survive termination of this Agreement.

14. Hazardous Substances. Owner represents and warrants to Sprint PCS that it has no knowledge of any substance, chemical or waste on the Site that is identified as hazardous, toxic or dangerous (collectively, "Substance") in any applicable federal, state or local law or regulation. Sprint PCS will not introduce or use any Substance on the Site in violation of any applicable law. Owner will have sole responsibility for the identification, investigation, monitoring and remediation and/or cleanup of any Substance discovered at the Site unless the presence or release of the Substance is caused by the activities of Sprint PCS.

15. Subordination and Non-Disturbance. This Agreement is subordinate to any mortgage or deed of trust of record against the Site as of the Lease Commencement Date. Promptly after this Agreement is fully executed, however, Owner will obtain a non-disturbance agreement in a form reasonably acceptable to Sprint PCS from the holder of any mortgage or deed of trust.

16. Property Taxes. Sprint PCS will be responsible for payment of all personal property taxes assessed directly upon and arising solely from its use of the Facilities on the Site. Sprint PCS will pay to Owner any increase in real property taxes attributable solely to any improvements to the Site made by Sprint PCS within 60 days after receipt of satisfactory documentation indicating calculation of Sprint PCS' share of the real estate taxes and payment of the real estate taxes by Owner. Owner will pay when due all other real estate taxes and assessments attributable to the property of Owner of which the Site is a part.

17. Insurance. Sprint PCS will procure and maintain commercial general liability insurance, with limits of not less than $1,000,000 combined single limit per occurrence for bodily injury and property damage liability, with a certificate of insurance to be furnished to Owner within 30 days after Sprint PCS' receipt of a written request. Each party hereby waives its right of recovery against the other for any loss or damage covered by any insurance policies maintained by the waiving party. Each party will cause each insurance policy obtained by it to provide that the insurance company waives all rights of recovery by subrogation against the other party in connection with any damage covered by the policy.

18. Maintenance. Sprint PCS will be responsible for repairing and maintaining the Facilities and any other improvements installed by Sprint PCS at the Site in a proper operating and reasonably safe condition; provided, however, if any repair or maintenance is required due to the acts or omissions of Owner, its agents, contractors or employees, Owner will promptly reimburse Sprint PCS for the reasonable costs incurred by Sprint PCS to restore the damaged areas to the condition which existed immediately prior thereto. Owner will maintain and repair all other portions of the property of which the Site is a part in a proper operating and reasonably safe condition.

19. Miscellaneous. (a) This Agreement applies to and binds the heirs, successors, executors, administrators and assigns of the parties to this Agreement; (b) this Agreement is governed by the laws of the state in which the Site is located; (c) Owner agrees to promptly execute and deliver to Sprint PCS a recordable Memorandum of Agreement in the form of **Exhibit B**, attached hereto; (d) this Agreement (including the Exhibits) constitutes the entire agreement between the parties and supersedes all prior written and verbal agreements, representations, promises or understandings between the parties. Any amendments to this Agreement must be in writing and executed by both parties; (e) if any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of the provision to persons other than those as to whom it is held invalid or unenforceable, will not be affected and each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law; and (f) the prevailing party in any action or proceeding in court or mutually agreed upon arbitration proceeding to enforce the terms of this Agreement is entitled to receive its reasonable attorneys' fees and other reasonable enforcement costs and expenses from the non-prevailing party.

20. Non-Binding Until Fully Executed. This Agreement is for discussion purposes only and does not constitute a formal offer by either party. This Agreement is not and will not be binding on either party until and unless it is fully executed by both parties.

The following Exhibits are attached to and made a part of this Agreement: Exhibits A and B.

OWNER:

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

By: Fred Lawrence

Name: Fred Lawrence

Title: President

Taxpayer ID: 23-7185629

Address: 1070 Calle delas Casitas
Green Valley, Arizona 85614

Date: 02-19, 2003

☐ See Exhibit A1 for continuation of Owner signatures

SPRINT PCS:

Sprint Spectrum L.P., a Delaware limited partnership

By:

Name: Sprint Spectrum L.P.

Title: George

Date: Site 2/28 2003

Attach Exhibit A - Site Description
Attach Exhibit B - Memorandum of Agreement Form

Site Name: AZRA Sprint PCS Site ID #: PH54XC523A

EXHIBIT A
TO SITE AGREEMENT

Site Description

Site located at 2980 S. Camino del Sol, situated in the City of Green Valley, County of Pima, State of Arizona commonly described as follows:

Legal Description:

See attached Exhibit A.

Insert Site Plan:

See attached Exhibit A.

Owner Initials: ____
Sprint PCS Initials: ____

Note: Owner and Sprint PCS may, at Sprint PCS' option, replace this Exhibit with an exhibit setting forth the legal description of the property on which the Site is located and/or an as-built drawing depicting the Site.

**[Use this Exhibit A for Site Agreement, Option Agreement, and Memorandum of Agreement.]*

EXHIBIT A

That portion of Block A, "GREEN VALLEY DESERT HILLS NO. 3", recorded in the Pima County Recorder's Office in Book 31 of Maps and Plats at page 25 and as amended by Declaration of Scrivener's Error recorded October 3, 1979 in Docket 6126 at page 844, said portion being described as follows:

BEGINNING at the Centerline intersection of Circulo de las Lomas and Camino Del Sol; THENCE North along said centerline of Camino del Sol, along a curve concave to the northeast, having central angle of 20°10'00" and a radius of 800.00 feet, an arc length of 284.58 to a point of tangency, said tangent bearing being N 63°44'35" W;

THENCE at right angles to said tangent bearing S 26°15'25" W 75.00 feet to the west right-of-way of Camino del Sol, said point being on the boundary of Block A and also being the TRUE POINT OF BEGINNING;

THENCE N 63°44'35" W 229.99 feet along the west right-of-way line of Camino del Sol;

THENCE S 38°00'00" W 523.65 feet to a point on the east right-of-way of Camino Mercado, said point being a point of reverse curvature;

THENCE south along the east right-of-way of said street, along a curve concave to the northeast, having a central angle of 7°45'17" and a radius of 1096.83 feet, an arc length of 148.45 feet;

THENCE N 73°43'00" E 152.25 feet;

THENCE S 16°17'00" E 124.96 feet;

THENCE N 73°43'00" E 337.48 feet;

THENCE N 51°07'00" E 243.82 feet to a point on the west right-of-way line of Camino del Sol;

THENCE north along a curve, said curve being the west right-of-way line of Camino del Sol, having a central angle of 20°14'17" and a radius of 725.00 feet, an arc length of 379.96 feet to the TRUE POINT OF BEGINNING.

OWNER INITIALS: _____

SPRINT PCS INITIALS: _____

OWNER INITIALS:

SPRINT PCS INITIALS:

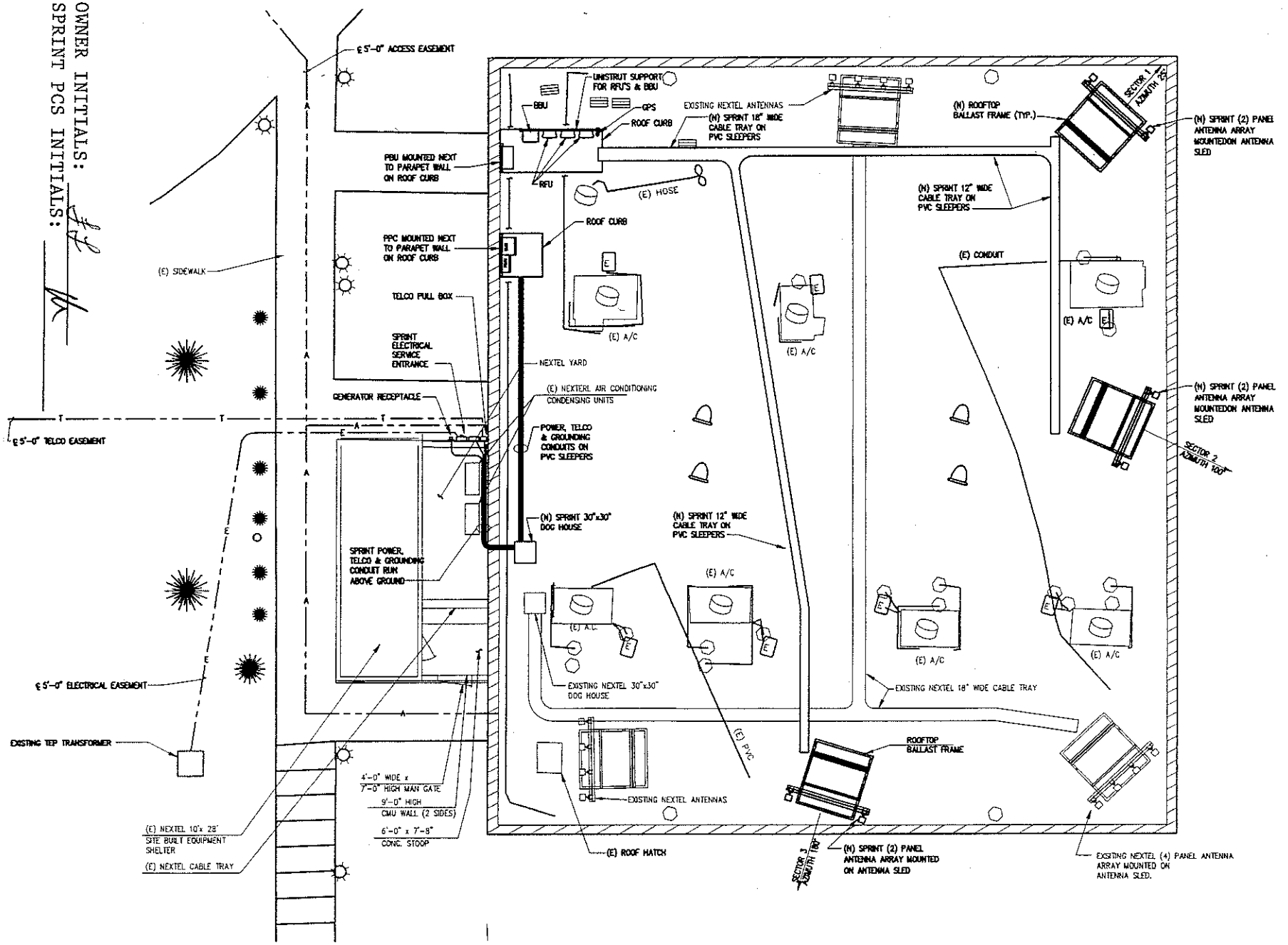


EXHIBIT A

Site Name: AZRA , Sprint PCS Site ID #: PH54XC523A

EXHIBIT B
TO SITE AGREEMENT

Memorandum of Agreement

This Memorandum of Agreement ("Memorandum") dated 02-19, 2003, evidences that a lease was made and entered into by a written Site Agreement (the "Agreement") dated 02-19, 2003, between Green Valley Recreation, Inc. ("Owner") and Sprint Spectrum L.P., a Delaware limited partnership ("Sprint PCS").

The Agreement provides in part that Owner leases to Sprint PCS certain real property owned by Owner and located at _2980 S. Camino del Sol, City of Green Valley, County of Pima, State of Arizona, together with non-exclusive easements for reasonable access thereto, for placement of an underground grounding system, and for access to the appropriate source of electric and telephone facilities (the "Site"). The Site is further described in Exhibit A attached hereto. The term of the Agreement is 5 years commencing on _____, 20__, which term is subject to 4 additional 5-year extensions that may be exercised by Sprint PCS.

The parties have executed this Memorandum as of the day and year first above written.

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

By: Fred Lawrence

Name: Fred Lawrence

Title: President

Address: 1070 Calle de las Casitas
Green Valley, AZ 85614

☐ See Exhibit B1 for continuation of Owner signatures

SPRINT PCS
Sprint Spectrum L.P.,
a Delaware limited partnership

By: _____

Name: Sprint Spectrum L.P.
George Chastain
Site Development Director

Title: _____

Address: 4683 Chabot Drive, Suite #100
Pleasanton, CA 94688

Owner Initials: FL
Sprint PCS Initials: _____

Site Name: AZRA

Sprint PCS Site ID #: PH54XC523A

When Recorded, Return To:
Michael E. Tiffany
Tiffany & Bosco PA
1850 N. Central Ave., #500
Phoenix, AZ 85004

Memorandum of Agreement

This Memorandum of Agreement ("Memorandum") dated 02-19, 2003, evidences that a lease was made and entered into by a written Site Agreement (the "Agreement") dated 02-19, 2003, between Green Valley Recreation, Inc. ("Owner") and Sprint Spectrum L.P., a Delaware limited partnership ("Sprint PCS").

The Agreement provides in part that Owner leases to Sprint PCS certain real property owned by Owner and located at 2980 S. Camino del Sol, City of Green Valley, County of Pima, State of Arizona, together with non-exclusive easements for reasonable access thereto, for placement of an underground grounding system, and for access to the appropriate source of electric and telephone facilities (the "Site"). The Site is further described in Exhibit A attached hereto. The term of the Agreement is 5 years commencing on _____, 20__, which term is subject to 4 additional 5-year extensions that may be exercised by Sprint PCS.

The parties have executed this Memorandum as of the day and year first above written.

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

By: Fred Lawrence

Name: Fred Lawrence

Title: President

Address: 1070 Calle de las Casitas
Green Valley, AZ 85614

☐ See Exhibit B1 for continuation of Owner signatures

SPRINT PCS
Sprint Spectrum L.P.,
a Delaware limited partnership

By: [signature]

Name: Sprint Spectrum L.P.
George Ghanotakis

Title: Site Development Director

Address: 4683 Chabot Drive, Suite #100
Pleasanton, CA 94688

Attach Exhibit A - Site Description

Site Name: AZRA

Sprint PCS Site ID #: PH54XC523A

OWNER NOTARY BLOCK:

STATE OF Arizona

COUNTY OF Pima

The foregoing instrument was *(choose one)* ☐attested or ☑acknowledged before me this 19Th day of February, 2003, by *(choose one)* Fred Lawrence, as President of Green Valley Recreation, Inc., an Arizona non-profit corporation, on behalf of the corporation.

(AFFIX NOTARIAL SEAL)

Nina Thompson nee
(OFFICIAL NOTARY SIGNATURE)
NOTARY PUBLIC STATE OF Nina Lankford

OFFICIAL SEAL
NINA LANKFORD
Notary Public
Pima County, Arizona
My Commission Expires
May 5, 2003

My commission expires:

Nina Thompson / Nina Lankford
(PRINTED, TYPED OR STAMPED NAME OF NOTARY)
COMMISSION NUMBER:

Site Name: AZRA

Sprint PCS Site ID #: PH54XC523A

SPRINT PCS NOTARY BLOCK:

STATE OF CALIFORNIA

COUNTY OF ALAMEDA

The foregoing instrument was acknowledged before me this 3rd day of March, 2003, by George Ghantous, as Site Development Director of Sprint Spectrum L.P., a Delaware limited partnership, who executed the foregoing instrument on behalf of the partnership.

LISA D. KERSEY
Commission # 1303787
Notary Public - California
Alameda County
My Comm. Expires May 7, 2005

(OFFICIAL NOTARY SIGNATURE)
NOTARY PUBLIC STATE OF

My commission expires: 5/7/05

Lisa D. Kersey
(PRINTED, TYPED OR STAMPED NAME OF NOTARY)

FIRST AMENDMENT TO SITE AGREEMENT

THIS FIRST AMENDMENT TO SITE AGREEMENT ("Amendment") is made effective as of the 21 day of February, 2007 ("Effective Date"), by and between Green Valley Recreation, Inc., an Arizona non-profit corporation, having a mailing address at 1070 Calle De Las Casitas, Green Valley, AZ 85614 ("Owner") and Sprint Spectrum Realty Company L.P., a Delaware limited partnership, successor in interest to Sprint Spectrum L.P., a Delaware limited partnership ("SSRC").

BACKGROUND

Pursuant to a Site Agreement dated February 28, 2003 ("Agreement"), Owner leased to SSRC a certain portion of real property located at 2980 South Camino del Sol, City of Green Valley, County of Pima, State of AZ, as more particularly described in Exhibit A to the Agreement ("Site").

Owner and SSRC desire to amend the Agreement as set forth herein. Words and phrases having a defined meaning in the Agreement have the same respective meanings when used herein unless otherwise expressly stated.

AGREEMENT

The parties agree as follows:

1. Term. Section 2 of the Agreement is amended by adding the following:

Notwithstanding anything set forth in Section 2 to the contrary, the current Term of this Agreement will expire on February 27, 2008. Commencing on February 28, 2008, the term of this Agreement ("New Initial Term") is 5 years. The Agreement will be automatically renewed for up to 5 additional terms (each a "Renewal Term") of 5 years each. Each Renewal Term will be deemed automatically exercised without any action by either party unless SSRC gives written notice of its decision not to exercise any option(s) to Owner before expiration of the then current term.

2. Rent. Section 3 of the Agreement is amended by adding the following:

Notwithstanding anything set forth in Section 3 to the contrary, effective February 28, 2007, Rent shall be paid in equal monthly installments of One Thousand Eighty Two and 27/100 Dollars ($1,082.27) per month, partial months to be prorated, in advance, and shall continue during the term (until increased as set forth herein). Thereafter, commencing February 28, 2012, Rent will be increased by Five percent (5%) and every 5 years thereafter by Five percent (5%) of the then current Rent.

Owner initials: JKB SSRC initials:

3. Modification of SSRC's Obligation to Pay - Rent Guarantee Period.

Notwithstanding SSRC's obligations to pay Rent set forth under this Agreement, for a 36-month period commencing on February 28, 2007 and ending February 27, 2010 ("Rent Guarantee Period"), SSRC shall be obligated to pay Rent due under the Agreement and such obligation will not be subject to early termination by SSRC, unless such termination is due to (i) Owner's lack of proper ownership of the Site; (ii) Owner's lack of authority to enter into this Agreement; (iii) Owner's breach of any of the terms and conditions of this Agreement; or (iv) the Site being rendered inoperable due to an event beyond the reasonable control of either SSRC or Owner, including, but not limited to eminent domain, condemnation, acts of God or criminal acts, in which event SSRC will have the authority to exercise its termination rights during the Rent Guarantee Period and the Rent Guarantee Period will no longer apply and no guaranteed Rent will be owed. SSRC may terminate this Agreement prior to the expiration of the Rent Guarantee Period even though none of the events set forth in subsections (i) through (iv) above have occurred, however, in such event SSRC shall be required to continue to pay Owner the Rent SSRC agreed to pay Owner during the Rent Guarantee Period.

4. Termination. Section 11 of the Agreement is amended by deleting the entire provision and substituting the following provision in its place:

"Following the expiration of the Rent Guarantee Period, SSRC may terminate this Agreement at any time and for any or no reason by prior written notice to Owner without further liability. Owner shall be entitled to retain Rent due under this Agreement until the effective date set forth in the termination notice (calculated on a pro rata basis) unless such termination is due to (i) Owner's lack of proper ownership of the Site; (ii) Owner's lack of authority to enter into this Agreement; (iii) Owner's breach of any of the terms and conditions of this Agreement; or (iv) the Site being rendered inoperable due to an event beyond the reasonable control of either SSRC or Owner, including, but not limited to eminent domain, condemnation, acts of God or criminal acts, in which event no Rent will be due."

5. Notices. Section 6 of the Agreement is amended by deleting the entire provision and substituting the following provision in its place:

"All notices, requests, demands or other communications with respect to this Agreement, whether or not herein expressly provided for, must be in writing and will be deemed to have been delivered either five (5) business days after being mailed by United States first-class certified or registered mail, postage prepaid, return receipt requested; or the next business day after being deposited with an overnight courier service for next-day delivery to the parties at the following addresses (the addresses may be changed by either party by giving written notice):

Owner: Green Valley Recreation, Inc., an Arizona non-profit corporation
1070 Calle De Las Casitas
Green Valley, AZ 85614

SSRC: Sprint Spectrum Realty Company L.P., a Delaware limited partnership
Sprint Nextel Property Services
Site ID PH54XC532-A
Mailstop KSOPHT0101-Z2650
6391 Sprint Parkway
Overland Park, KS 66251-2650

Owner initials: _____ SSRC initials: _____

With a copy to: Sprint/Nextel Law Department
Mailstop KSOPHT0101-Z2020
6391 Sprint Parkway
Overland Park, KS 66251-2020
Attention: Real Estate Attorney"

6. Additional Terms and Conditions to this Amendment. This Amendment incorporates all the provisions set forth in Schedule I, attached hereto.

7. Reaffirmation; Intention to be Bound. Except as provided in this Amendment, each and every term, condition and agreement contained in the Agreement will remain in full force and effect. The parties reaffirm that the representations and warranties made by each of the parties in the Agreement are true and accurate as of the Effective Date. The parties executing this Amendment, on behalf of themselves, their assigns and successors, acknowledge and reaffirm their intention to be bound by the terms and conditions of the Agreement.

The parties have caused this Amendment to be executed as of the Effective Date.

OWNER:	SSRC:
Green Valley Recreation, Inc., an Arizona non-profit corporation	Sprint Spectrum Realty Company L.P., a Delaware limited partnership
By: Jim Burt	By:
Printed Name: JIM BURT	Printed Name: ~~Dan Butterworth~~
Title: President	Title: Site Development Manager
Date: 12-14-06	Date: 2/24/2007

Owner initials: JHB

SSRC initials:

SCHEDULE I

TO

FIRST AMENDMENT TO SITE AGREEMENT

Additional Lease Terms and Conditions

The Agreement is amended to include the following terms and conditions:

1. **Expansion of Permitted Use on Existing Lease Space:** Owner hereby grants SSRC the right to modify, supplement, upgrade, replace, remove, refurbish, relocate or expand the equipment related to the Facilities at no additional cost, including without limitation the antenna tower or pole and foundation, utility lines, transmission lines, an air conditioned equipment shelter(s), electronic equipment, antennas, coax, microwave dishes, a power generator and generator pad, and supporting equipment, **within the leased premises**, at any time during the term of this Agreement, and Owner shall cooperate with SSRC in all respects in connection with the foregoing. SSRC may operate each Wireless Equipment at any frequency for which it has all requisite Permits.

2. **Expansion of Lease Space at Site:** Owner grants SSRC the right, to the extent practicable and on a space available basis, to enlarge the Premises or to make space available on Owner's property for SSRC so that SSRC may implement any necessary modifications, supplements, replacements, refurbishments or expansions to the Facilities or to any equipment related thereto, or for any other reasons, as determined by SSRC in its sole discretion. In the event SSRC requires an additional portion of Owner's property (the "Additional Site") for such modification or upgrade, Owner agrees to lease to SSRC the Additional Site at a pre-established rate of $1.50 per square foot. Owner agrees to take such actions and enter into and deliver to SSRC such documents as SSRC reasonably requests in order to effect and memorialize the lease of the Additional Site to SSRC.

