



Homeowner Information Session

September 4, 2026





THE AGENDA

- Opening Remarks
- Meeting Purpose
- Introduction of Club Evaluation Committee
- The Process & Timeline
- Master Planned Communities Social Dues Structure & History
- Financial Overview & Member Implications
- Acquisition Pros/Cons
- Q&A Session
- Member Survey
- Closing Remarks



HOUSEKEEPING

- All participants will be muted with video disabled.
- There will be time for questions after the information is presented.
- If you have a question, please use the chat feature at the bottom of the screen.
- The Club Evaluation Committee (CEC) will answer as many questions as possible within the allotted timeframe and post answers after.
- This presentation is being recorded. The recording and a PDF copy will be available in the information portal at www.tvrclubupdate.com



WHY WE ARE HERE

- Shea Homes (Shea) and its partner have retained CBRE to solicit offers to acquire the Verde River Golf & Social Club (the Club).
- Our Homeowners Association (HOA) has the opportunity to evaluate the possibility of acquiring the Club.
- Present information about the process, cost and funding of potential ownership.
- Answer questions from homeowners submitted through chat (as time allows).
- Provide information about a member survey that will be released immediately following this session, the results of which will determine the path forward.



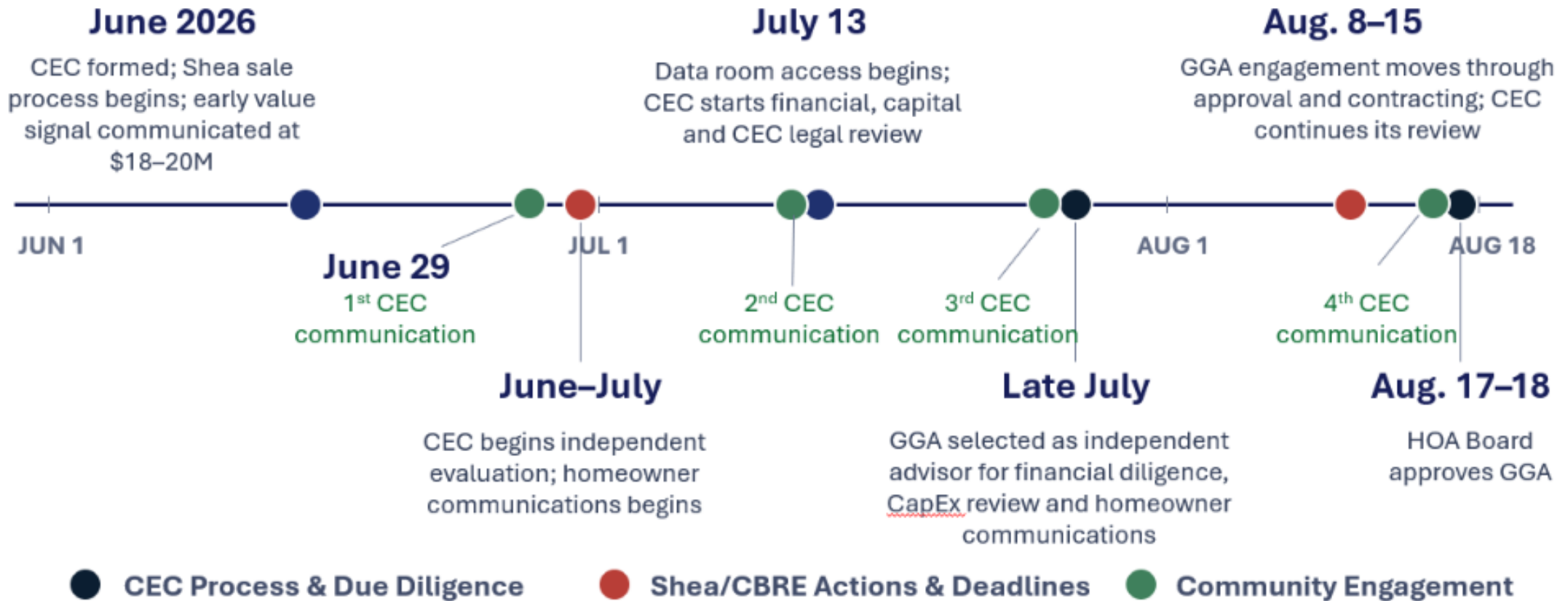
CLUB EVALUATION COMMITTEE

- The CEC, comprised exclusively of residents, was formed.
- Two members were selected by the HOA Board based on their professional backgrounds and experience with similar projects.
- Four additional spots on the committee were then filled by the first two members.

