



VERDE RIVER CLUB UPDATE

Frequently Asked Questions

These questions and comments came from the chat featuring during the Homeowner Information Session on Friday, September 4, 2026.

I own a home and a vacant lot. Will we get 2 votes instead of 1?

You will receive 1 vote for each lot owned provided that you are paying dues.

Does the HOA have First Right of Refusal on a purchase?

No. It's Shea's to sell.

Have any outside parties expressed interest in purchasing the club?

Yes. We have been told that 11 interested firms have toured the property and that as many as 4 LOIs have been received by the owners.

Who is Shea's partner?

We understand that Verde Partners is a co-investor in The Club.

In order to make a decision between HOA and an outside buyer we need to look at both. Will we obtain information about or from any serious outside buyer and their plans?

The CEC is currently focused on the option of the homeowners purchasing The Club (benefits, costs, risks). We understand that an outside buyer brings both pros and cons to the table.

What procedures are in place to ensure that all 1385 property owners have a vote as to whether the homeowners buy the property? i.e. Will there be a mail-in vote option?

Our consulting partner (GGA) will engage an independent outside service to ensure that all homeowners are able to be verified and vote if the CEC recommends that we move forward on a purchase of the club. At present there are ± 1315 homeowners as approx. 70 lots remain unsold. There will not be a mail-in vote option.

I am very new to the community, so my question reflects my lack of current knowledge. As I understand it, most of the golf memberships have been sold and that wait times are becoming extensive. As such, going forward, how much revenue can we expect from membership sales and how much income is expected to come from all other Club sources?

This is a complex question and will be modeled and shared in greater detail as part of the due diligence process should the homeowners decide to move forward. As of Jan 1st 2026 Shea indicated that we had 426 active golf memberships (Proprietary – 399, Associate – 10, Seasonal - 17.)



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Have we done an independent assessment of the value?

Not yet. Part of the due diligence process will be a deeper dive into the value of specific assets being included in the offer, depreciation status, and prudently anticipated maintenance / replacement costs including larger capital expenditure expectations over time. With that in mind one of the best assessments of club value is what the current market is willing to pay. We understand that four prospective buyers have presented LOIs to Shea which will effectively set the market value.

Could homeowner dues be protected under outside ownership i.e. contractual limits or historical patterns? If no, explain why.

We have no information on what may be negotiated with a prospective outside buyer. Shea may be able to negotiate certain limitations in crafting a purchase sale agreement but that is something homeowners would not be able to directly control

Is the club currently operating at a profit or loss?

Based on the information we've been able to review we feel comfortable in stating that the current revenues exceed the current costs of running the club. Details will be provided to the community along with various forecast models if we are able to complete our due diligence.

Can we split the golf club from the social club and purchase each separately?

Shea is offering the golf course, golf assets and the club and amenities as one package for sale. There is no provision for homeowners to split the assets up at this time.

If everyone owns the golf club will the golf members always be outvoted on improvements since there are 420 golf homes and over 960 non golf homes?

For the social aspects and amenities of the club (club house, food and beverage, etc) all homeowners will have 1 vote per lot. We have yet to address how Capital Budgeting for each asset class would be addressed, however we are contemplating the purchase of one Club, just as it is now. While it is still premature to discuss potential governance scenarios, it is not unreasonable to expect that a future HOA or Club Sub-Board would continue to make decisions for the betterment of the club as a whole, as is the case currently.

My home is under contract now – do I have to disclose to the new owner that they may have a special assessment?

Disclosure is a subject best discussed with your attorney and/or real estate professional. We are not equipped to provide disclosure advice at this time.

How do we get our \$24K investment back when we sell our home?

Once the details of any transaction are known, CEC will be in a better position to discuss the alternatives.



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Once built out, the number of 1385 votes includes a number of homes and lots not yet sold. If a vote of homeowners was called before they are, would Shea pay the assessment on each?

At this time, per the CC&Rs, Shea is not responsible for any additional assessments for unsold homes.