Owner initials: _____ SSRC initials: _____

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:
Sprint Spectrum Realty Company L.P., a
Delaware limited partnership
Sprint Nextel Property Services Mailstop
KSOPHT0101-Z2650
6391 Sprint Parkway
Overland Park, Kansas 66251-2650

[space above this line for Recorder's use]

ATTACHMENT 1
TO
FIRST AMENDMENT TO SITE AGREEMENT

MEMORANDUM OF AMENDMENT TO SITE AGREEMENT

THIS MEMORANDUM OF AMENDMENT TO SITE AGREEMENT ("Amended Memorandum"), by and between Green Valley Recreation, Inc., an Arizona non-profit corporation ("Owner") and Sprint Spectrum Realty Company L.P., a Delaware limited partnership, successor in interest to Sprint Spectrum L.P., a Delaware limited partnership ("SSRC"), evidences that the lease made and entered into by written Site Agreement between Owner and SSRC, dated February 28, 2003 ("Agreement"), has been amended by written agreement between the parties (the "Amendment"). The parties caused to be recorded a Memorandum of Agreement with the Office of County Recorder, County of Pima, State of AZ as document number 20030800142 on the 25th day of April, 2003.

The Amendment provides in part that Owner leases to SSRC certain real property owned by Owner and located at 2980 South Camino del Sol, City of Green Valley, County of Pima, State of AZ, together with non-exclusive utility and access easements (the "Site"). The Amendment grants SSRC the option to extend the Agreement for five (5) additional sixty (60) month terms after the expiration of the new initial sixty (60) month term which commenced on February 28, 2008.

SIGNATURES ON FOLLOWING PAGE

Owner initials: JRG

SSRC initials:

IN WITNESS WHEREOF, the parties have executed this Amended Memorandum as of the day and year indicated below.

OWNER:

Green Valley Recreation, Inc., an Arizona non-profit corporation

By: Jim Burt

Printed Name: JIM BURT

Title: President GVR

Date: 08-02-06

SSRC:

Sprint Spectrum Realty Company L.P., a Delaware limited partnership

By: _____

Printed Name: Dan Butterworth
Site Development Manager

Title: _____

Date: 2/20/2007

Owner initials: JB

SSRC initials: _____

OWNER NOTARY BLOCK

STATE OF Arizona)
) ss.
COUNTY OF Pima)

The foregoing instrument was *(choose one)* ☐ attested or ☒ acknowledged before me this 02 day of August, 2006, by *(choose one)*
☐ _____ as an individual,
☒ Tim Burt, as President of Green Valley Recreation, a Arizona corporation, on behalf of the corporation, or
☐ _____, partner or agent on behalf of _____, a ___ _____ partnership.

In witness whereof I hereunto set my hand and official seal.

JULIE ANN DALL'AGLIO
Notary Public - Arizona
Pima County
My Comm. Expires Apr 27, 2010

Julie Ann Dall'Aglio
NOTARY PUBLIC

SSRC NOTARY BLOCK

STATE OF KANSAS)
) ss.
COUNTY OF JOHNSON)

Acknowledgment by Corporation
Pursuant to Uniform Acknowledgment Act

The foregoing instrument was acknowledged before me this 21 day of February, 2007 by Dan Butterworth, Site Development Manager, on behalf of Sprint Spectrum Realty Company L.P., a Delaware limited partnership.

In witness whereof I hereunto set my hand and official seal.

Joann Ng
NOTARY PUBLIC

JO-ANN NG
Notary Public, State of Kansas
My Appointment Expires
Oct. 17, 2010

Owner initials: JKB

SSRC initials: _____

EXHIBIT C

EASEMENT AREA DESCRIPTION

THAT PORTION OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHERLY CORNER OF THE PARENT PARCEL;

THENCE SOUTH 37° 21' 48" WEST, 168.37 FEET;

THENCE SOUTH 52° 38' 12" EAST, 235.73 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 73° 57' 01" EAST, 47.17 FEET;

THENCE NORTH 30° 02' 36" EAST, 1.89 FEET;

THENCE SOUTH 59° 57' 24" EAST, 12.00 FEET;

THENCE SOUTH 30° 02' 36" WEST, 10.00 FEET;

THENCE NORTH 59° 57' 24" WEST, 12.00 FEET;

THENCE NORTH 30° 02' 36" EAST, 5.22 FEET;

THENCE SOUTH 73° 57' 01" WEST, 4.92 FEET;

THENCE SOUTH 15° 27' 45" EAST, 28.01 FEET;

THENCE NORTH 83° 48' 37" EAST, 7.19 FEET;

THENCE NORTH 06° 11' 23" WEST, 4.27 FEET;

THENCE NORTH 83° 48' 37" EAST, 10.50 FEET;

THENCE SOUTH 06° 11' 23" EAST, 12.00 FEET;

THENCE SOUTH 83° 48' 37" WEST, 10.50 FEET;

THENCE NORTH 06° 11' 23" WEST, 5.73 FEET;

THENCE SOUTH 83° 48' 37" WEST, 6.86 FEET;

THENCE SOUTH 15° 27' 45" EAST, 48.24 FEET;

THENCE SOUTH 67° 29' 33" WEST, 9.88 FEET;

THENCE SOUTH 83° 11' 07" WEST, 12.00 FEET;

THENCE NORTH 06° 48' 53" WEST, 10.00 FEET;

THENCE NORTH 83° 11' 07" EAST, 12.00 FEET;

THENCE SOUTH 06° 48' 53" EAST, 6.82 FEET;

THENCE NORTH 67° 29' 33" EAST, 7.39 FEET;

THENCE NORTH 15° 27' 45" WEST, 8.71 FEET;

THENCE SOUTH 72° 56' 36" WEST, 53.56 FEET;

THENCE NORTH 16° 50' 05" WEST, 11.31 FEET;

THENCE NORTH 73° 09' 55" EAST, 3.00 FEET;

THENCE SOUTH 16° 50' 05" EAST, 7.11 FEET;

THENCE NORTH 72° 56' 36" EAST, 50.66 FEET;

THENCE NORTH 15° 27' 45" WEST, 62.51 FEET;

THENCE SOUTH 73° 57' 01" WEST, 38.18 FEET;

THENCE NORTH 16° 02' 59" WEST, 2.00 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 0.021 ACRES (898 SQUARE FEET) OF LAND MORE OR LESS.

In the event of a discrepancy between the area actually occupied by the equipment pursuant to the Existing Agreement and the area described above, the described area shall be understood to also include any portion of the actual used area not captured by the description or as may have been granted pursuant to the Existing Agreement.

NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AREA DESCRPITION

In addition to the area described above, the part of the Property upon which any equipment exists on the Effective Date together with the portion of the Property used and/or leased by Grantor under the Existing Agreement, including, but not limited to, as follows:

Utilities. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over the portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to the Easement Area, and an easement in, to, under and over the portions of the Property and through the shaft ways, chase ways, soffits, risers, columns, crawl spaces, rafters, or any other space for placement of antenna(s), cables, wiring, etc., which is for the installation, operation, and maintenance of equipment and/or personal property, together with the right to use such easement for the development, installation, repair, operation, maintenance and removal of utilities, antenna(s), cables, wiring, etc. including, without limitation, in connection with providing service to the Easement Area and any related activities and uses.

Access. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to and from the Easement Area and to and from a publicly dedicated roadway, together with the right to use such access easement. The access granted herein shall be subject to reasonable rules and regulations promulgated by Grantor, from time to time, with respect to access to and from the interior of the building, including, without limitation, reasonable prior notice by Grantee.

EXHIBIT ONLY – NOT FOR EXECUTION

EXHIBIT D

FORM OF EASEMENT

EASEMENT AND ASSIGNMENT OF LEASE AGREEMENT
PIN: : 304-63-754G

STATE OF ARIZONA
COUNTY OF PIMA

Document Date: September 30, 2026

GRANTOR:	GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation
Address:	1070 Calle de las Casitas Green Valley, AZ 85614
GRANTEE:	LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company
Address:	400 Continental Blvd., Ste. 500 El Segundo, CA 90245
With a copy to:	P.O. Box 3429 El Segundo, CA 90245
Legal Description:	Attached as Exhibit A.

Prepared by:
Landmark Dividend LLC
P.O. Box 3429
400 Continental Blvd., Suite 500
El Segundo, CA 90245
TC260282

Return after recording to:
Auro Solutions, LLC d/b/a Tower Title & Closing
225 Newman Ave.
East Providence, RI 02916
LD-244672-C

EASEMENT AND ASSIGNMENT OF LEASE AGREEMENT

This Easement and Assignment of Lease Agreement (this "**Agreement**") dated September 30, 2026 (the "**Effective Date**") is by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation ("**Grantor**"), and **LD TELECOM ASSETCO 3 LLC**, a Delaware limited liability company ("**Grantee**").

WHEREAS, Grantor owns certain real property located at 2980 S. Camino Del Sol, Green Valley, in the County of Pima, State of Arizona, and more particularly described in Exhibit A attached hereto (the "**Property**");

WHEREAS, pursuant and subject to that certain Purchase and Sale of Easement and Assignment Agreement by and between Grantor and Grantee, of even date herewith (the **"Purchase Agreement"),** Grantor intends to grant to Grantee an exclusive easement (the "**Communications Easement**") in, to, under, over and through a certain portion or portions of the Property as further described in Exhibit B attached hereto (the "**Communications Easement Area**") for: (i) the purpose of operating, leasing, subleasing, or licensing space in and on the Communications Easement Area to communications tenant(s) (each or collectively, as applicable, the "**Tenant(s)**") and any additional uses associated with the exercise of the rights of such tenants under such leases, subleases, or licenses including, without limitation, the installation, operation, maintenance of and access to communications facilities; and (ii) any other lawful use Grantee may require (the "**Permitted Uses**") and a non-exclusive easement (the "**Access and Utility Easement**") in, to, under, over and through certain portions of the Property, and the building located on the Property, as further described in Exhibit B attached hereto (the "**Access and Utility Easement Area**" together with the Communications Easement Area, the "**Easement Area**") for ingress, egress, maintenance and utility service for and to the Communications Easement (the Communications Easement and the Access and Utility Easement may be collectively referred to herein as the "**Easement**);

WHEREAS, pursuant and subject to the Purchase Agreement, Grantor intends to sell, assign, set over, convey and transfer the existing communications lease more particularly described in Exhibit C attached hereto to Grantee (each or collectively, as applicable, the "**Existing Agreement**").

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto intending to be legally bound hereby agree as follows:

1. GRANT OF EASEMENTS. Grantor hereby grants to Grantee an exclusive easement in, to, under, over and through the Communications Easement Area along with a non-exclusive easement in, to, under over and through the Access and Utility Easement Area for the Permitted Uses. Grantee and its Tenant(s) shall have access to and from the Easement Area twenty-four (24) hours per day, seven (7) days per week. Further, Grantor grants to Grantee a non-exclusive easement in, to, under and across the Property for the installation, placement, use, operation and maintenance of ice bridges, conduit cabling and antenna on the Property. These easements, and Grantee's corresponding right to enter into any lease, license or other transfer/occupancy agreement with any third-party other than Tenant for such easements, are expressly subject and subordinate to the Existing Agreement. Notwithstanding anything to the contrary herein, in no event shall Grantee be permitted to enter into a lease, license or similar type of agreement for the use of any portion of the Easement with a term that extends beyond the Term or increases the obligations of Grantor without Grantor's prior written consent, which may be withheld in Grantor's sole and absolute discretion.

Grantor and Grantee also agree to share any future rent from carriers 50/50 (50% to the Grantor) ("**Grantor's Share**") who may require additional space outside of the Easement Area. In the event an agreement is executed with a carrier for space outside of the Easement Area, Grantor shall have the right to approve the location of such additional space in its sole and reasonable discretion, and the parties shall enter into a mutually agreeable amendment to this Agreement to include such additional space. Grantor shall not sell, convey, transfer or assign Grantor's Share (except in connection with the sale, conveyance, transfer of assignment of one hundred percent (100%) of Grantor's interest in the Property) without the prior written consent of Grantee, such consent to be withheld in Grantee's sole discretion. Notwithstanding the foregoing, Grantor shall have the right to enter into agreements with tenants for space outside

of the Easement Area, and Grantee shall have no right, title or interest in and to same, including, without limitation, the rents due thereunder, which shall belong exclusively to Grantor.

2. TERM. Commencing on the Effective Date (the "**Commencement Date**"), the term of this Agreement shall be **perpetual** (the "**Term**").

3. TERMINATION. Grantor may not terminate this Agreement. Notwithstanding anything to the contrary herein, Grantee may unilaterally terminate this Agreement and the Purchase Agreement at any time during the Term, and the Existing Agreement shall revert to Grantor.

4. ASSIGNMENT OF EXISTING AGREEMENT. As part of the consideration provided for this Agreement, Grantor hereby unconditionally and absolutely assigns and conveys all of its right, title and interest in and to the Existing Agreement, including without limitation, the right to collect the rent thereunder. In no event shall the assignment of the Existing Agreement impose a greater obligation on Grantee than is imposed upon the Tenant under the Existing Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that, Grantor shall retain and continue to faithfully perform and discharge any and all of obligations of lessor under the Existing Agreement that are incidental to fee ownership of the Property including, without limitation, maintenance, access, quiet enjoyment, non-interference, cooperation with all requests for permit applications put forth by any tenant or licensee of Grantee, maintaining the Property free of all defaults and any voluntary or involuntary lien against the Property and payment of real property taxes ("**Fee Owner Obligations**") and Grantee shall assume all other obligations of lessor thereunder. Grantee shall use commercially reasonable efforts to enforce the obligations of Tenant under the Existing Agreement, including without limitation, maintenance, repair and payment of taxes, in favor of Grantor. Notwithstanding any other provision contained in this Agreement or any attachments hereto, Grantor and Grantee jointly and severally reserve the rights to insurance and indemnification defined pursuant to the Existing Agreement as against Tenant.

5. COVENANTS OF GRANTOR. Grantor covenants to Grantee, as of the date hereof, that:

a. Grantor shall comply with all applicable laws which may affect the Property. Grantor shall pay, as and when due, all real and personal property taxes and all other fees and assessments attributable to the Property (the "**Taxes and Fees**") and shall take all other actions necessary to avoid a forfeiture of the Property.

a. Grantor shall execute all documents (including, without limitation, amendments or modifications of the Easement Agreement and any documents necessary for required certificates, permits, licenses and other approvals) necessary for Grantee or its Tenant(s) to utilize the Easement Area in the manner contemplated in this Agreement, the Existing Agreement and the Purchase Agreement.

b. Grantor shall cooperate with the requests of Grantee and/or Tenant(s) to facilitate the Permitted Uses of the Easement Area

c. in the event of a change of ownership, control, transfer or sale of the Property, Grantor or its successor shall promptly send to Grantee written notice of such change and the name and contact information for the new owner of the Property.

d. Grantor shall not allow or permit a breach or default to occur under the Existing Agreement as a result of Grantor's actions or inactions and shall promptly cure any such default which results from the same. Grantor shall immediately forward to Grantee a copy of any notice of default under the Existing Agreement received by Grantor, including all correspondence related thereto.

e. Grantor shall not settle or compromise any insurance claim or condemnation award relating to the Easement without Grantee's prior written approval, which shall not be unreasonably withheld.

f. Grantor shall not, nor shall Grantor permit its lessees, licensees, employees, invitees or agents to use any portion of the Property, or the Easement in a way which interferes with the operations of tenants under the Existing

Agreement, or any other of Grantee's future lessees or licensees, or to interfere with the Access and Utility Easement. Such interference shall be deemed a material breach by Grantor.

g. Grantor will forward any rent payments received from Tenant(s) after the Effective Date to Grantee within 5 business days of receipt thereof.

h. Grantor shall not introduce or use (or permit the use of) any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (collectively "**Hazardous Substance**") on the Property in violation of any applicable federal, state or local environmental laws. Grantor shall be responsible for (and shall promptly conduct any investigation and remediation as required by any applicable environmental laws) all spills or other releases of any Hazardous Substance not caused by Grantee, that have occurred or which may occur on the Property. For the avoidance of doubt, Grantee shall not be responsible for any Hazardous Substances arising or present on or before the Effective Date and liability of Grantee for any claims with respect to any Hazardous Substances at the Property or the Easement Area shall be limited to contamination which is shown by clear evidence to have been solely caused by a release of a Hazardous Substance by Grantee after the Effective Date, and in violation of any applicable federal, state or local environmental laws.

i. Grantor, or any persons acting on Grantor's behalf, shall not enter into any other agreement, lease, sublease, license, communication agreement or similar agreement of any kind, for a portion of the Property, or any other property owned or controlled by Grantor within 1 mile of the Property, outside of the Communications Easement, for the purpose of relocating any Tenant(s) under the Existing Agreement, including replacements thereof.

6. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the parties to this Agreement. This Agreement shall run with the land upon which the Easement Area is located, and Grantor shall, in any and all deeds or other documents related to the sale, conveyance, assignment, mortgage, pledge, or other encumbrance or transfer of the Property, expressly provide that the Property is subject to all rights, liabilities and obligations under this Agreement. Grantor hereby expressly acknowledges and agrees that Grantee may from time-to-time sell, convey, assign, mortgage, pledge, encumber, hypothecate, securitize or otherwise transfer some or all of Grantee's right, title and interest in and to this Agreement, the Easement Area and the Existing Agreement; provided, however, any security instrument recorded by Grantee shall be limited to its interest in same and shall not otherwise affect the Property or Grantor's interest therein. Grantor may assign this Agreement only in its entirety and only to any person or entity who or which acquires fee title to the Property.

7. MAINTENANCE. Except to the extent maintenance is the obligation of any Tenant(s) under the Existing Agreement and except with respect to any personal property of such Tenant(s), during the Term, Grantor shall maintain, in good operating condition and repair, the Property and the improvements located thereon. Grantor shall promptly repair any defect in the above within thirty (30) days, or shorter period as may be required by any government authority having jurisdiction, unless the defect constitutes an emergency, in which case the Grantor shall cure the defect as quickly as possible. If Grantor fails to make such repairs, Grantee may, but shall not be obligated to, effect such repairs at Grantor's sole cost and expense, which Grantor shall reimburse to Grantee upon demand, together with interest thereon from the date of demand. To the extent the Tenant(s) is/are responsible for damage to the rooftop, Grantee may use commercially reasonable efforts to enforce such provisions of the Existing Agreements. Grantor may also seek reimbursement directly from the Tenant(s) for damage caused by the Tenant(s) in accordance with the Existing Agreement; provided however Grantor shall provide notice to Grantee of Grantor's efforts to seek reimbursement and Grantor shall not seek any right or remedy against Tenant(s) other than for compensatory damages and/or specific performance relating to repairing the subject damage. Grantor shall not engage in any self-help, deny the Tenant(s) access to the Easement Area, attempt to terminate the Existing Agreement or collect any rent or other monies due to Grantee thereunder or evict or dispossess Tenant(s) from the Easement Area. Grantee shall have no obligations relating to the repair, maintenance, and/or replacement of any portion of the rooftop.

8. NOTICES. All notices, requests, demands and other communications hereunder shall be delivered by Certified Mail Return Receipt Requested, and/or a nationally recognized overnight courier or upon attempted delivery, if

delivery is refused or if delivery is impossible because of failure to provide reasonable means for accomplishing delivery. Notice shall be deemed accepted upon proof of delivery. Notices shall be delivered:

As to Grantor: 1070 Calle de las Casitas
Green Valley, AZ 85614

As to Grantee: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429
El Segundo, CA 90245
Attn: Asset Management
Re: TC260282

With a copy to: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429
El Segundo, CA 90245
Re: TC260282

Grantor shall immediately forward all notices related to the Easement or the Existing Agreement to Grantee at the notice address provided herein.

9. DEFAULT. It shall be an "**Event of Default**" if either Grantor or Grantee fails to observe or perform any of the terms, conditions or its respective obligations set forth in this Agreement. Upon receiving written notice of such a default or breach of this Agreement, the defaulting party shall have the lesser of: thirty (30) days, or (b) the cure period under the Existing Agreement (as applicable) to cure such default; provided, however, if the required cure of the noticed default cannot reasonably be completed by Grantee within such time period, Grantee's failure to perform shall not constitute an Event of Default so long as Grantee's failure to perform does not constitute a default under the Existing Agreement and Grantee undertakes to cure the failure promptly, diligently and to completion. In the event that the defaulting party fails to cure such default within the cure period, the non-defaulting party shall be entitled to exercise any rights permitted under this Agreement or permitted by applicable law; provided however, that neither party shall be liable to the other for consequential or punitive damages (except that Grantee may elect as a remedy to pursue loss of rents); and provided further, that in the event Grantee is in default under this Agreement, Grantor shall not have the right to terminate this Agreement or the Existing Agreement and shall have, as its sole remedy, specific performance or an action for damages. Notwithstanding anything to the contrary contained herein, in the event that Grantor fails to provide Grantee, the Tenant(s), or their respective agents, employees, or contractors, access to the Easement Area, for any reason whatsoever, whether through action or inaction, such occurrence shall be an Event of Default, which is hereby deemed material, which shall not be subject to the cure periods as set forth in this Section 10, and Grantee shall be immediately entitled to exercise specific performance and to exercise any rights and remedies permitted by this Agreement or permitted by applicable law. Notwithstanding anything to the contrary herein, if Grantor fails to pay all Taxes and Fees or to take all other actions necessary to avoid forfeiture of the Property, Grantee may, but shall not be required to, at its sole discretion, pay the Grantor's Taxes and Fees and perform any other measure necessary to avoid forfeiture of the Property, provided further however, Grantee shall be entitled to recover from Grantor all Taxes and Fees and all other costs and expenses, including actual attorney's fees.

10. AGREEMENT FULLY PERFORMED. Notwithstanding anything in this Agreement to the contrary, this Agreement is deemed to be fully performed by Grantee as of the Effective Date. In no event shall this Agreement be deemed an executory contract for purposes of the United States Bankruptcy Code, as amended (the "**Code**"), and this Agreement may not be rejected pursuant to Section 365 of the Code.

11. CASUALTY. Notwithstanding the law of the jurisdiction in which the Property is located, in the event the Easement Area or Property is damaged or destroyed by fire or other casualty, this Agreement, the Easement and the Purchase Agreement and Grantee's rights therein shall remain in full force and effect. Grantor shall give Grantee immediate notice of such casualty and Grantor shall, at Grantor's sole cost and expense, cause the damage to be

repaired to a condition as nearly as practicable to that existing prior to the damage within the shorter of ninety (90) days from the date of the damage or the time period set forth in the Existing Agreement. During the Grantor's repair of the Property, Grantor shall provide temporary relocation space to Grantee and Tenant(s) for use as a communications site until the Property and Easement Area have been sufficiently repaired for the use and enjoyment of Tenant(s). . In the event the Easement Area or Property is destroyed or otherwise damaged beyond repair, Grantor agrees to grant to Grantee a replacement easement area inclusive with an access and utility easement that shall be substantially similar in size and scope and pursuant to the same terms and conditions as this Agreement ("**Replacement Easement**"). This Replacement Easement shall be memorialized in a new agreement to be properly executed by the parties and recorded in the same manner as this Agreement.

12. CONDEMNATION. In the event all or any part of the Easement Area or Property is taken by the exercise of eminent domain or a proposed conveyance in lieu thereof by a representative of a governing authority having the right of eminent domain, Grantee and Grantor shall have the right to pursue separate, individual compensation awards for each party's respective interests in the Easement Area and Property. Grantee shall be entitled to submit a separate claim for the valuation of the Easement Area to the governing authority and Grantor hereby waives any right to oppose or object to Grantee's claim for compensation relating to the Easement Area in connection with any eminent domain proceeding or conveyance in lieu related thereto.