Committee Member	Experience
Dennis Weibling, Co-Chair	Private equity, finance, and transaction evaluation
Brandy Maranian, Co-Chair	Operations, mergers & acquisitions, corporate governance, and former Club Advisory Group member
Mark Bromberg	Restaurant, club and hospitality operations, and former Club Advisory Group member
Mike Ulvestad	Mergers & acquisitions and transaction structuring.
Jim Nunns	Golf operations, construction, and infrastructure
Joe Castriano	Finance, tax planning, and business analysis



JUNE TO MID-AUGUST: DUE DILIGENCE & FOUNDATIONAL WORK



The CEC focused its first two months on independent diligence, financial analysis and homeowner communications



MID-AUGUST TO SEPTEMBER: THE TIMELINE ACCELERATES

Market pricing changed significantly during the evaluation process



The CEC continues its evaluation while preserving homeowner choice within an accelerated timeline



WHAT HOMEOWNERS SHOULD KNOW

- **The LOI preserves our opportunity, not an obligation.**
Keeps the community under consideration without committing to a purchase.
- **The CEC has not made a final recommendation for purchase.**
We are recommending moving forward with approval of the LOI.
- **Market value and community value are different.**
Outside buyers may have different assumptions for dues, fees and revenue.
- **The economics have changed.**
Purchase price and future dues are key considerations.
- **Homeowners will determine the path forward.**
Survey informs next steps.

*The member survey is not a vote.
No purchase can occur without the required homeowner approval.*



MASTER PLANNED COMMUNITITIES SOCIAL DUES STRUCTURE & HISTORY

HOA Structure During Construction Period

- The developer (Shea) controls the HOA until the second to the last lot (home is sold).
- The HOA did not limit fees up to 20% increase per year due to uncertainty about cost increases. However, the developer (Shea) is motivated to keep dues low to attract home buyers.

The assets being sold by Shea have value largely because the community members want to use those assets.

- While not everyone uses all the assets, most of the community members were attracted to Verde River because of the restaurant, golf course, swimming pool, tennis, pickleball, and bocci courts.
- The social and golf dues provide a subsidy to the revenue earned by Blue Star/Shea
 - a) All amenity operations lose money without the social and golf dues.
 - b) Social and golf dues make the operations profitable.



MASTER PLANNED COMMUNITITIES SOCIAL DUES STRUCTURE & HISTORY

- A third-party buyer of the amenities will not have the same motivation to keep the dues low as all the homes in the community are or will be sold.
- Part of the value being attributed to the sale of the amenities to outside buyers is the ability of the new buyer to increase both the social and golf dues by up to 20% per year and to possibly assess usage dues for some of all of the activities.
- The math:

$$\text{\$3,384 social dues} \times 20\% \text{ increase } (\text{\$676}) \times 1,385 \text{ homeowners} = \text{\$936,260}$$

Assuming no significant cost increases all of the revenue is additional profit. If a buyer can increase profit by about \$1M per year, the purchase of the club assets becomes very attractive.



FINANCIAL BACKGROUND

- Financial information has been presented by Shea, Blue Star, and CBRE. The CEC has not completed due diligence.
- No audited financial statements are prepared for the current owner. We have not been provided with a Balance Sheet.
- Membership dues (social and golf) comprise the majority of Club revenue.



FINANCIAL ANALYSIS OVERVIEW

- Price being offered by third parties: \$31M+
- Price being offered to the homeowners: \$31M (discounted price)
- Adjusted cash flow before capital expenditures on a fully built out basis presented by Shea, Blue Star, and CBRE is \$2.9M.
- Capital expenditures are estimated to be between \$500k and \$1.0M per year.
- Free cash flow after capital expenditures estimated at \$2.0M. This cash would be available to the HOA to use at their discretion each year.
- No capital reserves come with transaction.



HOMEOWNER FINANCIAL IMPLICATIONS

HOMEOWNER PURCHASE

- Purchase price: \$31M
- Cost to each homeowner: ~\$24k
- In discussions with banks for potential financing options for homeowners

THIRD PARTY PURCHASE

- An investor will want a return of approximately 15% on their investment
- Dues increases of up to 20% may be required to achieve such return



ACQUISITION PROS/CONS

	Member Ownership	Third-Party Ownership
Pros	• Members control the future of the Club • Club vision and culture guided by member input, interests, and priorities • Ability to safeguard property values through capital planning and investments (likelihood of ongoing investments)	• Financial risk (reserves) remains with third party • No initial cash outlay via HOA assessment • Potential for experienced ownership & management (private clubs) • Potential reciprocal access
Cons	• Members assume financial risk and future capital requirements (potential for future operational and/or capital assessments) • Potential for governance and decision-making to be slower • Volunteer requirements (board, committees, etc.)	• Increased dues up to 20% per year • Potential access fees for swimming pool, tennis, pickleball, and fitness center • Potential for long-term decisions to be driven by returns vs. member experience/priorities • Potential public access and removal of golf membership cap



Q&A SESSION



MEMBER SURVEY – PLEASE RESPOND

This afternoon, all homeowners will receive a link to a short survey to inform the CEC of homeowner sentiment towards the potential acquisition.

- A personalized survey link will be sent via an email from GGA Partners to the email on file with the HOA.
- Each household will be allowed only one response.
- The survey will take approximately 5 minutes to complete.
- Submission deadline: **Monday, September 7, 2026 at 5:00pm MST**

IMPORTANT INFORMATION

- If the survey is not in your inbox by 4:00pm MST, please check your spam/junk folders.
- If not received, please email linda.dillenbeck@ggapartners.com to have the link resent.



NEXT STEPS

- The aggregate survey responses will be reviewed by the CEC.
- Based on the survey responses, Shea will determine if we continue with the process.
- Homeowners will be updated on Shea's decision.

Thank you for attending.
Please remember to complete the survey.