If an outside party buys the club will homeowners have the option to resign social membership and stop paying social dues?

No. Per current CC&Rs all homeowners are required to pay quarterly HOA dues, Social membership initiation fees, and quarterly Social Membership dues.

If we buy the golf course, could we have the option of selling our golf membership for market value instead of being limited to our purchase price.

Our current golf membership agreement does not offer this option.

Did the committee study in depth the purchase at Vistancia Trilogy?

We have. This included speaking at length with one of their committee members to better understand the process, community communications / education documents, along with discussions regarding their satisfaction with the outcome.

Are they saying part of our HOA dues are annual social dues? I don't recall getting a specific bill for social dues.

They are separated on your quarterly bill. Your quarterly HOA statement includes a line item for your HOA obligations (base amount plus premium for those in resort collection to fund home maintenance reserves), and a line item for your Social Membership (Club) obligations.

Does Shea realize they will negatively affect all of their other development and properties if they continue to pursue this bidding war?

We cannot speak for Shea. We have been told by Shea that they do not want to negatively impact our community or their brand. It is one of the reasons why they are providing an opportunity for the homeowners to participate in the sale process.

If we submit a non-binding LOI to Shea, if accepted, when does it become a binding LOA? Once purchased, have you factored into our cost the hiring of a management company and how/how much they are compensated?

The LOI will dictate start and duration of any due diligence period. At the conclusion of due diligence, the homeowners will be given an opportunity to submit a Binding LOI, should the community vote to do so.



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The CEC has no expectation that members will directly manage club operations. This would be a service for which new owners would negotiate a signed agreement with a qualified club management firm, much as we have now.

If the HOA buys it, would the HOA limit dues increases? Or would it need to take some profits to build up reserves for future major repairs, like the \$1M needed to respond to major flash flood damage to the golf course a few years ago?

As we are not into due diligence, it is not possible to determine overall dues levels or the degree to which annual dues might be limited. Those details will be presented to the homeowners at the conclusion of due diligence when the CEC and its consultants have a better understanding of club operations.

Does the \$3,384 social dues number include golf?

No. Golf membership and monthly dues are separate fees with one important qualifier. All Social members have limited golf course privileges as detailed in their contract. They can enjoy the course for a reduced fee with limitations on dates / times and number of rounds per year. Many social members take advantage of this benefit during the permitted season.

Why are you not including monthly golf dues? What happens to the golf initiation fees that were paid to be a golf member?

The CEC hasn't done a deep dive into the impact on golf initiation fees or monthly dues. We will do so, in detail, as part of due diligence. We have focused up to now on the mandatory Social Dues aspect of the Club. Impact on Gold memberships will be addressed prior to formulating a recommendation to the homeowners.

In addition to the \$9000 membership and \$3100 capital improvement we just paid during the purchase of our home, we would now be expected to pay another undetermined amount? As they (Shea) continue to sell properties or any resale is this plan being disclosed?

We're not able to comment on Shea's responsibility to provide information specific to the sale of the club to prospective home buyers.

You say the amenities earn \$2mm per year. Is the golf course break-even?

The Club is \$2M cash flow positive. We will be able to provide a more detailed breakout of revenue and costs per department (Food & Beverage, Golf, Spa / Wellness, Fitness, and Activities) as we move forward with our due diligence.



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My wife and I moved to TVR from Trilogy La Quinta where each homeowner (1238 total number) was assessed \$12K to buy our PUBLIC golf course ONLY not the amenities. Similarly, Trilogy Vistancia homeowners (3300 total number) paid far less for their PUBLIC golf course ONLY. Why is Shea selling us our amenities in addition to our PRIVATE golf course?

Trilogy Vistancia information was shared earlier in this document. And at a high level we are aware of the process La Quinta went through with an outside owner. We are hoping to learn from each of these transitions among others to inform our recommendation to the community. The amenities being sold with the Club have always been managed, maintained and have been treated as a component of the Club. We cannot comment on how TVR's situation differs from other Clubs.