13. GOVERNING LAW; VENUE JURY TRIAL WAIVER.

a. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

b. EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE APPLICABLE UNITED STATES DISTRICT COURT FOR THE DISTRICT THE PROPERTY IS LOCATED IN, AND EACH PARTY WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE IN SUCH COURT, WHETHER ON THE BASIS OF INCONVENIENT FORUM OR OTHERWISE.

c. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING TO ENFORCE OR INTERPRET THIS AGREEMENT.

14. ATTORNEYS' FEES. In any action or proceeding brought to enforce any provision of this Agreement, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs. All damages or other sums payable by one party to another hereunder shall bear interest from the date incurred or payable until paid at a rate equal to the highest rate permitted by applicable law.

15. INDEMNIFICATION. Grantor and Grantee shall each indemnify, defend and hold harmless the other party its parents, subsidiaries, and affiliates, and their respective directors, officers, members, managers, partners, employees, agents, representatives, successors and assigns (collectively, the "**Indemnified Parties**") from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, cleanup, remediation, removal or restoration work required by any governmental authority, losses, judgments and reasonable attorneys' fees (collectively, the "**Claims**") that the Indemnified Parties may suffer or incur arising from or relating to: (i) any breach by a breaching party of any of its representations, warranties, covenants, agreements, terms, provisions, conditions or limitations of this Agreement, including, without limitation, with respect to Grantor, any failure on the part of Grantor to continue to faithfully perform and discharge any and all of Grantor's obligations as lessor under the Existing Agreement, (ii) with respect to Grantor, the operations or activities on the Property by Grantor or any of its agents, contractors, subcontractors, servants, employees, tenants, subtenants, licensees or invitees; (iii) with respect to Grantee, the operations or activities on the Property of only the Grantee; (iv) any violation by the breaching party of any laws applicable to such breaching party; and (v) the existence or discovery of any Hazardous Substance on the Property caused by the other party, including the migration of any Hazardous Substance to other properties and the release of any Hazardous Substance into the environment that relate to or arise from the indemnitor's activities on the Property; provided however Grantee shall only be obligated to indemnify Grantor for Hazardous Substances caused solely by Grantee. Grantor agrees to defend, indemnify, protect and hold the Indemnified Parties of the Grantee harmless from

and against any and all Claims related to Hazardous Substances arising out of or resulting from actions on the Property not caused by Grantee prior to, and during the Term of this Agreement. The parties' indemnification obligations under Section 15 shall survive the termination or expiration of this Agreement.

16. CONSTRUCTION. The parties acknowledge that this document shall not be construed in favor of or against the drafter and that this document shall not be construed as an offer until such time as it is executed by one of the parties and then tendered to the other party.

17. INCORPORATION BY REFERENCE; CONFLICTS. Unless otherwise defined herein, all terms used in this Agreement shall have the same meaning as set forth in the Purchase Agreement, the terms and conditions of which are incorporated into the Agreement by reference in their entirety. If this Agreement conflicts with the terms and conditions of the Purchase Agreement, then the terms of this Agreement shall govern as between the parties hereto.

[Remainder of page left intentionally blank. Signatures appear on following pages.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

GRANTOR:

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

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On September ___, 2026, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal.

_____
Notary Public
My Commission Expires: _____ [SEAL]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

GRANTEE:

LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company

By: _____
Name: _____
Title: Authorized Signatory

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September ____, 2026, before me, _____ (here insert name and title of officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature_____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

ALL THAT PART OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF CIRCULO DE LAS LOMAS AND CAMINO DEL SOL; THENCE NORTH ALONG SAID CENTERLINE OF CAMINO DEL SOL, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 20° 10' 00" AND A RADIUS OF 800.00 FEET, AN ARC LENGTH OF 281.58 FEET TO A POINT OF TANGENCY, SAID TANGENT BEARING BEING N 63° 44' 35" W;

THENCE AT RIGHT ANGLES TO SAID TANGENT BEARING S 26° 15' 25" W 75.00 FEET TO THE WEST RIGHT-OF-WAY OF CAMINO DEL SOL, SAID POINT BEING ON THE BOUNDARY OF BLOCK A AND ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE N 63° 44' 35" W 229.99 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE S 38° 00' 00" W 523.65 FEET TO A POINT ON THE EAST RIGHT-OF-WAY OF CAMINO MERCADO, SAID POINT BEING A POINT OF REVERSE CURVATURE;

THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY OF SAID STREET, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 7° 45' 17" AND A RADIUS OF 1096.83 FEET, AN ARC LENGTH OF 148.45 FEET;

THENCE N 73° 43' 00" E 152.25 FEET;

THENCE S 16° 17' 00" E 124.96 FEET;

THENCE N 73° 43' 00" E 337.48 FEET;

THENCE N 51° 07' 00" E 243.82 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE NORTH ALONG A CURVE, SAID CURVE BEING THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL, HAVING A CENTRAL ANGLE OF 20° 14' 17" AND A RADIUS OF 725.00 FEET, AN ARC LENGTH OF 305.96 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6.042 ACRES OF LAND, MORE OR LESS

PARCEL ID: 304-63-754G

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION, INC., AN ARIZONA NON-PROFIT CORPORATION FROM LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE, UNDER THAT CERTAIN TRUST AGREEMENT KNOWN AS TRUST NUMBER 6486-T, IN A DEED DATED JANUARY 21, 1982 AND RECORDED JANUARY 22, 1982, IN BOOK 6703 PAGE 317.

EXHIBIT B

EASEMENT AREA DESCRIPTION

THAT PORTION OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHERLY CORNER OF THE PARENT PARCEL;

THENCE SOUTH 37° 21' 48" WEST, 168.37 FEET;

THENCE SOUTH 52° 38' 12" EAST, 235.73 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 73° 57' 01" EAST, 47.17 FEET;

THENCE NORTH 30° 02' 36" EAST, 1.89 FEET;

THENCE SOUTH 59° 57' 24" EAST, 12.00 FEET;

THENCE SOUTH 30° 02' 36" WEST, 10.00 FEET;

THENCE NORTH 59° 57' 24" WEST, 12.00 FEET;

THENCE NORTH 30° 02' 36" EAST, 5.22 FEET;

THENCE SOUTH 73° 57' 01" WEST, 4.92 FEET;

THENCE SOUTH 15° 27' 45" EAST, 28.01 FEET;

THENCE NORTH 83° 48' 37" EAST, 7.19 FEET;

THENCE NORTH 06° 11' 23" WEST, 4.27 FEET;

THENCE NORTH 83° 48' 37" EAST, 10.50 FEET;

THENCE SOUTH 06° 11' 23" EAST, 12.00 FEET;

THENCE SOUTH 83° 48' 37" WEST, 10.50 FEET;

THENCE NORTH 06° 11' 23" WEST, 5.73 FEET;

THENCE SOUTH 83° 48' 37" WEST, 6.86 FEET;

THENCE SOUTH 15° 27' 45" EAST, 48.24 FEET;

THENCE SOUTH 67° 29' 33" WEST, 9.88 FEET;

THENCE SOUTH 83° 11' 07" WEST, 12.00 FEET;

THENCE NORTH 06° 48' 53" WEST, 10.00 FEET;

THENCE NORTH 83° 11' 07" EAST, 12.00 FEET;

THENCE SOUTH 06° 48' 53" EAST, 6.82 FEET;

THENCE NORTH 67° 29' 33" EAST, 7.39 FEET;

THENCE NORTH 15° 27' 45" WEST, 8.71 FEET;

THENCE SOUTH 72° 56' 36" WEST, 53.56 FEET;

THENCE NORTH 16° 50' 05" WEST, 11.31 FEET;

THENCE NORTH 73° 09' 55" EAST, 3.00 FEET;

THENCE SOUTH 16° 50' 05" EAST, 7.11 FEET;

THENCE NORTH 72° 56' 36" EAST, 50.66 FEET;

THENCE NORTH 15° 27' 45" WEST, 62.51 FEET;

THENCE SOUTH 73° 57' 01" WEST, 38.18 FEET;

THENCE NORTH 16° 02' 59" WEST, 2.00 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 0.021 ACRES (898 SQUARE FEET) OF LAND MORE OR LESS.

In the event of a discrepancy between the area actually occupied by the equipment pursuant to the Existing Agreement and the area described above, the described area shall be understood to also include any portion of the actual used area not captured by the description or as may have been granted pursuant to the Existing Agreement.

NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AREA DESCRPITION

In addition to the area described above, the part of the Property upon which any equipment exists on the Effective Date together with the portion of the Property used and/or leased by Grantor under the Existing Agreement, including, but not limited to, as follows:

Utilities. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over the portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to the Easement Area, and an easement in, to, under and over the portions of the Property and through the shaft ways, chase ways, soffits, risers, columns, crawl spaces, rafters, or any other space for placement of antenna(s), cables, wiring, etc., which is for the installation, operation, and maintenance of equipment and/or personal property, together with the right to use such easement for the development, installation, repair, operation, maintenance and removal of utilities, antenna(s), cables, wiring, etc. including, without limitation, in connection with providing service to the Easement Area and any related activities and uses.

Access. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to and from the Easement Area and to and from a publicly dedicated roadway, together with the right to use such access easement. The access granted herein shall be subject to reasonable rules and regulations promulgated by Grantor, from time to time, with respect to access to and from the interior of the building, including, without limitation, reasonable prior notice by Grantee.

EXHIBIT C

EXISTING AGREEMENT DESCRIPTION

That certain Site Agreement dated February 28, 2003, by and between Grantor, as lessor, and Sprint Spectrum Realty Company LLC, as lessee, for a portion of the Property, as amended by First Amendment to Site Agreement dated February 21, 2007 and Second Amendment to Site Agreement dated August 23, 2022, together with any and all other amendments, assignments and modifications thereto, for which a Memorandum of Agreement was recorded on April 25, 2003 as Document No. 20030800142.

THIS ASSIGNMENT OF RENTS AND SITE MANAGEMENT AGREEMENT (this "**Agreement**") is executed on this the 30th day of September, 2026 (the "**Effective Date**"), by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation (hereinafter "**Assignor**") and **LD TELECOM ASSETCO 3 LLC**, a Delaware limited liability company (hereinafter "**Assignee**").

WHEREAS, Assignor owns certain real property located at 1111 S GVR Dr, Green Valley, in the County of Pima, State of Arizona, as further described on Exhibit A attached hereto and incorporated herein (the "**Property**"). For the avoidance of doubt, the parties acknowledge that Assignor owns several properties, and the defined term Property, as used herein, shall be limited only to the real property described on Exhibit A and nothing set forth herein shall be deemed to grant Assignee any rights with respect to any other properties owned or controlled by Assignor;

WHEREAS, Assignor leases a portion or portions of the Property more particularly described on Exhibit B attached hereto (the "**Leased Premises**") to Verizon Wireless (VAW) LLC d/b/a Verizon Wireless (the "**Telecom Tenant**") pursuant to that certain Option and Land Lease Agreement (the "**Lease**"), a full and complete copy of which is attached on Exhibit C attached hereto and incorporated herein;

WHEREAS, Assignor desires to assign to Assignee any and all rental payments contemplated in the Lease, including rental increases due now or in the future whether scheduled or as the result of a modification to the Leased Premises or any equipment or improvements located thereon, but specifically excluding any payments for the purpose of utilities or taxes (the "**Rent**") and due to Assignor pursuant to the Lease;

WHEREAS, Assignor desires to authorize Assignee to manage the Lease and the Property as further described herein and set forth on Exhibit D attached hereto and incorporated herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto acknowledge and agree as follows:

1. SECTION 1 – TERM

1.1 Term. Commencing on the Effective Date, the term of this Agreement shall be **seventy-five (75) years** (the "**Term**"). Assignor may not terminate this Agreement.

Notwithstanding anything to the contrary herein, Assignor further agrees that if, within twelve (12) months after the termination or expiration of this Agreement, the Assignor leases, licenses or otherwise enters into any other use, management or occupancy agreement with a Future Tenant (as defined on Exhibit D attached hereto), or a competitor of Assignee, with whom Assignee was previously in negotiations with, Assignor shall pay Assignee, Assignee's Share as defined and set forth on Exhibit D, as if this Agreement was still in full force and effect.

2. SECTION 2 – ASSIGNMENT OF RENTS

2.1 Assignment of Rents. For the Term of this Agreement, Assignor hereby assigns, transfers, and sets over to the Assignee, and grants to the Assignee, an absolute assignment of all the Rent. As part of the consideration for this Agreement, Assignor grants to Assignee an irrevocable license to hold, exercise, and enforce any and all Assignor's rights of default under the Lease with respect to the payment of Rent, and to seek any and all remedies permitted thereunder (the "**License**"), and hereby grants to Assignee the benefit of all covenants and rights contained in the Lease with respect to the Rent, and the full power and authority to demand, collect, sue for, distrain for, recover, receive Rent and to enforce payment thereof.

2.2 Attorney-in-fact. Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact for Assignor for the Term for the purpose of authorizing Assignee to enforce the obligations of the Telecom Tenant and negotiating all amendments and modifications to the Lease.

Nothing contained herein shall be deemed an assignment and assumption of the Lease to Assignee or have the effect of making Assignee responsible for

performance of the obligations, or the liabilities, of the Assignor under the Lease, and Assignor shall continue to be solely responsible for and faithfully perform and discharge any and all of Assignor's obligations under the Lease.

2.3 Future Interest. In the event of the expiration or earlier termination of the Lease or if permitted pursuant to the Lease, at Assignee's election, Assignor shall negotiate in good faith with Assignee to grant and convey to Assignee a mutually agreeable exclusive and insurable real property interest over the Leased Premises for telecommunications purposes.

3. SECTION 3 – MANAGEMENT/ MARKETING SERVICES

3.1 Assignee's Management Services. Commencing on the Effective Date through the Term, Assignor hereby engages Assignee, and Assignee hereby agrees to perform, at Assignee's sole cost and expense, the services as further detailed in Exhibit D.

4. SECTION 4 – CONSIDERATION

4.1. Purchase Price. On or about the Effective Date, Assignee shall pay to Assignor a one-time, lump-sum payment in an amount equal to **FIVE HUNDRED SIXTY THOUSAND DOLLARS ($560,000.00)** (the "**Purchase Price**").

4.2. The only amounts to be deducted from the Purchase Price shall be: (1) prorated rent for the remainder of the month of closing; and (2) if rent is paid monthly, the next two months' of rent payments to account for the time it takes Telecom Tenant to recognize Assignee as the new payee (Assignor shall be entitled to receive and deposit the next two monthly rent checks after closing, provided however, if one or both rent checks are received by Assignee, Assignee will pay to Assignor the sum of the rental revenue not received by Assignor for the 2 months following closing once received by Assignee). In the event that Telecom Tenant pays to Assignor any fees other than Rent and any escalations thereto, for the purpose of utility service or taxes, such fees shall continue to be paid by Telecom Tenant to Assignor, although Assignee may collect and distribute same.

5. SECTION 5 - REPRESENTATIONS AND COVENANTS OF ASSIGNOR

5.1. Representations of Assignor. Assignor represents and warrants to Assignee that:

a. this Agreement and any other documents executed by Assignor in connection with it constitute the legal, valid and binding obligations of Assignor, enforceable against Assignor in accordance with their terms;

b. the execution, delivery and performance by Assignor of this Agreement does not and will not violate any agreement to which Assignor is a party including mortgages and deeds of trust, or violate or conflict with any law, rule, regulation, judgment, order or decree to which Assignor is subject;

c. Assignor is not aware of and has not received notice from, any governmental or quasi-governmental authority that the Property, or the use thereof, violates any statutes, ordinances, orders or regulations;

d. there is no pending or threatened action, judgment, order, decree or proceeding (including, without limitation, any bankruptcy, insolvency, condemnation, eminent domain, zoning or other land use regulatory actions) that would adversely affect Tenant's right to use the Leased Premises or would preclude Assignor from entering into this Agreement or all other such other documents as necessary to consummate the transaction contemplated herein or to perform its obligations hereunder or thereunder, or limit Tenant's ability to use the Leased Premises;

e. Assignor has not previously assigned, pledged, hypothecated, alienated or otherwise transferred any of its right, title and interest in and to Lease or the Rent;

f. Assignor has not executed or otherwise entered into any agreements with respect to rights that would adversely affect the rights granted to Assignee hereunder;

g. Assignor has not breached or defaulted on any of Assignor's obligations under the Lease;

h. at no time prior to the date hereof has Assignor delivered or received notice of a breach or default by either Assignor or Telecom Tenant under the Lease or notice of any fact, condition or circumstance which would constitute a breach or default by either Assignor or Telecom Tenant under the Lease;

i. neither Telecom Tenant nor its agents or contractors, has notified Assignor of , or entered into any communication with Assignor to express, any intention or desire to terminate the Lease, or surrender,

abandon or relocate the Leased Premises and Assignor has not terminated or cancelled the Lease;

j. Assignor holds 100% interest in the fee title to the Property and the Landlord's interest in the Lease.

5.2. Covenants of Assignor. Assignor covenants, from and after the date hereof, that:

a. Assignor shall not, without prior written consent from Assignee, terminate, cancel or accept the surrender of the Lease, or waive, release, amend, assign, encumber, discount or abate any rights or remedies of Assignor, including the right to receive the Rent, or the rights or obligations of any other party thereunder or in connection therewith;

b. Assignor shall not, without prior written consent from Assignee, allow any of its rights, remedies or obligations under the Lease to be affected by any other agreement, document or understanding, or by any reduction, abatement, defense, set off or counterclaim;

c. Assignor shall not, without prior written consent from Assignee, mortgage or grant a security interest in any rents due to Assignee hereunder;

d. Assignor shall not, without prior written consent from Assignee, allow any Rent to be paid in advance;

e. Assignor shall not allow or permit a breach or default to occur as a result of Assignor's actions or inactions, or the actions or inactions of anyone claiming by, through, or under Assignor;

f. Assignor shall not enter into a new lease, license or other agreement with Telecom Tenant (or its successors, assigns, tenants, subtenants or licensees) for the use of space elsewhere on the Property, or induce Telecom Tenant (or its successors, assigns, tenants, subtenants or licensees) to move its equipment or do any acts or fail to do any act that, that leads to the termination of the Lease;

g. Assignor shall observe and timely perform all of its obligations under the Lease;

h. Assignor shall, if applicable, exercise or permit Telecom Tenant to exercise all existing renewals under the Lease;

i. Assignor shall immediately advise Assignee in writing of any default, or other communications by Telecom Tenant or Assignor under the Lease.

j. Assignor shall pay when due all property taxes, municipal charges, levies or other fees which, if unpaid, may result in a lien on the Property;

k. Assignor shall cooperate with Assignee in providing any and all documentation reasonably necessary to direct Telecom Tenant to remit the Rent to Assignee;

l. Assignor shall pay to Assignee on demand all costs and expenses incurred by Assignee in rectifying any default, non-observance or non-performance of the Assignor under the Lease;

m. Assignor shall, at its own expense, do or cause to be done all acts necessary to grant priority to the assignment of rents granted herein over all charges and encumbrances on the Property, save and except those which have been approved by, or granted in favor of Assignee;

n. Assignor shall forward any Rent received from Telecom Tenant (excluding the rental amounts withheld from the disbursement and reflected on the Settlement Statement at Closing) to Assignee within five (5) business days of receipt thereof.

6. SECTION 6 - ASSIGNOR ESTOPPEL.

6.1. Assignor Estoppel. The Assignor certifies that: (a) the Lease is presently in full force and effect and unmodified, and Assignee has been provided with a full and complete copy thereof; (b) the Telecom Tenant's obligations to pay Rent has commenced in full and the Telecom Tenant is currently paying Rent as set forth in the Lease; (c) any improvements to be made by the Telecom Tenant have been completed to the satisfaction of the Assignor and any and all other special conditions to be performed by the Telecom Tenant pursuant to the Lease have been fully performed and satisfied; (d) no Rent have been paid more than thirty (30) days in advance of their due dates; (e) the Telecom Tenant is not in default under the Lease, as of the Effective Date and has no claim of setoff under the Lease or otherwise against Rent or other charges due or to become due thereunder; and (f) neither Telecom Tenant nor its agents or contractors, has notified Assignor of, or entered into any communication with Assignor to express, any intention or desire to terminate the Lease, or surrender, abandon or relocate the Leased Premises.

7. SECTION 7- REPRESENTATIONS OF ASSIGNEE.

7.1. Representations of Assignee. Assignee represents and warrants to Assignor, as of the date hereof, that:

a. this Agreement and all other documents executed by Assignee constitute the legal, valid and

binding obligation of Assignee, enforceable against Assignee in accordance with their terms; and

b. Assignee is a validly existing limited liability company and the signatory of this Agreement has the authority to do so under the documents forming the existence of the limited liability company. The execution, delivery and performance by Assignee of this Agreement does not and will not violate or conflict with any provision of Assignee's organizational documents or of any agreement to which Assignee is a party or conflict with any law, rule, regulation, judgment, order or decree to which Assignee is subject.

8. SECTION 8 – TRANSFER OF PROPERTY

8.1. Assignor's Right to Transfer/Sell Property. During the Term of this Agreement, Assignor may, upon thirty (30) days prior written notice to Assignee sell, transfer or convey the Property. This Agreement shall run with the land and any successor owner of the Property (each a "**Successor Owner**") shall take the Property subject to the terms of this Agreement and all of the rights, terms conditions and provisions set forth herein and Assignor covenants and agrees to fully disclose this Agreement to the purchasing party. Assignor shall require Successor Owner to acknowledge, in writing, the existence of this Agreement and the continuing validity hereof, the obligations of the Assignor hereunder and the rights of the Assignee hereunder, and to covenant to fulfill the obligations of the Assignor hereunder.

8.2. Lease Sale. If Assignor receives an offer to assign, pledge, sell, grant or transfer any of its interest in and to (i) any telecommunications lease, license, or similar real estate interest, located on the Property whether or not the subject of this Agreement ("**Additional Lease(s)**"), (ii) the Lease and/or Future Leases (as defined in Exhibit D attached hereto), and/or (iii) any rental revenues associated therewith (collectively, "**Telecom Interest(s)**"), whether by sale, exchange, assignment, grant of easement, fee transfer or other agreement, Assignor shall provide Assignee with a written copy of any offer made in relation thereto ("**Transfer Notice**"), and Assignee shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions contained in the Transfer Notice within thirty (30) days after receipt thereof ("**ROFR**"). If Assignee fails to reply to the Transfer Notice within the stipulated thirty (30) day period, Assignor may proceed to sell the interest contemplated in the Transfer Notice in accordance with the terms set forth in the Transfer Notice.

9. SECTION 9 DEFAULT.

9.1. Default. It shall be an "Event of Default" if either Assignor or Assignee fails to observe or perform any of the terms, conditions or its respective obligations set forth in this Agreement or Assignor fails to perform any of the terms, conditions or obligations set forth in the Lease or a Future Lease. Upon receiving written notice of such a default or breach of this Agreement or the Lease or a Future Lease, the defaulting party shall have the lesser of: thirty (30) days, or (b) the cure period under the Lease or Future Lease (as applicable) to cure such default; provided, however, if the required cure of the noticed default cannot reasonably be completed by Assignee within such time period, Assignee's failure to perform shall not constitute an Event of Default so long as Assignee undertakes to cure the failure promptly, diligently and to completion. In the event that the defaulting party fails to cure such default within the cure period, the non-defaulting party shall be entitled to exercise any rights permitted under this Agreement or permitted by applicable law; provided however, that neither party shall be liable to the other for consequential or punitive damages (except that Assignee may elect as a remedy to pursue loss of rents); and provided, further that in the event Assignee is in default under this Agreement, Assignor shall not have the right to terminate this Agreement or the Lease or Future Lease, and shall have, as its sole remedy, specific performance or an action for damages. Notwithstanding anything to the contrary contained herein, in the event that Assignor fails to provide Assignee or Telecom Tenant or any Future Tenant, or their respective agents, employees, or contractors, access to the Leased Premises, for any reason whatsoever, whether through action or inaction, such occurrence shall be an Event of Default, which is hereby deemed material, which shall not be subject to the cure periods as set forth in this Section 9.1, and Assignee shall be immediately entitled to exercise specific performance and to exercise any rights and remedies permitted by this Agreement or permitted by applicable law. Notwithstanding anything to the contrary herein, if Assignor fails to pay all taxes or to take all other actions necessary to avoid forfeiture of the Property, Assignee may, but shall not be required to, at

its sole discretion, pay such taxes and perform any other measure necessary to avoid forfeiture of the Property, provided further however, Assignee shall be entitled to recover from Assignor all taxes and all other costs and expenses, including actual attorney's fees, incurred by Assignee in connection therewith.

9.2. In addition to every other right or remedy provided at law or equity, in the event Assignor fails or refuses to perform or comply with any of the terms, conditions, covenants, easements or obligations of this Agreement or the Lease or Future Lease, Assignee may, without liability for failure to do so, take whatever action it may deem necessary to cure such default or breach, or otherwise affect compliance with this Agreement or the Lease or Future Lease , at the expense of the Assignor, provided that Assignee will have given the Assignor at least five (5) days written notice of its intention to do so, and provided that the Assignor will have failed to correct said default or breach within said five (5) day period. The expense of such cure will be payable to Assignee by Assignor upon demand by Assignee, and, if not paid within five (5) days of Assignee's mailing of said demand for payment, will bear interest at the highest rate permitted under the law.

10. SECTION 11 - FURTHER ASSIGNMENT.

10.1. Further Assignment. Upon the Effective Date, Assignee may pledge, assign, mortgage, grant a security interest, or otherwise encumber its interest in and to this Agreement and/or the Rent. This Agreement may be assigned to secured parties, successors-in-interest, acquiring entities or individuals, and any other party to whom Assignee may be required to provide collateral or demonstrate credit-worthiness.

11. SECTION 12 – MISCELLANEOUS PROVISIONS

11.1. Independent Representative; No Joint Venture. Assignee acknowledges that it is an independent representative and is not an employee, agent, or partner of Assignor and the parties hereto agree that nothing contained in this Agreement shall be construed as the parties hereto forming a joint venture therewith. Nothing contained herein shall be construed as a representation by Assignee as being a real estate or legal services professional.

11.2. Successors and Assigns. Assignor shall not assign its interest in this Agreement without the prior written consent of Assignee. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto. In the event the Property is sold or transferred to a third party, full disclosure of this Agreement shall be made by Assignor to the successor owner and Assignor will provide written notice of such sale to Assignee within thirty (30) days after such sale. This Agreement shall run with the land upon which the Property is located, and all Successor Owners of the Property shall be subject to its terms and conditions.

11.3. Indemnification.

a. **By Assignor.** To the extent not excluded by applicable laws, Assignor hereby defends, indemnifies and holds harmless Assignee, its parents, subsidiaries, and affiliates, and their respective directors, officers, members, managers, partners, employees, agents, representatives, successors, and assigns (collectively, the "**Assignee Indemnified Parties**") against and from all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable attorneys' fees (collectively, "**Loss and Expense**"), which may be imposed upon, incurred or asserted against the Assignee Indemnified Parties by reason of: (i) any negligence or other act or omission on the part of Assignor or any of its agents, contractors, subcontractors, servants, employees, tenants, subtenants, licensees or invitees, (ii) any accident, injury or damage to any person or property occurring in, on or about the Property, any building and improvements located on the Property, or any part thereof, unless caused by the negligence or willful misconduct of the Assignee Indemnified Parties, (iii) any misrepresentation or breach of a representation or warranty made by Assignor pursuant to this Agreement, and (iv) any failure on the part of Assignor to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Agreement and the Lease.

b. **By Assignee.** To the extent not excluded by applicable laws, Assignee hereby defends, indemnifies and holds harmless Assignor, its parents, subsidiaries, and affiliates, and their respective directors, officers, members, managers, partners, employees, agents, representatives, successors, and assigns (collectively, the "**Assignor Indemnified Parties**") against and from all Loss and Expense, which may be imposed upon,

incurred or asserted against the Assignor Indemnified Parties by reason of: (i) any negligence or willful misconduct on the part of Assignee or any of its agents, contractors, subcontractors, servants, employees, tenants, subtenants, licensees or invitees, (ii) any accident, injury or damage to any person or property occurring in, on or about the Property, any building and improvements located on the Property, or any part thereof, but only to the extent caused by the negligence or willful misconduct of Assignee, or (iii) any misrepresentation or breach of a representation or warranty made by Assignee pursuant to this Agreement.

c. Consequential Damages. Notwithstanding anything to the contrary in this Agreement, no party hereto shall be liable for and no party hereto shall be obligated to defend, indemnify and hold harmless the other party with respect to any losses associated with the other party's consequential, special or punitive damages, all of which may have resulted from such party's failure to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Agreement. Notwithstanding the foregoing, Assignee retains the right to pursue loss of rents with respect to any rents due to Assignee hereunder but not paid to Assignee due to the actions of Assignor.

11.4. Waiver No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party hereto making the waiver.

11.5. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to its subject matter. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all parties hereto.

11.6. Confidentiality. Except as is necessary to effectuate a transfer, conveyance or sale of the Property to a subsequent owner or in connection with any board meeting, which is open to the public or otherwise, Assignor agrees to hold in strictest confidence and not to disclose any or transfer to any person, or entity the any trade secrets, proprietary or confidential business information of Assignee or any terms or obligations of this Agreement and the Lease or any Additional Lease or Future Lease not of public record provided, obtained from or derived through Assignee or the services contemplated in this Agreement ("**Confidential Information**"). Assignor agrees that the breach of this Agreement could not reasonably or adequately be compensated in damages in an action at law. If Assignor breaches any of the confidentiality obligations under this Agreement, Assignee shall be entitled to any one or more of the following remedies: (i) Assignor shall be liable to Assignee for all damages proximately or legally caused as a result of such breach of obligations under this Section 11.6 and shall be liable to Assignee for any lost profits (including future rents and revenues), consequential damages, exemplary and punitive damages; (ii) Assignor shall be enjoined, by temporary restraining order, preliminary injunction and permanent injunction, without any requirement for the posting of a bond or undertaking, from improper solicitation, engagement or activity in violation of this Agreement and from any appropriation, exploitation or use in any manner of the Confidential Information; and/or, (iii) Assignee shall be entitled to specific performance of the terms and provisions of this Agreement.

11.7. Memorandum. Assignor agrees that Assignee shall have the right to record a memorandum of this Agreement (the "**Memo**"), as further described on Exhibit E attached hereto and incorporated herein, in the Official Records of the County in which the Property is located. The memorandum shall be solely for the purpose of providing constructive notice of this Agreement.

11.8. Governing Law. This Agreement shall be governed by the laws of the State in which the Property is located.

11.9. Notice. All notices or requests that are required or permitted to be given pursuant to this Agreement must be given in writing by certified US mail (postage pre-paid) with return receipt requested or by a nationally recognized courier service (charges prepaid) to the party hereto to be notified, addressed to such party at the address(es) set forth below, or such other address(es), as such party hereto may have substituted by written notice to the other party hereto. The receipt of such notice (in the case of delivery by first-class certified mail or by courier service) will constitute the giving of notice thereof.

If to be given to Assignee:

c/o Landmark Dividend LLC
400 Continental Blvd., Suite 500
P.O. Box 3429
El Segundo, CA 90245
Attn: Asset Management
Re: TC260281

With a copy to:
c/o Landmark Dividend LLC
400 Continental Blvd., Suite 500
P.O. Box 3429
El Segundo, CA 90245
Attn: Legal Department
Re: TC260281

If to be given to Assignor:
1070 Calle de las Casitas
Green Valley, AZ 85614

11.10. UCC. The Assignor hereby irrevocably mortgages, bargains, sells, pledges, assigns, warrants, transfers, conveys, and grants a security interest to Assignee and its successors and assigns, all of Assignor's rights in and to the Rent and hereby consents to Assignee filing, in its sole discretion, UCC statements listing Assignor as "Debtor" and Assignee as "Secured Party" with regards to the foregoing to perfect a security interest in such improvements to secure the monetary obligations of the Assignor under the this Agreement. Such UCC must be immediately withdrawn and cancelled upon the completion of the Term.

11.11. Attorneys' Fees. If an action is brought by either party hereto for breach of any covenant and/or to enforce or interpret any provision of this Agreement, the prevailing party hereto shall be entitled to recover its costs, expenses and reasonable attorneys' fees and costs, both at trial and on appeal, in addition to all other sums allowed by law.

11.12. Severability. Each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability, in whole or in part, of any other provision. If a court or administrative body of competent jurisdiction holds any provision of this Agreement to be invalid, illegal, void or less than fully enforceable as to time, scope or otherwise, such provision shall be construed by limiting and reducing it so that such provision is valid, legal and fully enforceable while preserving to the greatest extent permissible the original intent of the parties hereto; the remaining terms and conditions of this Agreement shall not be affected by such alteration, and shall remain in full force and effect.

11.13. Counterparts. This Agreement may be executed in any number of identical counterparts and, if so executed, shall constitute one agreement, binding on all the parties hereto, notwithstanding that all the parties hereto are not signatories to the original or the same counterpart. Execution of this Agreement by scanned or electronic signature shall be effective to create a binding agreement and, if requested, Assignor and Assignee agree to exchange original signed counterparts in their possession

11.14. Further Assurances. Assignor and Assignee hereby agree that Assignee shall, at any time and from time to time, in its reasonable discretion, require the Assignor to execute such documents or instruments and take such further actions as may be reasonably required or desirable to carry out the provisions hereof and consummate the transactions contemplated in this Agreement. The covenant contained in this clause shall survive the execution, delivery and recordation of the Memo.

[Remainder of page left intentionally blank. Signatures appear on following page.]

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

ASSIGNOR:

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

By: _____
Name: _____
Title: _____

ASSIGNEE:

LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company

By: _____
Name:_____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

ALL OF THAT PORTION OF LOT 1, GREEN VALLEY COMMUNITY COMPLEX, LOTS 1 THROUGH 11, BEING SUBDIVISION OF RECORD IN THE OFFICE OF THE PIMA COUNTY, ARIZONA RECORDER IN BOOK 27 OF MAPS AND PLATS AT PAGE 22 THEREOF. SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE CENTERLINE INTERSECTION OF AVENIDA HERMOSA AND THE WESTERLY CENTERLINE OF PASEO DEL WEST PRADO AS SHOWN ON SAID SUBDIVISION PLAT;

THENCE NORTH 41 DEGREES 53 MINUTES 18 SECONDS WEST ALONG THE CENTERLINE OF AVENIDA HERMOSA, DISTANCE OF 149.28 FEET;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 15.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF AVENIDA HERMOSA; SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 243.14 FEET;

THENCE NORTH 52 DEGREES 19 MINUTES 16 SECONDS WEST, A DISTANCE OF 235.09 FEET TO A POINT IN THE EAST LINE OF VISTA HERMOSA DRIVE;

THENCE NORTH 51 DEGREES 48 MINUTES 54 SECONDS EAST, A DISTANCE OF 13.28 FEET TO A POINT OF CURVATURE;

THENCE NORTHERLY ALONG A CURVE TO THE WEST HAVING A RADIUS OF 165.00 FEET, AND A CENTRAL ANGLE OF 45 DEGREES 18 MINUTES 43 SECONDS AN ARC DISTANCE OF 130.49 FEET TO A POINT OF TANGENCY;

THENCE NORTH 06 DEGREES 30 MINUTES 11 SECONDS EAST A DISTANCE OF 1.08 FEET TO THE SOUTHWEST CORNER OF LOT 2 AS SHOWN ON SAID PLAT;

THENCE NORTH 82 DEGREES 46 MINUTES 21 SECONDS EAST A DISTANCE OF 236.27 FEET TO A POINT IN THE SOUTHERLY LINE OF AVENIDA HERMOSA AS SHOWN SHOWN ON SAID PLAT;

THENCE SOUTH 02 DEGREES 18 MINUTES 49 SECONDS EAST A DISTANCE OF 8.00 FEET TO A POINT OF CURVATURE;

THENCE SOUTHERLY ALONG THE ARC OF A CIRCULAR CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 165.00 FEET AND A CENTRAL ANGLE OF 39 DEGREES 34 MINUTES 29 SECONDS AND AN ARE DISTANCE OF 113.97 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 41 DEGREES 53 MINUTES 18 SECONDS EAST A DISTANCE OF 26.68 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE USE OF THE PRIVATE STREETS AS SET FORTH IN SUBDIVISION RESTRICTIONS RECORDED IN DOCKET BOOK 5017 AT PAGE 826.

EXCEPT ANY PORTION CONVEYED TO PIMA COUNTY BY INSTRUMENT RECORDED IN DOCKET 9319 AT PAGE 639.

PARCEL ID: 304-25-136E

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION INC., AN ARIZONA CORPORATION FROM GREEN VALLEY OFFICE/RETAIL COMPLEX L.L.C, AN ARIZONA LIMITED LIABILITY COMPANY IN A DEED DATED FEBRUARY 8, 1996 AND RECORDED FEBRUARY 13, 1996 IN BOOK 10230 AND PAGE 1914 IN PIMA COUNTY, AZ.

EXHIBIT B

LEASED PREMISES

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 18 SOUTH, RANGE 13 EAST, GILA AND SALT RIVER MERIDIAN, LOCATED WITHIN THAT REAL PROPERTY DESCRIBED IN SPECIAL WARRANTY DEED 96024037 (DOCKET 10230, PAGE 1914), RECORDED FEBRUARY 13, 1996 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, STATE OF ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID REAL PROPERTY;
THENCE NORTH 52° 56' 54" WEST, A DISTANCE OF 90.80 FEET;
THENCE NORTH 37° 03' 06" EAST, A DISTANCE OF 26.80 FEET TO THE TRUE POINT OF BEGINNING;

THENCE ALONG THE EXTERIOR LINES OF AN EXISTING BLOCK WALL THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. THENCE NORTH 07° 51' 17" WEST, A DISTANCE OF 20.00 FEET;
2. THENCE NORTH 82° 08' 43" EAST, A DISTANCE OF 25.00 FEET;
3. THENCE SOUTH 07° 51' 17" EAST, A DISTANCE OF 20.00 FEET;
4. THENCE SOUTH 82° 08' 43" WEST, A DISTANCE OF 25.00 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 0.011 ACRES (500 SQUARE FEET) OF LAND MORE OR LESS.

NON-EXCLUSIVE ACCESS & UTILITY EASEMENT DESCRIPTION

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 18 SOUTH, RANGE 13 EAST, GILA AND SALT RIVER MERIDIAN, LOCATED WITHIN THAT REAL PROPERTY DESCRIBED IN SPECIAL WARRANTY DEED 96024037 (DOCKET 10230, PAGE 1914), RECORDED FEBRUARY 13, 1996 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, STATE OF ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF SAID REAL PROPERTY;
THENCE NORTH 52° 56' 54" WEST, A DISTANCE OF 90.80 FEET;
THENCE NORTH 37° 03' 06" EAST, A DISTANCE OF 26.80 FEET;
THENCE NORTH 07° 51' 17" WEST, A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 07° 51' 17" WEST, A DISTANCE OF 19.50 FEET;
THENCE NORTH 82° 08' 43" EAST, A DISTANCE OF 178.00 FEET;
THENCE NORTH 40° 13' 45" EAST, A DISTANCE OF 22.00 FEET;
THENCE NORTH 07° 51' 17" WEST, A DISTANCE OF 43.00 FEET;
THENCE NORTH 58° 17' 15" EAST, A DISTANCE OF 21.75 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 165.00 FEET;
THENCE ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 04° 10' 09", AN ARC LENGTH OF 12.01 FEET (CHORD: SOUTH 33° 08' 01" EAST - 12.00 FEET);
THENCE SOUTH 58° 17' 15" WEST, A DISTANCE OF 14.23 FEET;
THENCE SOUTH 07° 51' 17" EAST, A DISTANCE OF 40.54 FEET;
THENCE SOUTH 40° 13' 45" WEST, A DISTANCE OF 31.95 FEET;
THENCE SOUTH 82° 08' 43" WEST, A DISTANCE OF 170.60 FEET;
THENCE SOUTH 07° 51' 17" EAST, A DISTANCE OF 7.50 FEET;
THENCE SOUTH 82° 08' 43" WEST, A DISTANCE OF 12.00 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 0.076 ACRES (3,294 SQUARE FEET) OF LAND MORE OR LESS.

THE SIDELINES OF SAID STRIP SHOULD BE PROLONGED OR SHORTENED TO TERMINATE ALONG THE EXTERIOR LINES OF THE VERIZON LEASED PREMISES AND THE RIGHT-OF-WAY LINE OF GVR DRIVE AS IT CURRENTLY EXISTS.

EXHIBIT C

LEASE

[See attached]

OPTION AND LAND LEASE AGREEMENT

This Agreement made as of the date of the latter signature date below between Green Valley Recreation, Inc., with its principal offices located at 1070 Calle de las Casitas, Green Valley, Arizona 85622, hereinafter designated LESSOR and Verizon Wireless (VAW) LLC, d/b/a Verizon Wireless, with its principal offices located at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

LESSOR is the owner of that certain real property located at 1111 S. Via Arcoiris, Green Valley, Arizona 85622, Assessor's Parcel Number 304-25-136E, as legally described in Exhibit "A" attached hereto and made a part hereof (the entirety of LESSOR's property is referred to hereinafter as the "Property"). LESSEE desires to obtain an option to lease a portion of said Property, being described as an approximately twenty foot (20') by twenty-five foot (25') parcel containing approximately 500 square feet (the "Land Space"), together with the non-exclusive right (the "Rights of Way") for ingress and egress, seven (7) days a week twenty-four (24) hours a day, on foot or motor vehicle, including trucks over or along a twelve foot (12') wide right-of-way extending from the nearest public right-of-way, South Via Arcoiris, to the Land Space, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along one or more rights of way from the Land Space, said Land Space and Rights of Way (hereinafter collectively referred to as the "Premises") being substantially as described herein in Exhibit "B" attached hereto and made a part hereof.

NOW THEREFORE, in consideration of the sum of Four Thousand Dollars ($4,000.00), to be paid by LESSEE to LESSOR, LESSOR hereby grants to LESSEE the right and option to lease said Premises, for the term and in accordance with the covenants and conditions set forth herein. The foregoing payment shall be made by LESSEE within forty five (45) days of full execution of this Agreement or of receipt by LESSEE from LESSOR of the Rental Documentation, as defined in and in accordance with Paragraph 3 of the Agreement below, whichever occurs later. The providing by LESSOR of Rental Documentation to LESSEE shall be a prerequisite for the payment of the foregoing amount or any other option or rental payment, if applicable, by LESSEE, and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any payment(s) until Rental Documentation has been supplied to LESSEE.

The option may be exercised at any time on or prior to twelve (12) months after the date of this Agreement. If the option has not been so exercised, it shall be automatically extended for one additional period of twelve (12) months, unless LESSEE gives written notice to LESSOR of the intent not to extend prior to the end of the initial option period. If the option is extended, LESSEE shall make an additional payment of Four Thousand ($4,000.00) to LESSOR within thirty (30) days of the option being extended, provided LESSOR has supplied to LESSEE the Rental Documentation, as defined in and in accordance with Paragraph 3 of the Agreement below. The time during which the option may be exercised may be further extended by mutual agreement in writing. If during said option period, or during the term of the lease, if the option is exercised, the LESSOR decides to subdivide, sell or change the status of the Property or his property contiguous

thereto he shall immediately notify LESSEE in writing so that LESSEE can take steps necessary to protect LESSEE's interest in the Premises.

This option may be sold, assigned or transferred by the LESSEE without any approval or consent of LESSOR to LESSEE's principal, affiliates, subsidiaries of its principal; to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization; or to any entity which acquires or receives an interest in the majority of communication towers of the LESSEE in the market defined by the Federal Communications Commission in which the Property is located. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

Should LESSEE fail to exercise this option or any extension thereof within the time herein limited, all rights and privileges granted hereunder shall be deemed completely surrendered, this option terminated, and LESSOR shall retain all money paid for the option, and no additional money shall be payable by either Party to the other.

LESSOR shall cooperate with LESSEE in its effort to obtain all certificates, permits and other approvals that may be required by any Federal, State or Local authorities which will permit LESSEE use of the Premises. LESSOR shall take no action which would adversely affect the status of the Property with respect to the proposed use by LESSEE.

LESSOR shall permit LESSEE, during the option period, free ingress and egress to the Premises to conduct such surveys, inspections, structural strength analysis, subsurface soil tests, and other activities of a similar nature as LESSEE may deem necessary, at the sole cost of LESSEE.

LESSOR agrees to execute a Memorandum of this Option to Lease Agreement which LESSEE may record with the appropriate Recording Officer. The date set forth in the Memorandum of Option to Lease is for recording purposes only and bears no reference to commencement of either term or rent payments.

Notice of the exercise of the option shall be given by LESSEE to LESSOR in writing by certified mail, return receipt requested, or by commercial courier (the "Notice"). LESSEE shall be deemed to have exercised the option, and the following agreement shall take effect, on the date specified in writing by LESSEE in the Notice.

LAND LEASE AGREEMENT

This Agreement made as of the date of the latter signature date below between Green Valley Recreation, Inc., with its principal offices located at 1070 Calle de las Casitas, Green Valley, Arizona 85622, hereinafter designated LESSOR and Verizon Wireless (VAW) LLC, d/b/a Verizon Wireless, with its principal offices located at One Verizon Way, Mail Stop 4AW100, Basking Ridge, New Jersey 07920 (telephone number 866-862-4404), hereinafter designated LESSEE. LESSOR and LESSEE are at times collectively referred to hereinafter as the "Parties" or individually as the "Party."

1. PREMISES. LESSOR is the owner of that certain real property located at 1111 S. Via Arcoiris, Green Valley, Arizona 85622, Assessor's Parcel Number 304-25-136E, as legally described in Exhibit "A" attached hereto and made a part hereof (the entirety of LESSOR's property is referred to hereinafter as the "Property"). LESSEE desires to lease a portion of said Property, being described as an approximately twenty foot (20') by twenty-five foot (25') parcel containing approximately 500 square feet (the "Land Space"), together with the non-exclusive right (the "Rights of Way") for ingress and egress, seven (7) days a week twenty-four (24) hours a day, on foot or motor vehicle, including trucks over or along a twelve foot (12') wide right-of-way extending from the nearest public right-of-way, South Via Arcoiris, to the Land Space, and for the installation and maintenance of utility wires, poles, cables, conduits, and pipes over, under, or along one or more rights of way from the Land Space, said Land Space and Rights of Way (hereinafter collectively referred to as the "Premises") being substantially as described herein in Exhibit "B" attached hereto and made a part hereof.

In the event any public utility is unable to use the Rights of Way, LESSOR hereby agrees to grant an additional right-of-way either to LESSEE or to the public utility at no cost to LESSEE.