What % of the regular HOA dues support the Golf course? Is there a charge for the Pickle ball facility?

HOA dues do not support the golf course. They are limited to being used for the common community property outside of the club. There is no current mandatory charge for pickleball as it is considered part of the benefits offered to social members.

Since Shea has just turned over amenities to HOA's in the past - are we sure that they are even able to "sell" the amenities? I have not read through the paperwork - but can we make sure that they are legally able to do this?

Shea, along with Verde Partners, are the owners of the club's assets and are representing that they are able to offer them for sale. Rights and obligations will form one of the components of due diligence.

When will Shea make the decision to sell? When will any of these changes take effect?

From our understanding Shea is hoping to complete the sale of the Club before November 30.

How does the new community across Rio Verde come into play since they were going to use the golf course and clubhouse.

We have no indication from Shea that the planned community across Rio Verde Rd will have any special rights to use the club.

Will buyers of the now empty lots have to pay the purchase premium?

It is our expectation that all homeowners will be required to become owners as every other homeowner is.



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Board turning over HOA to us in late November could be a nightmare. We are no way ready and discussion was always for a one- or two-year transition. The Governing Docs say that there is 120 days after handover for a BOD voting process to happen

Details have yet to be worked out as it is unclear when the HOA would transition to the homeowners. We do not anticipate that Shea will be anything but cooperative to insure a smooth transition

Why would Shea accept anything but the top bid?

Shea has represented that they would prefer that the homeowners buy the Club. The extent to which Shea may be prepared to offer any preferential terms to shareholders is a question that only Shea can answer.

We have 1315 owners that have paid the \$9K buy-in. That is \$11.8 million. Can this be used to aid our purchase?

No. The social membership initiation fee was paid to the owners of the Club and they were free to use the funds as they see fit. The refunds are funded by resale home buyers as explained below.

Does that include the social membership reimbursement funds?? I just bought in Dec 2025 and was promised 75% back when I sell - where are those funds going? That seems unreasonable that they could just take those funds? Need clarification please.

There is no cash balance representing these fees. The refunds to sellers are funded by new buyers when they purchase a resale home. They pay their initiation fee; the Club keeps 25% and refunds the balance of 75% to the seller. Any cash balance in any club bank account belongs to the current owner and will not be transferred when the club sells. This is common in asset sales..

Has legal counsel told us that what Shea is doing here meets all legal requirements. Said differently, is it possible there are community structure protections in Arizona law that would make this sale somehow challengeable?

This is outside the CECs mandate. Homeowners would need to engage outside counsel to determine your ability to challenge Shea's plan to sell the club.

Did the CEC check with Wickenburg Trilogy how their sale is working out

We have not. If there is a sale process actively underway, the CEC and our consultants will research it.

Can we see the marketing materials produced by CBRE ? Assuming a CIM does not exist - but if it does can we see that?

No. Per our NDA we cannot share this content with anyone outside the CEC. The document belongs to CBRE.



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It would be important to see a list of all current liabilities that would be transferred to homeowners.

As part of any due diligence, we will share any pertinent liability information that would transfer with an asset sale. Things such as golf cart leases, software and service contracts would fall into this category. Typically, current liabilities are offset with current liabilities in a sale of this type.

Can we change the CC&Rs now?

Homeowners are not able to change the CC&Rs as Shea controls the HOA. Any changes to the CC&Rs would need to be initiated and supported by Shea.

Isn't Blue Star owned by Shea?

Our understanding is that Blue Star is owned in whole or part by Shea. They operate as an independent profit / loss service provider to clubs both owned by Shea and for other communities.

Has the CEC made an assessment of deferred maintenance and anticipated capital expenditures.

Not yet – that will require further due diligence and the expertise we have contracted with GGA to provide. .

Who will manage the management company? Will there be a board that handles those ongoing operations?

If the HOA acquires the club any management service agreement will be between the HOA and service provider negotiated by the HOA Board on behalf of the community. The details of service provider reporting, direction, priorities, feedback and communication will be established by the HOA Board.