2. SURVEY. LESSOR also hereby grants to LESSEE the right to survey the Property and the Premises, and said survey shall then become Exhibit "C" which shall be attached hereto and made a part hereof, and shall control in the event of boundary and access discrepancies between it and Exhibit "B." Cost for such work shall be borne by the LESSEE.

3. TERM; RENTAL. This Agreement shall be effective as of the date of execution by both Parties, provided, however, the initial term shall be for five (5) years and shall commence on the Commencement Date (as hereinafter defined) at which time rental payments shall commence and be due at a total annual rental of Twenty Four Thousand Five Hundred Dollars ($24,500.00) for the first year of the initial term, to be paid in equal monthly installments on the first day of the month, in advance, to LESSOR or to such other person, firm or place as LESSOR may, from time to time, designate in writing at least thirty (30) days in advance of any rental payment date by notice given in accordance with Paragraph 23 below. The annual rental for the remaining years of the initial term and any additional extension thereof shall be increased as set forth in paragraph 6 herein. Upon agreement of the Parties, LESSEE may pay rent by electronic funds transfer and in such event, LESSOR agrees to provide to LESSEE bank routing information for such purpose upon request of LESSEE. The Commencement Date shall be the first day of the month in which notice of the exercise of the option, as set forth above, is effective.

However, LESSOR and LESSEE acknowledge and agree that initial rental payment(s) shall not actually be sent by LESSEE until thirty (30) days after the exercise of the option is effective.

LESSOR hereby agrees to provide to LESSEE certain documentation (the "Rental Documentation") evidencing LESSOR's interest in, and right to receive payments under, this Agreement, including without limitation: (i) documentation, acceptable to LESSEE in LESSEE's reasonable discretion, evidencing LESSOR's good and sufficient title to and/or interest in the Property and right to receive rental payments and other benefits hereunder; (ii) a complete and fully executed Internal Revenue Service Form W-9, or equivalent, in a form acceptable to LESSEE, for any party to whom rental payments are to be made pursuant to this Agreement; and (iii) other documentation requested by LESSEE in LESSEE's reasonable discretion. From time to time during the Term (defined below) of this Agreement and within thirty (30) days of a written request from LESSEE, LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. The Rental Documentation shall be provided to LESSEE in accordance with the provisions of and at the address given in Paragraph 23. Delivery of Rental Documentation to LESSEE shall be a prerequisite for the payment of any rent by LESSEE and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments until Rental Documentation has been supplied to LESSEE as provided herein.

Within fifteen (15) days of obtaining an interest in the Property or this Agreement, any assignee(s) or transferee(s) of LESSOR shall provide to LESSEE Rental Documentation in the manner set forth in the preceding paragraph. From time to time during the Term of this Agreement and within thirty (30) days of a written request from LESSEE, any assignee(s) or transferee(s) of LESSOR agrees to provide updated Rental Documentation in a form reasonably acceptable to LESSEE. Delivery of Rental Documentation to LESSEE by any assignee(s) or transferee(s) of LESSOR shall be a prerequisite for the payment of any rent by LESSEE to such party and notwithstanding anything to the contrary herein, LESSEE shall have no obligation to make any rental payments to any assignee(s) or transferee(s) of LESSOR until Rental Documentation has been supplied to LESSEE as provided herein.

4. EXTENSIONS. This Agreement shall automatically be extended for four (4) additional five (5) year terms unless LESSEE terminates it at the end of the then current term by giving LESSOR written notice of the intent to terminate at least six (6) months prior to the end of the then current term.

5. ANNUAL INCREASE. Commencing on the first (1st) annual anniversary of the Commencement Date and on each annual anniversary thereafter, during the initial term or any additional extension thereof, the annual rent shall increase by an amount equal to two percent (2%) of the annual rent payable with respect to the immediately preceding year.

6. ADDITIONAL EXTENSIONS. If at the end of the fourth (4th) five (5) year extension term this Agreement has not been terminated by either Party by giving to the other written notice of an intention to terminate it at least three (3) months prior to the end of such term, this Agreement shall continue in force upon the same covenants, terms and conditions for a further term of five (5) years and for five (5) year terms thereafter until terminated by either Party by giving to the other written notice of its intention to so terminate at least three (3) months prior to

the end of such term. The initial term and all extensions shall be collectively referred to herein as the "Term."

7. TAXES. LESSEE shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property which LESSOR demonstrates is the result of LESSEE's use of the Premises and/or the installation, maintenance, and operation of the LESSEE's improvements, and any sales tax imposed on the rent (except to the extent that LESSEE is or may become exempt from the payment of sales tax in the jurisdiction in which the Property is located), including any increase in real estate taxes at the Property which LESSOR demonstrates arises from the LESSEE's improvements and/or LESSEE's use of the Premises. LESSOR and LESSEE shall each be responsible for the payment of any taxes, levies, assessments and other charges imposed including franchise and similar taxes imposed upon the business conducted by LESSOR or LESSEE at the Property. Notwithstanding the foregoing, LESSEE shall not have the obligation to pay any tax, assessment, or charge that LESSEE is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Property. Nothing in this Paragraph shall be construed as making LESSEE liable for any portion of LESSOR's income taxes in connection with any Property or otherwise. Except as set forth in this Paragraph, LESSOR shall have the responsibility to pay any personal property, real estate taxes, assessments, or charges owed on the Property and shall do so prior to the imposition of any lien on the Property.

LESSEE shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which LESSEE is wholly or partly responsible for payment. LESSOR shall reasonably cooperate with LESSEE at LESSEE's expense in filing, prosecuting and perfecting any appeal or challenge to taxes as set forth in the preceding sentence, including but not limited to, executing any consent, appeal or other similar document. In the event that as a result of any appeal or challenge by LESSEE, there is a reduction, credit or repayment received by the LESSOR for any taxes previously paid by LESSEE, LESSOR agrees to promptly reimburse to LESSEE the amount of said reduction, credit or repayment. In the event that LESSEE does not have the standing rights to pursue a good faith and reasonable dispute of any taxes under this paragraph, LESSOR will pursue such dispute at LESSEE's sole cost and expense upon written request of LESSEE.

8. USE; GOVERNMENTAL APPROVALS. LESSEE shall use the Premises for the purpose of constructing, maintaining, repairing and operating a communications facility and uses incidental thereto. A security fence consisting of chain link construction or similar but comparable construction may be placed around the perimeter of the Premises at the discretion of LESSEE (not including the access easement). All improvements, equipment, antennas and conduits shall be at LESSEE's expense and their installation shall be at the discretion and option of LESSEE. LESSEE shall have the right to replace, repair, add or otherwise modify its utilities, equipment, antennas and/or conduits or any portion thereof and the frequencies over which the equipment operates, whether the equipment, antennas, conduits or frequencies are specified or not on any exhibit attached hereto, during the Term. It is understood and agreed that LESSEE's ability to use the Premises is contingent upon its obtaining after the execution date of this Agreement all of the certificates, permits and other approvals (collectively the "Governmental Approvals") that may be

required by any Federal, State or Local authorities as well as satisfactory soil boring tests which will permit LESSEE use of the Premises as set forth above. LESSOR shall cooperate with LESSEE in its effort to obtain such approvals and shall take no action which would adversely affect the status of the Property with respect to the proposed use thereof by LESSEE. In the event that (i) any of such applications for such Governmental Approvals should be finally rejected; (ii) any Governmental Approval issued to LESSEE is canceled, expires, lapses, or is otherwise withdrawn or terminated by governmental authority; (iii) LESSEE determines that such Governmental Approvals may not be obtained in a timely manner; (iv) LESSEE determines that any soil boring tests are unsatisfactory; or (v) LESSEE determines that the Premises is no longer technically compatible for its use, LESSEE shall have the right to terminate this Agreement. Notice of LESSEE's exercise of its right to terminate shall be given to LESSOR in writing by certified mail, return receipt requested, and shall be effective upon the mailing of such notice by LESSEE, or upon such later date as designated by LESSEE. All rentals paid to said termination date shall be retained by LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder. Otherwise, LESSEE shall have no further obligations for the payment of rent to LESSOR.

9. INDEMNIFICATION. Subject to Paragraph 10 below, each Party shall indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the other Party, or its employees, contractors or agents.

10. INSURANCE.

a. Notwithstanding the indemnity in Paragraph 9 above, the Parties hereby waive and release any and all rights of action for negligence against the other which may hereafter arise on account of damage to the Premises or to the Property, resulting from any fire, or other casualty of the kind covered by standard fire insurance policies with extended coverage, regardless of whether or not, or in what amounts, such insurance is now or hereafter carried by the Parties, or either of them. These waivers and releases shall apply between the Parties and they shall also apply to any claims under or through either Party as a result of any asserted right of subrogation. All such policies of insurance obtained by either Party concerning the Premises or the Property shall waive the insurer's right of subrogation against the other Party.

b. LESSEE will maintain at its own cost;

i. Commercial General Liability insurance with limits not less than $1,000,000 for injury to or death of one or more persons in any one occurrence and $500,000 for damage or destruction to property in any one occurrence

ii. Commercial Auto Liability insurance on all owned, non-owned and hired automobiles with a minimum combined limit of not less than $1,000,000 per occurrence

iii. Workers Compensation insurance providing the statutory benefits and not less than $1,000,000 of Employers Liability coverage.

LESSEE will include the LESSOR as an additional insured on the Commercial General Liability and Auto Liability policies.

c. LESSOR will maintain at its own cost commercial general liability insurance with limits not less than $1,000,000 for injury to or death of one or more persons in any one occurrence and $500,000 for damage or destruction to property in any one occurrence. LESSOR will include the LESSEE as an additional insured.

11. LIMITATION OF LIABILITY. Except for indemnification pursuant to Paragraphs 9 and 29, neither Party shall be liable to the other, or any of their respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

12. ANNUAL TERMINATION. Notwithstanding anything to the contrary contained herein, provided LESSEE is not in default hereunder beyond applicable notice and cure periods, LESSEE shall have the right to terminate this Agreement upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to LESSOR. Upon such termination, this Agreement shall be of no further force or effect except to the extent of the representations, warranties and indemnities made by each Party to the other hereunder.

13. INTERFERENCE. LESSEE agrees to install equipment of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to any equipment of LESSOR or other lessees of the Property. In the event any of LESSEE's equipment causes such interference, and after LESSOR has notified LESSEE in writing of such interference, LESSEE will take all commercially reasonable steps necessary to correct and eliminate the interference, including but not limited to, at LESSEE's option, powering down such equipment and later powering up such equipment for intermittent testing. In no event will LESSOR be entitled to terminate this Agreement or relocate the equipment as long as LESSEE is making a good faith effort to remedy the interference issue. LESSOR agrees that LESSOR and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such equipment that is of the type and frequency which will not cause harmful interference which is measurable in accordance with then existing industry standards to the then existing equipment of LESSEE. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Paragraph and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. Subsequent communications providers shall have the right to use and construct such ancillary buildings or facilities on the Property as may be reasonably necessary in connection with the communications

operations of the subsequent providers, as long as the subsequent providers do not interfere with or obstruct LESSEE's improvements or interfere with LESSEE's radio frequency transmissions at the Premises. LESSEE will not install additional equipment which interferes with any equipment of such providers existing at the time of the installation of the additional equipment.

14. REMOVAL AT END OF TERM. LESSEE shall, upon expiration of the Term, or within ninety (90) days after any earlier termination of the Agreement, remove its building(s), antenna structure(s), footings (removed only to grade level), equipment, conduits, fixtures and all personal property and restore the Premises to its original condition, reasonable wear and tear and casualty damage excepted. LESSOR agrees and acknowledges that all of the equipment, conduits, fixtures and personal property of LESSEE shall remain the personal property of LESSEE and LESSEE shall have the right to remove the same at any time during the Term, whether or not said items are considered fixtures and attachments to real property under applicable Laws (as defined in Paragraph 33 below). If such time for removal causes LESSEE to remain on the Premises after termination of this Agreement, LESSEE shall pay rent at the then existing monthly rate or on the existing monthly pro-rata basis if based upon a longer payment term, until such time as the removal of the building, antenna structure, fixtures and all personal property are completed.

15. HOLDOVER. LESSEE has no right to retain possession of the Premises or any part thereof beyond the expiration of that removal period set forth in Paragraph 14 herein, unless the Parties are negotiating a new lease or lease extension in good faith. In the event that the Parties are not in the process of negotiating a new lease or lease extension in good faith, LESSEE holds over in violation of Paragraph 14 and this Paragraph 15, then the rent then in effect payable from and after the time of the expiration or earlier removal period set forth in Paragraph 14 shall be equal to the rent applicable during the month immediately preceding such expiration or earlier termination.

16. RIGHT OF FIRST REFUSAL. If LESSOR elects, during the Term (i) to sell or otherwise transfer all or any portion of the Property, whether separately or as part of a larger parcel of which the Property is a part, or (ii) grant to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Agreement to such third party, LESSEE shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions of such offer. If LESSEE fails to meet such bona fide offer within thirty (30) days after written notice thereof from LESSOR, LESSOR may sell or grant the easement or interest in the Property or portion thereof to such third person in accordance with the terms and conditions of such third party offer. For purposes of this Paragraph, any transfer, bequest or devise of LESSOR's interest in the Property as a result of the death of LESSOR, whether by will or intestate succession, or any conveyance to LESSOR's family members by direct conveyance or by conveyance to a trust for the benefit of family members shall not be considered a sale of the Property for which LESSEE has any right of first refusal.

17. RIGHTS UPON SALE. Should LESSOR, at any time during the Term decide (i) to sell or transfer all or any part of the Property to a purchaser other than LESSEE, or (ii) to grant to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, such sale or grant of an easement or interest therein shall be under and subject to this Agreement and any such purchaser or transferee shall recognize LESSEE's rights hereunder under the terms of this Agreement. To the extent that LESSOR grants to a third party by easement or other legal instrument an interest in and to that portion of the Property occupied by LESSEE for the purpose of operating and maintaining communications facilities or the management thereof and in conjunction therewith, assigns this Agreement to said third party, LESSOR shall not be released from its obligations to LESSEE under this Agreement, and LESSEE shall have the right to look to LESSOR and the third party for the full performance of this Agreement.

18. QUIET ENJOYMENT. LESSOR covenants that LESSEE, on paying the rent and performing the covenants herein, shall peaceably and quietly have, hold and enjoy the Premises.

19. TITLE. LESSOR represents and warrants to LESSEE as of the execution date of this Agreement, and covenants during the Term that LESSOR is seized of good and sufficient title and interest to the Property and has full authority to enter into and execute this Agreement. LESSOR further covenants during the Term that there are no liens, judgments or impediments of title on the Property, or affecting LESSOR's title to the same and that there are no covenants, easements or restrictions which prevent or adversely affect the use or occupancy of the Premises by LESSEE as set forth above.

This Agreement is subject to those certain Declaration of Covenants, Conditions and Restrictions for the Green Valley Community Complex dated April 23, 1975, as amended June 26, 1978, as amended June 24, 1992, as amended February 17, 1993, as amended June 15, 1999 (the "CC&Rs"). Under the CC&Rs, the Green Valley Community Complex Association (the "Association"), through its Board of Directors, is required to approve the improvements contemplated under this Agreement and LESSOR represents and warrants that the Association has approved same. In the event of any challenges (whether or not litigation is commenced) to LESSEE's rights under this Agreement alleging that the Association's approval was not obtained pursuant to the requirements of the CC&Rs, or should any claims arise as a result of any breach of the representations by LESSOR under this Paragraph 19, LESSOR, at its sole cost and expense, shall indemnify, defend and hold the LESSEE harmless against any such claims or challenges.

20. INTEGRATION. It is agreed and understood that this Agreement contains all agreements, promises and understandings between LESSOR and LESSEE and that no verbal or oral agreements, promises or understandings shall be binding upon either LESSOR or LESSEE in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Agreement shall be void and ineffective unless made in writing signed by the Parties. In the event any provision of the Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either Party to insist upon strict performance of any of the terms or conditions of this Agreement or to exercise any of its rights under the Agreement shall not waive such rights and

such Party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, in law or in equity.

21. GOVERNING LAW. This Agreement and the performance thereof shall be governed, interpreted, construed and regulated by the Laws of the State in which the Property is located.

22. ASSIGNMENT. This Agreement may be sold, assigned or transferred by LESSEE without any approval or consent of LESSOR to LESSEE's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of LESSEE's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other parties, this Agreement may not be sold, assigned or transferred without the written consent of LESSOR, which such consent will not be unreasonably withheld, delayed or conditioned. No change of stock ownership, partnership interest or control of LESSEE or transfer upon partnership or corporate dissolution of LESSEE shall constitute an assignment hereunder.

a. In the event LESSEE or LESSOR desires to co-locate a third-party communications provider ("Sublessee(s)") on the Premises or Property, such Sublessee(s) shall be required to obtain a separate ground lease from LESSOR for ground space on the Property and a separate lease from LESSEE for space on LESSEE's antenna structure. The Parties understand that: (i) LESSOR and LESSEE shall reasonably cooperate to locate additional Sublessee(s) on the Property; (ii) LESSOR may not charge any fee to LESSEE for subleasing space on the Premises, LESSEE's antenna structure or Property; and (iii) LESSEE shall not be liable to LESSOR in any way for failure to enter into, maintain or renew a sublease with Sublessee for the use of LESSEE's antenna structure.

b. In the event LESSEE subleases space on LESSEE's antenna structure, LESSEE shall receive 100% of any rental paid by Sublessee(s) for such space. In the event LESSOR subleases ground space on the Property, LESSOR shall receive 100% of any rental paid by Sublessee(s) for such ground space. Any Sublessee shall be instructed to pay the foregoing percentage amounts directly to LESSOR and LESSEE. LESSEE shall not be responsible to LESSOR for the collection or payment of rents by Sublessee to LESSOR, and LESSEE shall have no liability to LESSOR in the event of failure of payment by Sublessee. LESSEE shall have no obligation to enter into any sublease.

23. NOTICES. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

LESSOR: Green Valley Recreation, Inc.
1070 Calle de las Casitas
Green Valley, Arizona 85622

LESSEE: Verizon Wireless (VAW) LLC,
d/b/a Verizon Wireless
180 Washington Valley Road
Bedminster, New Jersey 07921
Attention: Network Real Estate
Site Name: TUC Continental

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

24. SUCCESSORS. This Agreement shall extend to and bind the heirs, personal representative, successors and assigns of the Parties hereto.

25. SUBORDINATION AND NON-DISTURBANCE. LESSOR shall obtain not later than fifteen (15) days following the execution of this Agreement, a Non-Disturbance Agreement, as defined below, from its existing mortgagee(s), ground lessors and master lessors, if any, of the Property. At LESSOR's option, this Agreement shall be subordinate to any future master lease, ground lease, mortgage, deed of trust or other security interest (a "Mortgage") by LESSOR which from time to time may encumber all or part of the Property or right-of-way; provided, however, as a condition precedent to LESSEE being required to subordinate its interest in this Agreement to any future Mortgage covering the Property, LESSOR shall obtain for LESSEE's benefit a non-disturbance and attornment agreement for LESSEE's benefit in the form reasonably satisfactory to LESSEE, and containing the terms described below (the "Non-Disturbance Agreement"), and shall recognize LESSEE's right to remain in occupancy of and have access to the Premises as long as LESSEE is not in default of this Agreement beyond applicable notice and cure periods. The Non-Disturbance Agreement shall include the encumbering party's ("Lender's") agreement that, if Lender or its successor-in-interest or any purchaser of Lender's or its successor's interest (a "Purchaser") acquires an ownership interest in the Property, Lender or such successor-in-interest or Purchaser will (1) honor all of the terms of the Agreement, (2) fulfill LESSOR's obligations under the Agreement, and (3) promptly cure all of the then-existing LESSOR defaults under the Agreement. Such Non-Disturbance Agreement must be binding on all of Lender's participants in the subject loan (if any) and on all successors and assigns of Lender and/or its participants and on all Purchasers. In return for such Non-Disturbance Agreement, LESSEE will execute an agreement for Lender's benefit in which LESSEE (1) confirms that the Agreement is subordinate to the Mortgage or other real property interest in favor of Lender, (2) agrees to attorn to Lender if Lender becomes the owner of the Property and (3) agrees to accept a cure by Lender of any of LESSOR's defaults, provided such cure is completed within the deadline applicable to LESSOR. In the event LESSOR defaults in the payment and/or other performance of any mortgage or other real property interest encumbering the Property, LESSEE, may, at its sole option and without obligation, cure or correct LESSOR's default and upon doing so, LESSEE shall be subrogated to any and all rights, titles, liens and equities of the holders of such mortgage or other real property interest and LESSEE shall be

entitled to deduct and setoff against all rents that may otherwise become due under this Agreement the sums paid by LESSEE to cure or correct such defaults.

26. RECORDING. LESSOR agrees to execute a Memorandum of this Agreement which LESSEE may record with the appropriate recording officer. The date set forth in the Memorandum of Lease is for recording purposes only and bears no reference to commencement of either the Term or rent payments.

27. DEFAULT.

a. In the event there is a breach by LESSEE with respect to any of the provisions of this Agreement or its obligations under it, including the payment of rent, LESSOR shall give LESSEE written notice of such breach. After receipt of such written notice, LESSEE shall have fifteen (15) days in which to cure any monetary breach and thirty (30) days in which to cure any non-monetary breach, provided LESSEE shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSEE commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSOR may not maintain any action or effect any remedies for default against LESSEE unless and until LESSEE has failed to cure the breach within the time periods provided in this Paragraph.

b. In the event there is a breach by LESSOR with respect to any of the provisions of this Agreement or its obligations under it, LESSEE shall give LESSOR written notice of such breach. After receipt of such written notice, LESSOR shall have thirty (30) days in which to cure any such breach, provided LESSOR shall have such extended period as may be required beyond the thirty (30) days if the nature of the cure is such that it reasonably requires more than thirty (30) days and LESSOR commences the cure within the thirty (30) day period and thereafter continuously and diligently pursues the cure to completion. LESSEE may not maintain any action or effect any remedies for default against LESSOR unless and until LESSOR has failed to cure the breach within the time periods provided in this Paragraph. Notwithstanding the foregoing to the contrary, it shall be a default under this Agreement if LESSOR fails, within five (5) days after receipt of written notice of such breach, to perform an obligation required to be performed by LESSOR if the failure to perform such an obligation interferes with LESSEE's ability to conduct its business on the Property; provided, however, that if the nature of LESSOR's obligation is such that more than five (5) days after such notice is reasonably required for its performance, then it shall not be a default under this Agreement if performance is commenced within such five (5) day period and thereafter diligently pursued to completion.

28. REMEDIES. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefor. In the event of a default by either Party with respect to a material provision of this Agreement, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason

of such default, the non-defaulting Party may terminate the Agreement and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Premises are located; provided, however, LESSOR shall use reasonable efforts to mitigate its damages in connection with a default by LESSEE. If LESSEE so performs any of LESSOR's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by LESSEE shall immediately be owing by LESSOR to LESSEE, and LESSOR shall pay to LESSEE upon demand the full undisputed amount thereof with interest thereon from the date of payment at the greater of (i) ten percent (10%) per annum, or (ii) the highest rate permitted by applicable Laws. Notwithstanding the foregoing, if LESSOR does not pay LESSEE the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from LESSOR, LESSEE may offset the full undisputed amount, including all accrued interest, due against all fees due and owing to LESSOR until the full undisputed amount, including all accrued interest, is fully reimbursed to LESSEE.

29. ENVIRONMENTAL.

a. LESSOR will be responsible for all obligations of compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time hereafter be in effect, that are or were in any way related to activity now conducted in, on, or in any way related to the Property, unless such conditions or concerns are caused by the specific activities of LESSEE in the Premises.

b. LESSOR shall hold LESSEE harmless and indemnify LESSEE from and assume all duties, responsibility and liability at LESSOR's sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to: a) failure to comply with any environmental or industrial hygiene law, including without limitation any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, unless such non-compliance results from conditions caused by LESSEE; and b) any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Property or activities conducted thereon, unless such environmental conditions are caused by LESSEE.

30. CASUALTY. In the event of damage by fire or other casualty to the Premises that cannot reasonably be expected to be repaired within forty-five (45) days following same or, if the Property is damaged by fire or other casualty so that such damage may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, then LESSEE may, at any time following such fire or other casualty, provided LESSOR has not completed the restoration required to permit LESSEE to resume its operation at the Premises, terminate this Agreement upon fifteen (15) days prior written notice to LESSOR. Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement

and the Parties shall make an appropriate adjustment, as of such termination date, with respect to payments due to the other under this Agreement. Notwithstanding the foregoing, the rent shall abate during the period of repair following such fire or other casualty in proportion to the degree to which LESSEE's use of the Premises is impaired.

31. CONDEMNATION. In the event of any condemnation of all or any portion of the Property, this Agreement shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever occurs first. If as a result of a partial condemnation of the Premises or Property, LESSEE, in LESSEE's sole discretion, is unable to use the Premises for the purposes intended hereunder, or if such condemnation may reasonably be expected to disrupt LESSEE's operations at the Premises for more than forty-five (45) days, LESSEE may, at LESSEE's option, to be exercised in writing within fifteen (15) days after LESSOR shall have given LESSEE written notice of such taking (or in the absence of such notice, within fifteen (15) days after the condemning authority shall have taken possession) terminate this Agreement as of the date the condemning authority takes such possession. LESSEE may on its own behalf make a claim in any condemnation proceeding involving the Premises for losses related to the equipment, conduits, fixtures, its relocation costs and its damages and losses (but not for the loss of its leasehold interest). Any such notice of termination shall cause this Agreement to expire with the same force and effect as though the date set forth in such notice were the date originally set as the expiration date of this Agreement and the Parties shall make an appropriate adjustment as of such termination date with respect to payments due to the other under this Agreement. If LESSEE does not terminate this Agreement in accordance with the foregoing, this Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the same proportion as the rentable area of the Premises taken bears to the total rentable area of the Premises. In the event that this Agreement is not terminated by reason of such condemnation, LESSOR shall promptly repair any damage to the Premises caused by such condemning authority.

32. SUBMISSION OF AGREEMENT/PARTIAL INVALIDITY/AUTHORITY. The submission of this Agreement for examination does not constitute an offer to lease the Premises and this Agreement becomes effective only upon the full execution of this Agreement by the Parties. If any provision herein is invalid, it shall be considered deleted from this Agreement and shall not invalidate the remaining provisions of this Agreement. Each of the Parties hereto warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

33. APPLICABLE LAWS. During the Term, LESSOR shall maintain the Property in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, and the requirements of any applicable fire insurance underwriter or rating bureau, now in effect or which may hereafter come into effect (including, without limitation, the Americans with Disabilities Act and laws regulating hazardous substances) (collectively "Laws"). LESSEE shall, in respect to the condition of the Premises and at LESSEE's sole cost and expense, comply with (a) all Laws relating solely to LESSEE's specific and unique nature of use of the Premises

(other than general office use); and (b) all building codes requiring modifications to the Premises due to the improvements being made by LESSEE in the Premises.

34. SURVIVAL. The provisions of the Agreement relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Agreement. Additionally, any provisions of this Agreement which require performance subsequent to the termination or expiration of this Agreement shall also survive such termination or expiration.

35. CAPTIONS. The captions contained in this Agreement are inserted for convenience only and are not intended to be part of the Agreement. They shall not affect or be utilized in the construction or interpretation of the Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have set their hands and affixed their respective seals the day and year last written below.

LESSOR:

Green Valley Recreation, Inc.

By: _____

Name: Joseph A. Gunter, Jr.

Title: President, GVR Board of Directors

Date: 6/22/2015

LESSEE:

Verizon Wireless (VAW) LLC,
d/b/a Verizon Wireless

By: _____

Name: ~~Brian Mecum~~ Clifton Casey

Title: ~~Area Vice President Network~~ Executive Director - Network

Date: 15-Jul-15

Exhibit "A"

(Legal Description of Property)

All of that portion of Lot 1, of GREEN VALLEY COMMUNITY COMPLEX, a subdivision of Pima County, Arizona, according to the plat of record in the office of the County Recorder in Book 27 of Maps and Plats, page 22, described as follows:

Beginning at the centerline intersection of Avenida Hermosa and the Westerly centerline of Paseo Del Prado, as shown on said subdivision plat;

THENCE North 41 o 53' 18" West along the centerline of Avenida Hermosa, a distance of 149.28 feet;

THENCE South 48° 06 '42" West, a distance of 15.00 feet to a point on the Southerly right of way line of Avenida Hermosa, said point also being the TRUE POINT OF BEGINNING;

THENCE South 48° 06' 42" West, a distance of243.14 feet;

THENCE North 52° 19' 16" West, a distance of 235.09 feet to a point in the East line of Vista Hermosa Drive;

THENCE North 51 o 48' 54" East, a distance of 13.28 feet to a point of curvature;

THENCE Northerly along a curve to the West having a radius of 165.00 feet and a central angle of 45° 18' 43" an arc distance of 130.49 feet to a point of tangency;

THENCE North 06° 30' 11" East a distance of 1.08 feet to the Southwest comer of Lot 2 as shown on said plat;

THENCE North 82° 46' 21" East a distance of 236.27 feet to a point in the Southerly line of Avenida Hermosa as shown on said plat;

THENCE South 02° 18' 49" East a distance of 8.00 feet to a point of curvature;

THENCE Southerly along the arc of a circular curve concave to the East having a radius of 165.00 feet and a central angle of 39° 34' 29" and an arc distance of 113.97 feet to a point of tangency;

THENCE South 41 o 53' 18" East a distance of 26.68 feet to the TRUE POINT OF BEGINNING, Together with the use of the private streets as set forth in Subdivision Restrictions recorded in Docket 5017, Page 826 of Official Records.

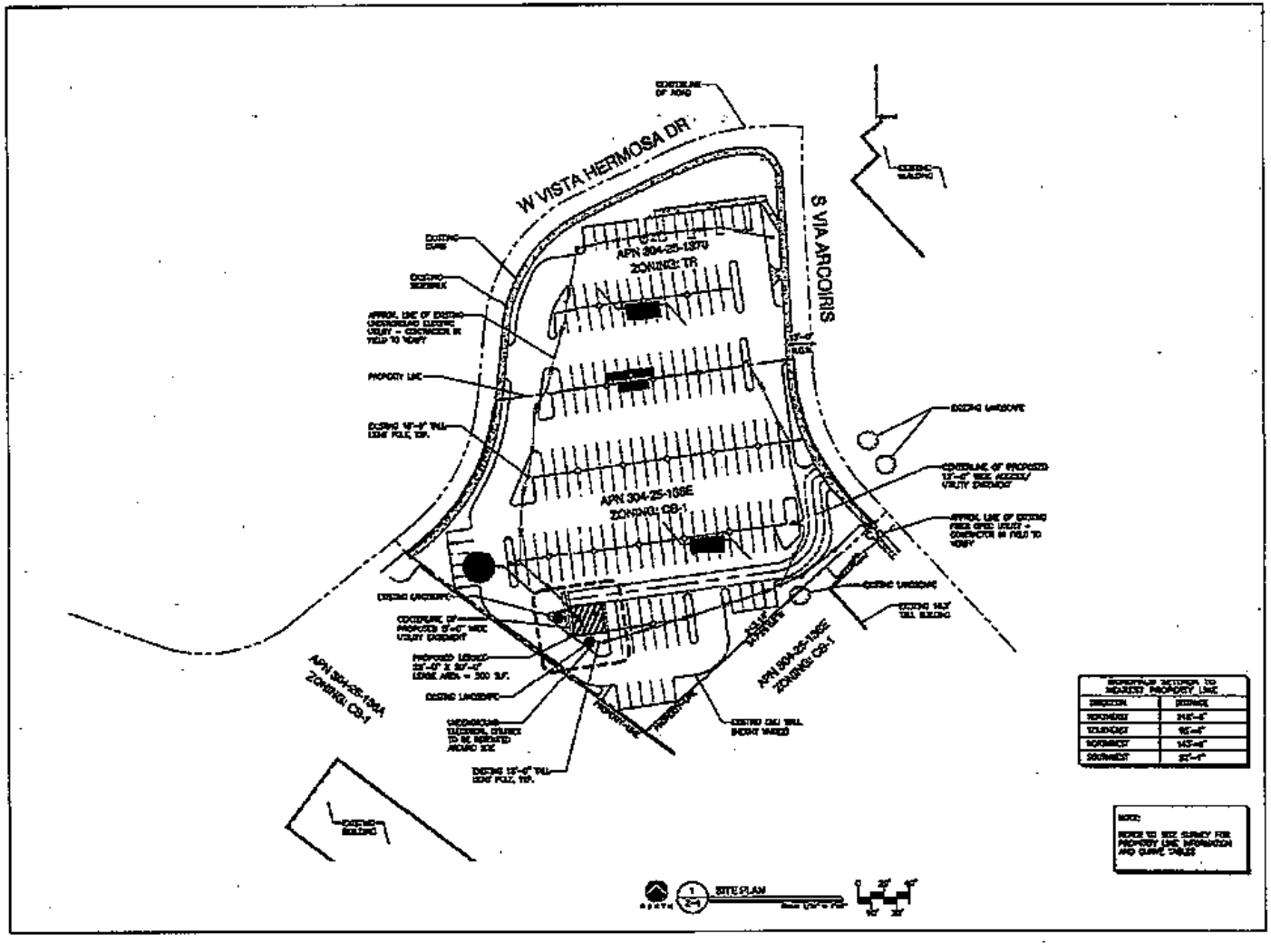
EXCEPT any portion conveyed to Pima County by instrument recorded in Docket 9319, Page 639.

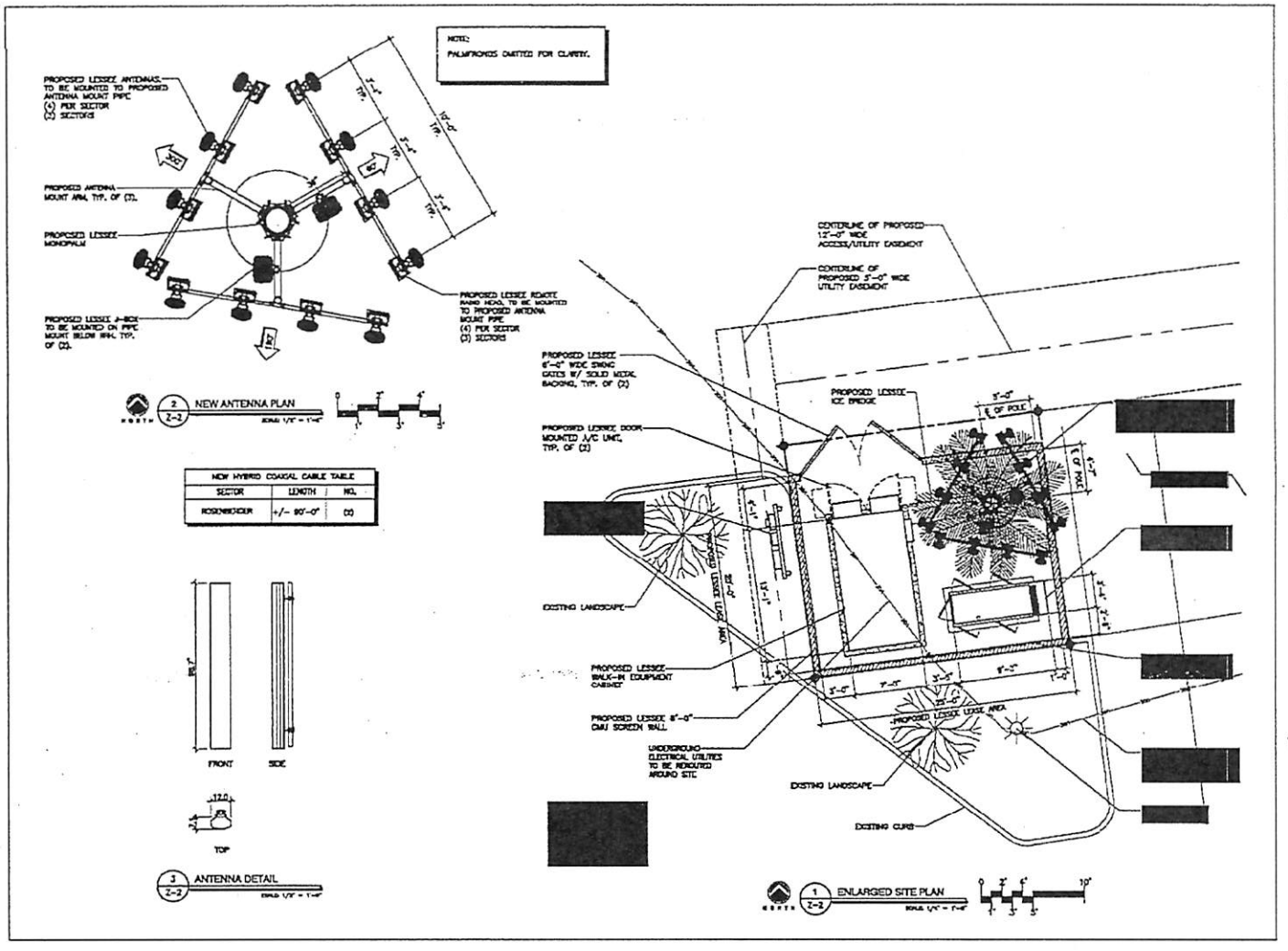
Exhibit "B"

(Premises)

TUC Continental
630699455_1.docx

18


W VISTA HERMOSA DR
S VIA ARCOIRIS
APN 304-25-1370
ZONING: TR
APN 304-25-156E
ZONING: CB-1
APN 304-25-156A
ZONING: CB-1
APN 304-25-156C
ZONING: CB-1
PROPERTY LINE
EXISTING LANDSCAPE
EXISTING BUILDING
SITE PLAN
verizonwireless
TUC CONTINENTAL
SITE PLAN
Z-1



verizon wireless

TUC CONTINENTAL

1111 S. VIA ARCORIS
GREEN VALLEY, AZ 85614

ENLARGED SITE PLAN

Z-2

EXHIBIT D

SERVICES

I. Exclusive Marketing and Leasing / Licensing.

a. *Exclusive Representation.* As a material inducement for Assignee to enter into this Agreement, to the greatest extent not prohibited by applicable law, from and after the date of this Agreement, Assignor hereby grants to Assignee during the Term the exclusive right to be Assignor's sole and exclusive representative to (i) lease or license portions of the Property outside of the Leased Premises not leased or licensed to the Telecom Tenant for use as telecommunications sites (the "**Lease Sites**") and (ii) engage in negotiations with potential tenants ("**Future Tenants**") for the establishment of Lease Sites at the Property. Notwithstanding anything to the contrary set forth herein, Assignee shall have the sole and exclusive right to enter into Future Leases, as hereinafter defined, within the Leased Premises in the event the Lease is terminated or otherwise expires prior to expiration or termination of the Agreement, and any and all rents derived therefrom shall belong exclusively to Assignee, it being understood that the Purchase Price constitutes good and valuable consideration for same.

b. *Marketing.* Assignee agrees to market and promote the Property to Future Tenants as Lease Sites, such efforts to include, without limitation, the preparation and distribution of a database that identifies and includes a description of the Lease Sites together with the Property.

c. *Leasing / Licensing.* Assignee agrees to (i) prepare and negotiate, for Assignor's ultimate approval and execution, (x) telecommunications leases or licenses ("**Future Leases**") with Future Tenants for use of the Property outside of the Leased Premises as Lease Sites and (y) renewals and extensions of the Future Leases and (ii) monitor related expiration or renewal dates thereof. . Assignor shall have the right to approve the location of any such Future Lease(s), in its sole and reasonable discretion. Assignor shall be entitled to receive sixty percent (60%) of all gross rent received by Assignee under any Future Lease executed by the Future Tenants ("**Assignor's Share**"). Assignee shall collect and retain forty percent (40%) of the rent collected pursuant to Future Leases ("**Assignee's Share**"). Assignee shall make commercially reasonable efforts to have the Future Tenants remit Assignor's Share directly to Assignor, provided however Assignee may collect rent from any such Future Tenant and disburse Assignor's Share to Assignor within sixty (60) days of Assignee's receipt of such rent. Notwithstanding the foregoing, Assignor shall have the right to enter into agreements with tenants for space outside of the Leased Premises, and Assignee shall have no right, title or interest in and to same, including, without limitation, the rents due thereunder, which shall belong exclusively to Assignor, except that same shall be subject to the ROFR as set forth in Section 8.2 of the Agreement. Assignor shall not sell, convey, transfer or assign Assignor's Share (except in connection with the sale, conveyance, transfer of assignment of one hundred percent (100%) of Assignor's interest in the Property) without the prior written consent of Grantee, such consent to be withheld in Assignee's sole discretion.

d. *Assignor Approval.* Notwithstanding anything herein to the contrary, Assignor reserves the right to approve in its reasonable discretion the specific location of each Lease Site at the Property. Assignor shall, in its reasonable discretion, approve or reject the form and substance of Future Leases negotiated by Assignee on behalf of Assignor within ten (10) days of receiving such documents for approval by Assignor, Assignor's failure to respond within ten (10) days, will serve as Assignor's approval of the form and substance of the Future Lease.

II. Management Services

Assignor hereby engages Assignee, and Assignee hereby agrees to perform at its sole cost and expense the following functions with respect to the Telecom Tenant and Future Tenants:

a. *Inventory and Assessment.* Inventory the Equipment located on or at the Property with respect to any Telecom Tenant and Future Tenants.

b. *Installation and Modification Review.* In connection with the installation and modification of the equipment by the Telecom Tenant and/or Future Tenants (i) assist Assignor in the review and evaluation of (A) all plans and specifications of the Telecom Tenant and/or Future Tenants in connection with installations or modifications of equipment and installations; and (B) the designation of all contractors and subcontractors to be employed by the Telecom Tenant and/or Future Tenants, verifying that the Telecom Tenants and/or Future Tenants engage only approved contractors to perform installations and modifications of equipment and installations to the extent required under the Lease or Future Leases; and (ii) periodically, Assignor may but shall not be required to, inspect the equipment of the Telecom Tenant and/or Future Tenants to evaluate its condition. Notwithstanding the foregoing, approval of plans and specifications of a Telecom Tenant and/or Future Tenants in connection with its installation and modification activities shall not be deemed a representation or warranty by Assignee to Assignor or any third party that such Telecom Tenant and/or Future Tenants are in compliance with applicable law.

c. *Compliance Supervision.* Supervise the use of the Lease Site to confirm that Telecom Tenant and/or Future Tenants are operating their equipment in compliance and consistent with the terms of the Lease and/or Future Leases.

d. *Radio Frequency Interference.* Monitor and assist in the resolution of any radio frequency interference problems.

e. *Telecom Tenant Relations.* Facilitate communications with the Telecom Tenant and/or Future Tenants to the extent required by this Agreement, the Lease, Future Leases, applicable law or as may be reasonably requested by Assignor.

f. *Default under the Lease.* Assignee hereby agrees to enforce the default provisions in the Lease and/or Future Leases. The foregoing notwithstanding, the determination to ultimately terminate the Lease or a Future Lease due to the failure of a tenant to meet its maintenance obligations shall be made at the sole discretion of Assignee.

g. *Legal Actions, Filing of Legal Proceedings.* At Assignor's sole cost and expense, initiate, file and prosecute legal proceedings before any court, tribunal, administrative or arbitration panel, governmental agency or other forum with regard to the Lease, Future Leases, the activities of the Telecom Tenant or Future Tenants at the Property or claims or demands on behalf of Assignor in connection therewith.

h. *Records.* Cooperate with the Telecom Tenant and/or Future Tenants to obtain such records with respect to the Telecom Tenant's and/or a Future Tenant's equipment, the Telecom Tenant, Future Tenants, the Lease and/or Future Leases as may be necessary or appropriate for Assignor to satisfy all governmental reporting requirements and all insurance and reasonable lender requirements with respect to the use of the space housing the Telecom Tenant's or Future Tenants' equipment.

i. *Insurance.* Verify that any contractor or subcontractor that performs any work on behalf of the Telecom Tenant or Future Tenants from time to time possesses the types and amounts of insurance set forth in the Lease or Future Leases.

j. *Notices.* Inform Assignor of any notices that Assignee receives in connection with the Telecom Tenants or Future Tenants and their respective activities at the Property.

III. Limitation on Services.

Notwithstanding anything herein to the contrary, Assignee's obligation to provide the services described herein to assist Assignor in the administration of or otherwise manage the Lease or Future Lease shall be limited to the extent of Assignor's rights under the Lease or Future Lease or other pertinent agreement and to the extent of a conflict or inconsistency between the obligations of Assignee under this Agreement in connection with the administration or management of such Lease or Future Lease and the rights of the Telecom Tenant or Future Tenant under the Lease

or Future Lease, the terms and provisions of the Lease or Future Lease shall control and limit Assignee's obligations under this Agreement with regard to such Telecom Tenant or Future Tenant and the administration or management of the Lease or Future Lease, respectively.

EXHIBIT E

FORM OF MEMORANDUM OF AGREEMENT

MEMORANDUM OF ASSIGNMENT OF RENTS AND SITE MANAGEMENT AGREEMENT
PIN: 304-25-136E

STATE OF ARIZONA
COUNTY OF PIMA

Document Date: September 30, 2026

ASSIGNOR:	GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation
Address:	1070 Calle de las Casitas Green Valley, AZ 85614
ASSIGNEE:	LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company
Address:	400 Continental Blvd., Ste. 500 El Segundo, CA 90245
With a copy to:	P.O. Box 3429 El Segundo, CA 90245
Legal Description:	Attached as Exhibit A.

Prepared by:
Landmark Dividend LLC
P.O. Box 3429
400 Continental Blvd., Suite 500
El Segundo, CA 90245
TC260281

Return after recording to:
Auro Solutions, LLC d/b/a Tower Title & Closing
225 Newman Ave.
East Providence, RI 02916
LD-244673-C

MEMORANDUM OF ASSIGNMENT OF RENTS AND SITE MANAGEMENT AGREEMENT

This Memorandum of Assignment of Rents and Site Management Agreement is made effective this 30th day of September, 2026 (the "**Memorandum**") by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation (hereinafter referred to as "**Assignor**") and **LD TELECOM ASSETCO 3 LLC**, a Delaware limited liability company (hereinafter referred to as "**Assignee**). Assignor and Assignee may be collectively referred to hereinafter as the "**Parties**".

1. Assignor owns certain real property located at 1111 S GVR Dr, Green Valley, in the County of Pima, State of Arizona, as more particularly described in Exhibit A attached hereto and incorporated herein (the "**Property**").

2. The Parties entered into that certain Assignment of Rents and Site Management Agreement, of even date herewith (the "**Agreement**") whereby, pursuant to the terms of the Agreement, Assignee was, among other things, assigned all right, title and interest in and to any and all rent due pursuant to that certain Option and Land Lease Agreement dated July 15, 2015, as more particularly described in Exhibit B attached hereto and incorporated herein (the "**Lease**"), and granted the exclusive right to manage the telecommunications site on the Property for telecommunications purposes.

3. Pursuant to the Agreement, Assignor granted to Assignee a right of first refusal ("**ROFR**") on the sale or disposition of any telecommunications agreement and/or the revenue associated therewith located on the Property.

4. This Memorandum is not intended to amend or modify and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum and the provisions of the Agreement, the provisions of the Agreement shall control.

5. This Memorandum is not a complete summary of the Agreement. It is being executed and recorded solely to give public record notice of the existence of the Agreement. Provisions in this Memorandum shall not be used in interpreting the provisions of the Agreement.

6. The terms, covenants and provisions of the Agreement shall extend to and be binding upon the respective executors, administrators, heirs, successors and assigns of Assignee and Assignor.

7. A copy of the Agreement is on file with the Parties.

[Remainder of page left intentionally blank. Signatures appear on following pages.]

IN WITNESS WHEREOF, hereunto and to duplicates hereof, Assignor has caused this Memorandum to be duly executed on the day and year first written above.

ASSIGNOR:

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

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On September ___, 2026, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal.

_____
Notary Public
My Commission Expires: _____ [SEAL]

IN WITNESS WHEREOF, hereunto and to duplicates hereof, Assignee has caused this Memorandum to be duly executed on the day and year first written above.

ASSIGNEE:

LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September ___, 2026, before me, _____ (here insert name and title of officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature_____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

ALL OF THAT PORTION OF LOT 1, GREEN VALLEY COMMUNITY COMPLEX, LOTS 1 THROUGH 11, BEING SUBDIVISION OF RECORD IN THE OFFICE OF THE PIMA COUNTY, ARIZONA RECORDER IN BOOK 27 OF MAPS AND PLATS AT PAGE 22 THEREOF. SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE CENTERLINE INTERSECTION OF AVENIDA HERMOSA AND THE WESTERLY CENTERLINE OF PASEO DEL WEST PRADO AS SHOWN ON SAID SUBDIVISION PLAT;

THENCE NORTH 41 DEGREES 53 MINUTES 18 SECONDS WEST ALONG THE CENTERLINE OF AVENIDA HERMOSA, DISTANCE OF 149.28 FEET;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 15.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF AVENIDA HERMOSA; SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 243.14 FEET;

THENCE NORTH 52 DEGREES 19 MINUTES 16 SECONDS WEST, A DISTANCE OF 235.09 FEET TO A POINT IN THE EAST LINE OF VISTA HERMOSA DRIVE;

THENCE NORTH 51 DEGREES 48 MINUTES 54 SECONDS EAST, A DISTANCE OF 13.28 FEET TO A POINT OF CURVATURE;

THENCE NORTHERLY ALONG A CURVE TO THE WEST HAVING A RADIUS OF 165.00 FEET, AND A CENTRAL ANGLE OF 45 DEGREES 18 MINUTES 43 SECONDS AN ARC DISTANCE OF 130.49 FEET TO A POINT OF TANGENCY;

THENCE NORTH 06 DEGREES 30 MINUTES 11 SECONDS EAST A DISTANCE OF 1.08 FEET TO THE SOUTHWEST CORNER OF LOT 2 AS SHOWN ON SAID PLAT;

THENCE NORTH 82 DEGREES 46 MINUTES 21 SECONDS EAST A DISTANCE OF 236.27 FEET TO A POINT IN THE SOUTHERLY LINE OF AVENIDA HERMOSA AS SHOWN SHOWN ON SAID PLAT;

THENCE SOUTH 02 DEGREES 18 MINUTES 49 SECONDS EAST A DISTANCE OF 8.00 FEET TO A POINT OF CURVATURE;

THENCE SOUTHERLY ALONG THE ARC OF A CIRCULAR CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 165.00 FEET AND A CENTRAL ANGLE OF 39 DEGREES 34 MINUTES 29 SECONDS AND AN ARE DISTANCE OF 113.97 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 41 DEGREES 53 MINUTES 18 SECONDS EAST A DISTANCE OF 26.68 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE USE OF THE PRIVATE STREETS AS SET FORTH IN SUBDIVISION RESTRICTIONS RECORDED IN DOCKET BOOK 5017 AT PAGE 826.

EXCEPT ANY PORTION CONVEYED TO PIMA COUNTY BY INSTRUMENT RECORDED IN DOCKET 9319 AT PAGE 639.

PARCEL ID: 304-25-136E

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION INC., AN ARIZONA CORPORATION FROM GREEN VALLEY OFFICE/RETAIL COMPLEX L.L.C, AN ARIZONA LIMITED LIABILITY COMPANY IN A DEED DATED FEBRUARY 8, 1996 AND RECORDED FEBRUARY 13, 1996 IN BOOK 10230 AND PAGE 1914 IN PIMA COUNTY, AZ.

EXHIBIT B

LEASE DESCRIPTION

That certain Option and Land Lease Agreement dated July 15, 2015, by and between Assignor, as lessor, and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, as lessee, for a portion of the Property, together with any and all amendments, assignments and modifications thereto, for which a Memorandum of Option and Land Lease Agreement was recorded on September 17, 2015 as Document No. 20152600120.

EASEMENT AND ASSIGNMENT OF LEASE AGREEMENT

PIN: : 304-63-754G

STATE OF ARIZONA
COUNTY OF PIMA

Document Date: September 30, 2026

GRANTOR:	GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation
Address:	1070 Calle de las Casitas Green Valley, AZ 85614
GRANTEE:	LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company
Address:	400 Continental Blvd., Ste. 500 El Segundo, CA 90245
With a copy to:	P.O. Box 3429 El Segundo, CA 90245
Legal Description:	Attached as Exhibit A.

Prepared by:
Landmark Dividend LLC
P.O. Box 3429
400 Continental Blvd., Suite 500
El Segundo, CA 90245
TC260282

Return after recording to:
Auro Solutions, LLC d/b/a Tower Title & Closing
225 Newman Ave.
East Providence, RI 02916
LD-244672-C

EASEMENT AND ASSIGNMENT OF LEASE AGREEMENT

This Easement and Assignment of Lease Agreement (this "**Agreement**") dated September 30, 2026 (the "**Effective Date**") is by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation ("**Grantor**"), and **LD TELECOM ASSETCO 3 LLC**, a Delaware limited liability company ("**Grantee**").

WHEREAS, Grantor owns certain real property located at 2980 S. Camino Del Sol, Green Valley, in the County of Pima, State of Arizona, and more particularly described in Exhibit A attached hereto (the "**Property**");

WHEREAS, pursuant and subject to that certain Purchase and Sale of Easement and Assignment Agreement by and between Grantor and Grantee, of even date herewith (the **"Purchase Agreement"),** Grantor intends to grant to Grantee an exclusive easement (the "**Communications Easement**") in, to, under, over and through a certain portion or portions of the Property as further described in Exhibit B attached hereto (the "**Communications Easement Area**") for: (i) the purpose of operating, leasing, subleasing, or licensing space in and on the Communications Easement Area to communications tenant(s) (each or collectively, as applicable, the "**Tenant(s)**") and any additional uses associated with the exercise of the rights of such tenants under such leases, subleases, or licenses including, without limitation, the installation, operation, maintenance of and access to communications facilities; and (ii) any other lawful use Grantee may require (the "**Permitted Uses**") and a non-exclusive easement (the "**Access and Utility Easement**") in, to, under, over and through certain portions of the Property, and the building located on the Property, as further described in Exhibit B attached hereto (the "**Access and Utility Easement Area**" together with the Communications Easement Area, the "**Easement Area**") for ingress, egress, maintenance and utility service for and to the Communications Easement (the Communications Easement and the Access and Utility Easement may be collectively referred to herein as the "**Easement**);

WHEREAS, pursuant and subject to the Purchase Agreement, Grantor intends to sell, assign, set over, convey and transfer the existing communications lease more particularly described in Exhibit C attached hereto to Grantee (each or collectively, as applicable, the "**Existing Agreement**").

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto intending to be legally bound hereby agree as follows:

1. GRANT OF EASEMENTS. Grantor hereby grants to Grantee an exclusive easement in, to, under, over and through the Communications Easement Area along with a non-exclusive easement in, to, under over and through the Access and Utility Easement Area for the Permitted Uses. Grantee and its Tenant(s) shall have access to and from the Easement Area twenty-four (24) hours per day, seven (7) days per week. Further, Grantor grants to Grantee a non-exclusive easement in, to, under and across the Property for the installation, placement, use, operation and maintenance of ice bridges, conduit cabling and antenna on the Property. These easements, and Grantee's corresponding right to enter into any lease, license or other transfer/occupancy agreement with any third-party other than Tenant for such easements, are expressly subject and subordinate to the Existing Agreement. Notwithstanding anything to the contrary herein, in no event shall Grantee be permitted to enter into a lease, license or similar type of agreement for the use of any portion of the Easement with a term that extends beyond the Term or increases the obligations of Grantor without Grantor's prior written consent, which may be withheld in Grantor's sole and absolute discretion.

Grantor and Grantee also agree to share any future rent from carriers 50/50 (50% to the Grantor) ("**Grantor's Share**") who may require additional space outside of the Easement Area. In the event an

agreement is executed with a carrier for space outside of the Easement Area, Grantor shall have the right to approve the location of such additional space in its sole and reasonable discretion, and the parties shall enter into a mutually agreeable amendment to this Agreement to include such additional space. Grantor shall not sell, convey, transfer or assign Grantor's Share (except in connection with the sale, conveyance, transfer of assignment of one hundred percent (100%) of Grantor's interest in the Property) without the prior written consent of Grantee, such consent to be withheld in Grantee's sole discretion. Notwithstanding the foregoing, Grantor shall have the right to enter into agreements with tenants for space outside of the Easement Area, and Grantee shall have no right, title or interest in and to same, including, without limitation, the rents due thereunder, which shall belong exclusively to Grantor.

2. TERM. Commencing on the Effective Date (the "**Commencement Date**"), the term of this Agreement shall be **perpetual** (the "**Term**").

3. TERMINATION. Grantor may not terminate this Agreement. Notwithstanding anything to the contrary herein, Grantee may unilaterally terminate this Agreement and the Purchase Agreement at any time during the Term, and the Existing Agreement shall revert to Grantor.

4. ASSIGNMENT OF EXISTING AGREEMENT. As part of the consideration provided for this Agreement, Grantor hereby unconditionally and absolutely assigns and conveys all of its right, title and interest in and to the Existing Agreement, including without limitation, the right to collect the rent thereunder. In no event shall the assignment of the Existing Agreement impose a greater obligation on Grantee than is imposed upon the Tenant under the Existing Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that, Grantor shall retain and continue to faithfully perform and discharge any and all of obligations of lessor under the Existing Agreement that are incidental to fee ownership of the Property including, without limitation, maintenance, access, quiet enjoyment, non-interference, cooperation with all requests for permit applications put forth by any tenant or licensee of Grantee, maintaining the Property free of all defaults and any voluntary or involuntary lien against the Property and payment of real property taxes ("**Fee Owner Obligations**") and Grantee shall assume all other obligations of lessor thereunder. Grantee shall use commercially reasonable efforts to enforce the obligations of Tenant under the Existing Agreement, including without limitation, maintenance, repair and payment of taxes, in favor of Grantor. Notwithstanding any other provision contained in this Agreement or any attachments hereto, Grantor and Grantee jointly and severally reserve the rights to insurance and indemnification defined pursuant to the Existing Agreement as against Tenant.

5. COVENANTS OF GRANTOR. Grantor covenants to Grantee, as of the date hereof, that:

a. Grantor shall comply with all applicable laws which may affect the Property. Grantor shall pay, as and when due, all real and personal property taxes and all other fees and assessments attributable to the Property (the "**Taxes and Fees**") and shall take all other actions necessary to avoid a forfeiture of the Property.

a. Grantor shall execute all documents (including, without limitation, amendments or modifications of the Easement Agreement and any documents necessary for required certificates, permits, licenses and other approvals) necessary for Grantee or its Tenant(s) to utilize the Easement Area in the manner contemplated in this Agreement, the Existing Agreement and the Purchase Agreement.

b. Grantor shall cooperate with the requests of Grantee and/or Tenant(s) to facilitate the Permitted Uses of the Easement Area

c. in the event of a change of ownership, control, transfer or sale of the Property, Grantor or its successor shall promptly send to Grantee written notice of such change and the name and contact information for the new owner of the Property.

d. Grantor shall not allow or permit a breach or default to occur under the Existing Agreement as a result of Grantor's actions or inactions and shall promptly cure any such default which results from the same. Grantor shall immediately forward to Grantee a copy of any notice of default under the Existing Agreement received by Grantor, including all correspondence related thereto.

e. Grantor shall not settle or compromise any insurance claim or condemnation award relating to the Easement without Grantee's prior written approval, which shall not be unreasonably withheld.

f. Grantor shall not, nor shall Grantor permit its lessees, licensees, employees, invitees or agents to use any portion of the Property, or the Easement in a way which interferes with the operations of tenants under the Existing Agreement, or any other of Grantee's future lessees or licensees, or to interfere with the Access and Utility Easement. Such interference shall be deemed a material breach by Grantor.

g. Grantor will forward any rent payments received from Tenant(s) after the Effective Date to Grantee within 5 business days of receipt thereof.

h. Grantor shall not introduce or use (or permit the use of) any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation (collectively "**Hazardous Substance**") on the Property in violation of any applicable federal, state or local environmental laws. Grantor shall be responsible for (and shall promptly conduct any investigation and remediation as required by any applicable environmental laws) all spills or other releases of any Hazardous Substance not caused by Grantee, that have occurred or which may occur on the Property. For the avoidance of doubt, Grantee shall not be responsible for any Hazardous Substances arising or present on or before the Effective Date and liability of Grantee for any claims with respect to any Hazardous Substances at the Property or the Easement Area shall be limited to contamination which is shown by clear evidence to have been solely caused by a release of a Hazardous Substance by Grantee after the Effective Date, and in violation of any applicable federal, state or local environmental laws.

i. Grantor, or any persons acting on Grantor's behalf, shall not enter into any other agreement, lease, sublease, license, communication agreement or similar agreement of any kind, for a portion of the Property, or any other property owned or controlled by Grantor within 1 mile of the Property, outside of the Communications Easement, for the purpose of relocating any Tenant(s) under the Existing Agreement, including replacements thereof.

6. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and the successors and assigns of the parties to this Agreement. This Agreement shall run with the land upon which the Easement Area is located, and Grantor shall, in any and all deeds or other documents related to the sale, conveyance, assignment, mortgage, pledge, or other encumbrance or transfer of the Property, expressly provide that the Property is subject to all rights, liabilities and obligations under this Agreement. Grantor hereby expressly acknowledges and agrees that Grantee may from time-to-time sell, convey, assign, mortgage, pledge, encumber, hypothecate, securitize or otherwise transfer some or all of Grantee's right, title and interest in and to this Agreement, the Easement Area and the Existing Agreement; provided, however, any security instrument recorded by Grantee shall be limited to its interest in same and shall not otherwise affect the Property or Grantor's interest therein. Grantor may assign this Agreement only in its entirety and only to any person or entity who or which acquires fee title to the Property.

7. MAINTENANCE. Except to the extent maintenance is the obligation of any Tenant(s) under the Existing Agreement and except with respect to any personal property of such Tenant(s), during the Term, Grantor shall maintain, in good operating condition and repair, the Property and the improvements located thereon. Grantor shall promptly repair any defect in the above within thirty (30) days, or shorter period as may be required by any government authority having jurisdiction, unless the defect constitutes an emergency, in which case the Grantor shall cure the defect as quickly as possible. If Grantor fails to make such repairs, Grantee may, but shall not be obligated to, effect such repairs at Grantor's sole cost and expense, which Grantor shall reimburse to Grantee upon demand, together with interest thereon from the date of demand. To the extent the Tenant(s) is/are responsible for damage to the rooftop, Grantee may use commercially reasonable efforts to enforce such provisions of the Existing Agreements. Grantor may also seek reimbursement directly from the Tenant(s) for damage caused by the Tenant(s) in accordance with the Existing Agreement; provided however Grantor shall provide notice to Grantee of Grantor's efforts to seek reimbursement and Grantor shall not seek any right or remedy against Tenant(s) other than for compensatory damages and/or specific performance relating to repairing the subject damage. Grantor shall not engage in any self-help, deny the Tenant(s) access to the Easement Area, attempt to terminate the Existing Agreement or collect any rent or other monies due to Grantee thereunder or evict or dispossess Tenant(s) from the Easement Area. Grantee shall have no obligations relating to the repair, maintenance, and/or replacement of any portion of the rooftop.

8. NOTICES. All notices, requests, demands and other communications hereunder shall be delivered by Certified Mail Return Receipt Requested, and/or a nationally recognized overnight courier or upon attempted delivery, if delivery is refused or if delivery is impossible because of failure to provide reasonable means for accomplishing delivery. Notice shall be deemed accepted upon proof of delivery. Notices shall be delivered:

As to Grantor: 1070 Calle de las Casitas
Green Valley, AZ 85614

As to Grantee: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429
El Segundo, CA 90245
Attn: Asset Management
Re: TC260282

With a copy to: LD Telecom AssetCo 3 LLC
400 Continental Blvd., Ste. 500
P.O. Box 3429
El Segundo, CA 90245
Re: TC260282

Grantor shall immediately forward all notices related to the Easement or the Existing Agreement to Grantee at the notice address provided herein.

9. DEFAULT. It shall be an "**Event of Default**" if either Grantor or Grantee fails to observe or perform any of the terms, conditions or its respective obligations set forth in this Agreement. Upon receiving written notice of such a default or breach of this Agreement, the defaulting party shall have the lesser of: thirty (30) days, or (b) the cure period under the Existing Agreement (as applicable) to cure such default; provided, however, if the required cure of the noticed default cannot reasonably be completed by

Grantee within such time period, Grantee's failure to perform shall not constitute an Event of Default so long as Grantee's failure to perform does not constitute a default under the Existing Agreement and Grantee undertakes to cure the failure promptly, diligently and to completion. In the event that the defaulting party fails to cure such default within the cure period, the non-defaulting party shall be entitled to exercise any rights permitted under this Agreement or permitted by applicable law; provided however, that neither party shall be liable to the other for consequential or punitive damages (except that Grantee may elect as a remedy to pursue loss of rents); and provided further, that in the event Grantee is in default under this Agreement, Grantor shall not have the right to terminate this Agreement or the Existing Agreement and shall have, as its sole remedy, specific performance or an action for damages. Notwithstanding anything to the contrary contained herein, in the event that Grantor fails to provide Grantee, the Tenant(s), or their respective agents, employees, or contractors, access to the Easement Area, for any reason whatsoever, whether through action or inaction, such occurrence shall be an Event of Default, which is hereby deemed material, which shall not be subject to the cure periods as set forth in this Section 10, and Grantee shall be immediately entitled to exercise specific performance and to exercise any rights and remedies permitted by this Agreement or permitted by applicable law. Notwithstanding anything to the contrary herein, if Grantor fails to pay all Taxes and Fees or to take all other actions necessary to avoid forfeiture of the Property, Grantee may, but shall not be required to, at its sole discretion, pay the Grantor's Taxes and Fees and perform any other measure necessary to avoid forfeiture of the Property, provided further however, Grantee shall be entitled to recover from Grantor all Taxes and Fees and all other costs and expenses, including actual attorney's fees.

10. AGREEMENT FULLY PERFORMED. Notwithstanding anything in this Agreement to the contrary, this Agreement is deemed to be fully performed by Grantee as of the Effective Date. In no event shall this Agreement be deemed an executory contract for purposes of the United States Bankruptcy Code, as amended (the "**Code**"), and this Agreement may not be rejected pursuant to Section 365 of the Code.

11. CASUALTY. Notwithstanding the law of the jurisdiction in which the Property is located, in the event the Easement Area or Property is damaged or destroyed by fire or other casualty, this Agreement, the Easement and the Purchase Agreement and Grantee's rights therein shall remain in full force and effect. Grantor shall give Grantee immediate notice of such casualty and Grantor shall, at Grantor's sole cost and expense, cause the damage to be repaired to a condition as nearly as practicable to that existing prior to the damage within the shorter of ninety (90) days from the date of the damage or the time period set forth in the Existing Agreement. During the Grantor's repair of the Property, Grantor shall provide temporary relocation space to Grantee and Tenant(s) for use as a communications site until the Property and Easement Area have been sufficiently repaired for the use and enjoyment of Tenant(s). . In the event the Easement Area or Property is destroyed or otherwise damaged beyond repair, Grantor agrees to grant to Grantee a replacement easement area inclusive with an access and utility easement that shall be substantially similar in size and scope and pursuant to the same terms and conditions as this Agreement ("**Replacement Easement**"). This Replacement Easement shall be memorialized in a new agreement to be properly executed by the parties and recorded in the same manner as this Agreement.

12. CONDEMNATION. In the event all or any part of the Easement Area or Property is taken by the exercise of eminent domain or a proposed conveyance in lieu thereof by a representative of a governing authority having the right of eminent domain, Grantee and Grantor shall have the right to pursue separate, individual compensation awards for each party's respective interests in the Easement Area and Property. Grantee shall be entitled to submit a separate claim for the valuation of the Easement Area to the governing authority and Grantor hereby waives any right to oppose or object to Grantee's claim for compensation relating to the Easement Area in connection with any eminent domain proceeding or conveyance in lieu related thereto.

13. GOVERNING LAW; VENUE JURY TRIAL WAIVER.

a. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

b. EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE APPLICABLE UNITED STATES DISTRICT COURT FOR THE DISTRICT THE PROPERTY IS LOCATED IN, AND EACH PARTY WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE IN SUCH COURT, WHETHER ON THE BASIS OF INCONVENIENT FORUM OR OTHERWISE.

c. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY ACTION OR PROCEEDING TO ENFORCE OR INTERPRET THIS AGREEMENT.

14. ATTORNEYS' FEES. In any action or proceeding brought to enforce any provision of this Agreement, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs. All damages or other sums payable by one party to another hereunder shall bear interest from the date incurred or payable until paid at a rate equal to the highest rate permitted by applicable law.

15. INDEMNIFICATION. Grantor and Grantee shall each indemnify, defend and hold harmless the other party its parents, subsidiaries, and affiliates, and their respective directors, officers, members, managers, partners, employees, agents, representatives, successors and assigns (collectively, the "**Indemnified Parties**") from and against any and all administrative and judicial actions and rulings, claims, causes of action, demands and liability including, but not limited to, damages, costs, expenses, assessments, penalties, fines, cleanup, remediation, removal or restoration work required by any governmental authority, losses, judgments and reasonable attorneys' fees (collectively, the "**Claims**") that the Indemnified Parties may suffer or incur arising from or relating to: (i) any breach by a breaching party of any of its representations, warranties, covenants, agreements, terms, provisions, conditions or limitations of this Agreement, including, without limitation, with respect to Grantor, any failure on the part of Grantor to continue to faithfully perform and discharge any and all of Grantor's obligations as lessor under the Existing Agreement, (ii) with respect to Grantor, the operations or activities on the Property by Grantor or any of its agents, contractors, subcontractors, servants, employees, tenants, subtenants, licensees or invitees; (iii) with respect to Grantee, the operations or activities on the Property of only the Grantee; (iv) any violation by the breaching party of any laws applicable to such breaching party; and (v) the existence or discovery of any Hazardous Substance on the Property caused by the other party, including the migration of any Hazardous Substance to other properties and the release of any Hazardous Substance into the environment that relate to or arise from the indemnitor's activities on the Property; provided however Grantee shall only be obligated to indemnify Grantor for Hazardous Substances caused solely by Grantee. Grantor agrees to defend, indemnify, protect and hold the Indemnified Parties of the Grantee harmless from and against any and all Claims related to Hazardous Substances arising out of or resulting from actions on the Property not caused by Grantee prior to, and during the Term of this Agreement. The parties' indemnification obligations under Section 15 shall survive the termination or expiration of this Agreement.

16. CONSTRUCTION. The parties acknowledge that this document shall not be construed in favor of or against the drafter and that this document shall not be construed as an offer until such time as it is executed by one of the parties and then tendered to the other party.

17. INCORPORATION BY REFERENCE; CONFLICTS. Unless otherwise defined herein, all terms used in this Agreement shall have the same meaning as set forth in the Purchase Agreement, the terms and conditions of which are incorporated into the Agreement by reference in their entirety. If this Agreement

conflicts with the terms and conditions of the Purchase Agreement, then the terms of this Agreement shall govern as between the parties hereto.

[Remainder of page left intentionally blank. Signatures appear on following pages.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

GRANTOR:

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

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On September ___, 2026, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal.

_____
Notary Public
My Commission Expires: _____ [SEAL]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have caused this Agreement to be duly executed as of the Effective Date.

GRANTEE:

LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company

By: _____
Name: _____
Title: Authorized Signatory

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September ___, 2026, before me, _____ (here insert name and title of officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature_____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

ALL THAT PART OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF CIRCULO DE LAS LOMAS AND CAMINO DEL SOL; THENCE NORTH ALONG SAID CENTERLINE OF CAMINO DEL SOL, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 20° 10' 00" AND A RADIUS OF 800.00 FEET, AN ARC LENGTH OF 281.58 FEET TO A POINT OF TANGENCY, SAID TANGENT BEARING BEING N 63° 44' 35" W;

THENCE AT RIGHT ANGLES TO SAID TANGENT BEARING S 26° 15' 25" W 75.00 FEET TO THE WEST RIGHT-OF-WAY OF CAMINO DEL SOL, SAID POINT BEING ON THE BOUNDARY OF BLOCK A AND ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE N 63° 44' 35" W 229.99 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE S 38° 00' 00" W 523.65 FEET TO A POINT ON THE EAST RIGHT-OF-WAY OF CAMINO MERCADO, SAID POINT BEING A POINT OF REVERSE CURVATURE;

THENCE SOUTH ALONG THE EAST RIGHT-OF-WAY OF SAID STREET, ALONG A CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 7° 45' 17" AND A RADIUS OF 1096.83 FEET, AN ARC LENGTH OF 148.45 FEET;

THENCE N 73° 43' 00" E 152.25 FEET;

THENCE S 16° 17' 00" E 124.96 FEET;

THENCE N 73° 43' 00" E 337.48 FEET;

THENCE N 51° 07' 00" E 243.82 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL;

THENCE NORTH ALONG A CURVE, SAID CURVE BEING THE WEST RIGHT-OF-WAY LINE OF CAMINO DEL SOL, HAVING A CENTRAL ANGLE OF 20° 14' 17" AND A RADIUS OF 725.00 FEET, AN ARC LENGTH OF 305.96 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 6.042 ACRES OF LAND, MORE OR LESS

PARCEL ID: 304-63-754G

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION, INC., AN ARIZONA NON-PROFIT CORPORATION FROM LAWYERS TITLE OF ARIZONA, AN ARIZONA CORPORATION, AS TRUSTEE, UNDER THAT CERTAIN TRUST AGREEMENT KNOWN AS TRUST NUMBER 6486-T, IN A DEED DATED JANUARY 21, 1982 AND RECORDED JANUARY 22, 1982, IN BOOK 6703 PAGE 317.

EXHIBIT B

EASEMENT AREA DESCRIPTION

THAT PORTION OF BLOCK A, GREEN VALLEY DESERT HILLS NO. 3, AS RECORDED IN BOOK 31 OF MAPS AND PLATS AT PAGE 25, RECORDS OF PIMA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHERLY CORNER OF THE PARENT PARCEL;

THENCE SOUTH 37° 21' 48" WEST, 168.37 FEET;

THENCE SOUTH 52° 38' 12" EAST, 235.73 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 73° 57' 01" EAST, 47.17 FEET;

THENCE NORTH 30° 02' 36" EAST, 1.89 FEET;

THENCE SOUTH 59° 57' 24" EAST, 12.00 FEET;

THENCE SOUTH 30° 02' 36" WEST, 10.00 FEET;

THENCE NORTH 59° 57' 24" WEST, 12.00 FEET;

THENCE NORTH 30° 02' 36" EAST, 5.22 FEET;

THENCE SOUTH 73° 57' 01" WEST, 4.92 FEET;

THENCE SOUTH 15° 27' 45" EAST, 28.01 FEET;

THENCE NORTH 83° 48' 37" EAST, 7.19 FEET;

THENCE NORTH 06° 11' 23" WEST, 4.27 FEET;

THENCE NORTH 83° 48' 37" EAST, 10.50 FEET;

THENCE SOUTH 06° 11' 23" EAST, 12.00 FEET;

THENCE SOUTH 83° 48' 37" WEST, 10.50 FEET;

THENCE NORTH 06° 11' 23" WEST, 5.73 FEET;

THENCE SOUTH 83° 48' 37" WEST, 6.86 FEET;

THENCE SOUTH 15° 27' 45" EAST, 48.24 FEET;

THENCE SOUTH 67° 29' 33" WEST, 9.88 FEET;

THENCE SOUTH 83° 11' 07" WEST, 12.00 FEET;

THENCE NORTH 06° 48' 53" WEST, 10.00 FEET;

THENCE NORTH 83° 11' 07" EAST, 12.00 FEET;

THENCE SOUTH 06° 48' 53" EAST, 6.82 FEET;

THENCE NORTH 67° 29' 33" EAST, 7.39 FEET;

THENCE NORTH 15° 27' 45" WEST, 8.71 FEET;

THENCE SOUTH 72° 56' 36" WEST, 53.56 FEET;

THENCE NORTH 16° 50' 05" WEST, 11.31 FEET;

THENCE NORTH 73° 09' 55" EAST, 3.00 FEET;

THENCE SOUTH 16° 50' 05" EAST, 7.11 FEET;

THENCE NORTH 72° 56' 36" EAST, 50.66 FEET;

THENCE NORTH 15° 27' 45" WEST, 62.51 FEET;

THENCE SOUTH 73° 57' 01" WEST, 38.18 FEET;

THENCE NORTH 16° 02' 59" WEST, 2.00 FEET TO THE TRUE POINT OF BEGINNING AND CONTAINING 0.021 ACRES (898 SQUARE FEET) OF LAND MORE OR LESS.

In the event of a discrepancy between the area actually occupied by the equipment pursuant to the Existing Agreement and the area described above, the described area shall be understood to also include any portion of the actual used area not captured by the description or as may have been granted pursuant to the Existing Agreement.

NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT AREA DESCRPITION

In addition to the area described above, the part of the Property upon which any equipment exists on the Effective Date together with the portion of the Property used and/or leased by Grantor under the Existing Agreement, including, but not limited to, as follows:

Utilities. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over the portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to the Easement Area, and an easement in, to, under and over the portions of the Property and through the shaft ways, chase ways, soffits, risers, columns, crawl spaces, rafters, or any other space for placement of antenna(s), cables, wiring, etc., which is for the installation, operation, and maintenance of equipment and/or personal property, together with the right to use such easement for the development, installation, repair, operation, maintenance and removal of utilities, antenna(s), cables, wiring, etc. including, without limitation, in connection with providing service to the Easement Area and any related activities and uses.

Access. Grantee is herein granted, consistent with the Existing Agreement, a non-exclusive easement in, to, under and over portions of the Property, and through the building located on the Property (if applicable), for ingress and egress to and from the Easement Area and to and from a publicly dedicated roadway, together with the right to use such access easement. The access granted herein shall be subject to reasonable rules and regulations promulgated by Grantor, from time to time, with respect to access to and from the interior of the building, including, without limitation, reasonable prior notice by Grantee.

EXHIBIT C

EXISTING AGREEMENT DESCRIPTION

That certain Site Agreement dated February 28, 2003, by and between Grantor, as lessor, and Sprint Spectrum Realty Company LLC, as lessee, for a portion of the Property, as amended by First Amendment to Site Agreement dated February 21, 2007 and Second Amendment to Site Agreement dated August 23, 2022, together with any and all other amendments, assignments and modifications thereto, for which a Memorandum of Agreement was recorded on April 25, 2003 as Document No. 20030800142.

MEMORANDUM OF ASSIGNMENT OF RENTS AND SITE MANAGEMENT AGREEMENT
PIN: 304-25-136E

STATE OF ARIZONA
COUNTY OF PIMA

Document Date: September 30, 2026

ASSIGNOR:	GREEN VALLEY RECREATION, INC., an Arizona non-profit corporation
Address:	1070 Calle de las Casitas Green Valley, AZ 85614
ASSIGNEE:	LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company
Address:	400 Continental Blvd., Ste. 500 El Segundo, CA 90245
With a copy to:	P.O. Box 3429 El Segundo, CA 90245
Legal Description:	Attached as Exhibit A.

Prepared by:
Landmark Dividend LLC
P.O. Box 3429
400 Continental Blvd., Suite 500
El Segundo, CA 90245
TC260281

Return after recording to:
Auro Solutions, LLC d/b/a Tower Title & Closing
225 Newman Ave.
East Providence, RI 02916
LD-244673-C

MEMORANDUM OF ASSIGNMENT OF RENTS AND SITE MANAGEMENT AGREEMENT

This Memorandum of Assignment of Rents and Site Management Agreement is made effective this 30th day of September, 2026 (the "**Memorandum**") by and between **GREEN VALLEY RECREATION, INC.,** an Arizona non-profit corporation (hereinafter referred to as "**Assignor**") and **LD TELECOM ASSETCO 3 LLC**, a Delaware limited liability company (hereinafter referred to as "**Assignee**). Assignor and Assignee may be collectively referred to hereinafter as the "**Parties**".

1. Assignor owns certain real property located at 1111 S GVR Dr, Green Valley, in the County of Pima, State of Arizona, as more particularly described in Exhibit A attached hereto and incorporated herein (the "**Property**").

2. The Parties entered into that certain Assignment of Rents and Site Management Agreement, of even date herewith (the "**Agreement**") whereby, pursuant to the terms of the Agreement, Assignee was, among other things, assigned all right, title and interest in and to any and all rent due pursuant to that certain Option and Land Lease Agreement dated July 15, 2015, as more particularly described in Exhibit B attached hereto and incorporated herein (the "**Lease**"), and granted the exclusive right to manage the telecommunications site on the Property for telecommunications purposes.

3. Pursuant to the Agreement, Assignor granted to Assignee a right of first refusal ("**ROFR**") on the sale or disposition of any telecommunications agreement and/or the revenue associated therewith located on the Property.

4. This Memorandum is not intended to amend or modify and shall not be deemed or construed as amending or modifying, any of the terms, conditions or provisions of the Agreement, all of which are hereby ratified and affirmed. In the event of a conflict between the provisions of this Memorandum and the provisions of the Agreement, the provisions of the Agreement shall control.

5. This Memorandum is not a complete summary of the Agreement. It is being executed and recorded solely to give public record notice of the existence of the Agreement. Provisions in this Memorandum shall not be used in interpreting the provisions of the Agreement.

6. The terms, covenants and provisions of the Agreement shall extend to and be binding upon the respective executors, administrators, heirs, successors and assigns of Assignee and Assignor.

7. A copy of the Agreement is on file with the Parties.

[Remainder of page left intentionally blank. Signatures appear on following pages.]

IN WITNESS WHEREOF, hereunto and to duplicates hereof, Assignor has caused this Memorandum to be duly executed on the day and year first written above.

ASSIGNOR:

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

By: _____

Name: _____

Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On September ____, 2026, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal.

_____
Notary Public
My Commission Expires: _____ [SEAL]

IN WITNESS WHEREOF, hereunto and to duplicates hereof, Assignee has caused this Memorandum to be duly executed on the day and year first written above.

ASSIGNEE:

LD TELECOM ASSETCO 3 LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On September ____, 2026, before me, _____ (here insert name and title of officer), personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature_____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

ALL OF THAT PORTION OF LOT 1, GREEN VALLEY COMMUNITY COMPLEX, LOTS 1 THROUGH 11, BEING SUBDIVISION OF RECORD IN THE OFFICE OF THE PIMA COUNTY, ARIZONA RECORDER IN BOOK 27 OF MAPS AND PLATS AT PAGE 22 THEREOF. SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS TO WIT:

BEGINNING AT THE CENTERLINE INTERSECTION OF AVENIDA HERMOSA AND THE WESTERLY CENTERLINE OF PASEO DEL WEST PRADO AS SHOWN ON SAID SUBDIVISION PLAT;

THENCE NORTH 41 DEGREES 53 MINUTES 18 SECONDS WEST ALONG THE CENTERLINE OF AVENIDA HERMOSA, DISTANCE OF 149.28 FEET;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 15.00 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF AVENIDA HERMOSA; SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 48 DEGREES 06 MINUTES 42 SECONDS WEST, A DISTANCE OF 243.14 FEET;

THENCE NORTH 52 DEGREES 19 MINUTES 16 SECONDS WEST, A DISTANCE OF 235.09 FEET TO A POINT IN THE EAST LINE OF VISTA HERMOSA DRIVE;

THENCE NORTH 51 DEGREES 48 MINUTES 54 SECONDS EAST, A DISTANCE OF 13.28 FEET TO A POINT OF CURVATURE;

THENCE NORTHERLY ALONG A CURVE TO THE WEST HAVING A RADIUS OF 165.00 FEET, AND A CENTRAL ANGLE OF 45 DEGREES 18 MINUTES 43 SECONDS AN ARC DISTANCE OF 130.49 FEET TO A POINT OF TANGENCY;

THENCE NORTH 06 DEGREES 30 MINUTES 11 SECONDS EAST A DISTANCE OF 1.08 FEET TO THE SOUTHWEST CORNER OF LOT 2 AS SHOWN ON SAID PLAT;

THENCE NORTH 82 DEGREES 46 MINUTES 21 SECONDS EAST A DISTANCE OF 236.27 FEET TO A POINT IN THE SOUTHERLY LINE OF AVENIDA HERMOSA AS SHOWN SHOWN ON SAID PLAT;

THENCE SOUTH 02 DEGREES 18 MINUTES 49 SECONDS EAST A DISTANCE OF 8.00 FEET TO A POINT OF CURVATURE;

THENCE SOUTHERLY ALONG THE ARC OF A CIRCULAR CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 165.00 FEET AND A CENTRAL ANGLE OF 39 DEGREES 34 MINUTES 29 SECONDS AND AN ARE DISTANCE OF 113.97 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 41 DEGREES 53 MINUTES 18 SECONDS EAST A DISTANCE OF 26.68 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH THE USE OF THE PRIVATE STREETS AS SET FORTH IN SUBDIVISION RESTRICTIONS RECORDED IN DOCKET BOOK 5017 AT PAGE 826.

EXCEPT ANY PORTION CONVEYED TO PIMA COUNTY BY INSTRUMENT RECORDED IN DOCKET 9319 AT PAGE 639.

PARCEL ID: 304-25-136E

THIS BEING THE SAME PROPERTY CONVEYED TO GREEN VALLEY RECREATION INC., AN ARIZONA CORPORATION FROM GREEN VALLEY OFFICE/RETAIL COMPLEX L.L.C, AN ARIZONA LIMITED LIABILITY COMPANY IN A DEED DATED FEBRUARY 8, 1996 AND RECORDED FEBRUARY 13, 1996 IN BOOK 10230 AND PAGE 1914 IN PIMA COUNTY, AZ.

EXHIBIT B

LEASE DESCRIPTION

That certain Option and Land Lease Agreement dated July 15, 2015, by and between Assignor, as lessor, and Verizon Wireless (VAW) LLC d/b/a Verizon Wireless, as lessee, for a portion of the Property, together with any and all amendments, assignments and modifications thereto, for which a Memorandum of Option and Land Lease Agreement was recorded on September 17, 2015 as Document No. 20152600120.

Green Valley Recreation, Inc.

Board of Directors Regular Meeting

CAFÉ PHASE 3 AND PRIVATE CLUB LIQUOR LICENSE

Prepared By: Steve Kindred, Recreation Dir **Meeting Date: October 28, 2026**

Presented By: Scott Somers, CEO **Consent Agenda: No**

Originating Committee / Department
Recreation

Action Requested:
Approve expansion into Phase 3 which includes pursuing a Private Club Liquor License for Clubhouse Café, and begin to serve alcoholic beverages once license is obtained.

Strategic Plan
Goal 2: Provide quality services and programs that effectively meet the recreational, social, and leisure education needs of our membership, allocating resources to support those programs.

Background Justification:
The Clubhouse Café has grown its menu, member traffic, hours of service, and revenue. Serving alcoholic beverages and accompanying light plates in the later afternoon and early evening is a natural next step. We do not anticipate that alcohol service will be the reason members will come to the café. Instead, this will be a place where a member can enjoy an alcoholic beverage or two while enjoying a meal, watching a sporting event, some live music, or participating in a trivia game. The licensing process includes fingerprinting and a background check on three Board officers, a process that will repeat each time the officers change.

Additional insurance costs are $3,541/year which extends GVR's current Liquor Liability coverage to include the Café. The Liquor Liability coverage is scheduled under the existing umbrella policy, which has coverage up to $10,000,000. There is no deductible in the Liquor Liability, but there is a $10,000 retention on the Umbrella if that gets triggered.

While actual revenue/expense/net income is unknown until Phase 3 begins, a conservative estimate of this activity, detailed on the attached proforma, shows that Phase 3 should result in, at a minimum, revenue that will cover all additional staff/materials/insurance costs.

Fiscal Impact:
Liquor Licensing costs of $1,150 initially, $220 annually thereafter;
Insurance costs of $3,541 annually for package/umbrella/workers comp.
Fingerprinting/application/training costs $300 initially, $100 annually thereafter;
Start-up costs of $2,500 for additional refrigerator/shelving.
Operational costs including additional insurance will be covered by food/drink revenue.

Board Options:

1) Approve expansion into Phase 3 which includes pursuing a Private Club Liquor License for Clubhouse Café, and begin to serve alcoholic beverages once license is obtained.
2) Delay this decision until a later date.
3) Provide alternative direction to staff.

Staff Recommendation:

Option #1

Recommended Motion:

I move to approve expansion into Phase 3 which includes pursuing a Private Club Liquor License for Clubhouse Café, and begin to serve alcoholic beverages once license is obtained.

Attachments:

1) First year proforma modeled at 'break even' levels.

Clubhouse Café - Alcohol Service ***Modeled 'Break Even' Levels***

	Weekly	Annual	2027 March	2027 April	2027 May	2027 June	2027 July	2027 August	2027 Sept	2027 Oct	2027 Nov	2027 Dec	2027 Jan	2027 Feb	Annual
Mixed Drink Sales	75	$ 3,900	403	351	270	247	237	279	286	315	344	344	419	406	3,900
Drink Revenue @ $7	$ 525	$ 27,300	2,819	2,455	1,887	1,728	1,659	1,955	2,000	2,205	2,410	2,410	2,932	2,842	27,302
Glasses of Wine Sold	75	$ 3,900	403	351	270	247	237	279	286	315	344	344	419	406	3,900
Wine Revenue @ $6	$ 450	$ 23,400	2,416	2,104	1,617	1,481	1,422	1,676	1,715	1,890	2,065	2,065	2,514	2,436	23,401
Beers Sold	75	$ 3,900	403	351	270	247	237	279	286	315	344	344	419	406	3,900
Beer Revenue @ $5	$ 375	$ 19,500	2,013	1,754	1,348	1,234	1,185	1,396	1,429	1,575	1,721	1,721	2,095	2,030	19,501
Food Revenue (see below)	$ 620	$ 32,240	3,329	2,899	2,228	2,040	1,960	2,309	2,362	2,604	2,846	2,846	3,463	3,356	32,242
Food/Drink Revenue	***$ 1,970***	***$ 102,440***	***10,577***	***9,213***	***7,080***	***6,483***	***6,227***	***7,336***	***7,506***	***8,274***	***9,042***	***9,042***	***11,004***	***10,663***	***102,447***
Cost of Goods	***$ 586***	***$ 30,446***	***3,144***	***2,738***	***2,104***	***1,927***	***1,851***	***2,180***	***2,231***	***2,459***	***2,687***	***2,687***	***3,270***	***3,169***	***30,448***
Additional Insurance	***$ 68***	***$ 3,541***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***295***	***3,541***
Staff /Wk (see below)	***$ 1,306***	***$ 67,891***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***5,658***	***67,891***
Net Revenue/Wk	***$ 11***	***$ 562***	***58***	***51***	***39***	***36***	***34***	***40***	***41***	***45***	***50***	***50***	***60***	***58***	***562***

Staff Costs Detailed

30 hrs @ $18 (PIC)	$ 540	$ 28,080	2,340	2,340	2,340	2,340	2,340	2,340	2,340	2,340	2,340	2,340	2,340	2,340	28,080
30 hrs @ $16	$ 480	$ 24,960	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	24,960
Total	$ 1,020	$ 53,040	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	53,040
w/Benefits	$ 1,306	$ 67,891	5,658	5,658	5,658	5,658	5,658	5,658	5,658	5,658	5,658	5,658	5,658	5,658	67,891

Food Revenue Detailed

20 Burgers @ $8	$ 160	$ 8,320	859	748	575	527	506	596	610	672	734	734	894	866	8,321
20 Nachos @ $6	$ 120	$ 6,240	644	561	431	395	379	447	457	504	551	551	670	650	6,240
20 Chicken Fingers @ $6	$ 120	$ 6,240	644	561	431	395	379	447	457	504	551	551	670	650	6,240
20 Hot Dogs @ $6	$ 120	$ 6,240	644	561	431	395	379	447	457	504	551	551	670	650	6,240
50 misc snacks @ $2	$ 100	$ 5,200	537	468	359	329	316	372	381	420	459	459	559	541	5,200
	$ 620	$ 32,240	3,329	2,899	2,228	2,040	1,960	2,309	2,362	2,604	2,846	2,846	3,463	3,356	32,242
Seasonality Factor			***1.24***	***1.08***	***0.83***	***0.76***	***0.73***	***0.86***	***0.88***	***0.97***	***1.06***	***1.06***	***1.29***	***1.25***	

Break Even Assumptions: 15 mixed drinks, 15 glasses of wine, and 15 beers daily

16 assorted plates (burgers, etc.) daily.

10 small snacks (chips, nuts, etc.) daily.

Additional: Staff wages will be supplemented by pooled tips

Only simple mixed drinks, bottled beer, and single glasses of wine.

No pitchers, no doubles, no whole bottles of wine sold.

Cost of goods - 25% for alcohol (wholesale purchases), 40% for food.