



VERDE RIVER CLUB UPDATE

Frequently Asked Questions

NOTE TO OUR FELLOW HOMEOWNERS

The Club Evaluation Committee (“CEC”) is continuing its evaluation of the potential acquisition of The Verde River Golf & Social Club (“The Club”) and wanted to provide homeowners with an update on the current status and process.

Following Friday’s homeowner information meeting, the CEC will launch a **non-binding straw poll** to understand the level of community support for continuing to pursue the acquisition. The results will help determine whether the CEC moves forward with additional due diligence and a formal homeowner vote.

These FAQs are intended to answer questions we have received and anticipate from homeowners. We will continue to update them as additional information becomes available.

We cannot respond individually on this site to every question. When a question raises an issue not already addressed, we will add or update the FAQs as appropriate.

THE VERDE RIVER GOLF & SOCIAL CLUB

What exactly is The Verde River Golf & Social Club, and what is included?

The Club includes the 18-hole golf course, pro shop, cart barn and golf support facilities; Eddy’s and Needle Rock restaurants; meeting and activity rooms; fitness center and spa; marketplace retail area; tennis, pickleball, bocce and other recreational facilities; pools; and the furniture, fixtures and equipment (“FF&E”) necessary to support Club operations. The transaction is also expected to include the existing Sales Office. The Club facilities sit on approximately 190 acres.

Who currently owns The Club?

The Club is currently owned by entities affiliated with Shea and Värde Partners.

Who operates The Club?

BlueStar Resort & Golf currently manages Club operations under a management agreement with the Club owners. Senior Club management are BlueStar employees, with certain costs reimbursed by the Club under the management agreement.

What types of Club memberships are there?

Membership generally falls into two categories:

Social Members: Under the current governing documents, homeowners are required to maintain Social Membership. An initiation fee is paid when a home is purchased, and Social Membership dues are billed quarterly. Social Members have access to Club amenities, including limited golf access for an additional fee.

Golf Members: Homeowners may elect to become Proprietary or Seasonal Golf Members, providing broader golf privileges. Golf Members pay separate initiation fees, membership dues and other applicable charges. As of July 31, 2026, there were approximately 420 golf memberships.

How does The Club currently pay for its operations?

Club revenue comes from Social Membership dues and initiation fees, Golf Membership dues and initiation fees, food and beverage sales, golf fees, cart rentals, banquet activity and other Club-related revenue.

Social Membership dues are included separately on homeowners’ quarterly billing statements. Golf Membership dues and other Club charges are billed separately through Club accounts.

Who determines what homeowners pay each year?

Club Management, in conjunction with the Club owners, develops an annual operating budget and establishes the membership fees necessary to support Club operations. The CEC is confirming with its advisers the specific rights and limitations contained in the governing documents regarding future Social Membership fees.



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As a Club member, do I currently have a say in how The Club operates?

Homeowners currently do not have formal control over Club operations. Shea controls the HOA and is the managing owner of The Club.

The Club Advisory Group and Golf Advisory Group provide homeowner input and recommendations to Club Management, but these groups do not have formal decision-making or voting authority.

What is being sold?

The proposed sale includes The Club, its underlying real estate and associated assets.

It does not include HOA-owned or controlled streets, bridges, sidewalks, gates, gatehouse and other non-Club common areas, which remain part of the HOA.

Why is The Club being sold now?

Shea and its partner have determined this is an appropriate time to market The Club for sale. CBRE, the broker representing the sellers, has indicated there is significant interest from prospective buyers.

When could a sale occur?

We have been told the sellers would like to complete a transaction by approximately November 30, 2026. That timing remains subject to due diligence, negotiation, homeowner approval if required and completion of definitive agreements.

Has this happened at other Trilogy communities?

The CEC has looked at two transactions with some similarities.

Trilogy at Vistancia: The HOA purchased the golf course and V's Restaurant from Shea in 2022. Vistancia is an older and larger community with more than 3,000 homes, and its golf course is public. CEC members spoke directly with Vistancia HOA leadership, who described the outcome from the homeowners' perspective as positive.

The Polo Club in La Quinta: The Club was sold to a private owner rather than the homeowners. That ownership subsequently experienced financial difficulties. Shea assumed interim control and subsequently re-sold The Club to the HOA.

YOUR HOMEOWNERS ASSOCIATION

What is the Verde River HOA?

The HOA is responsible for streets, sidewalks, pathways, common areas, landscaping, security, gates, the gatehouse and other non-Club aspects of the community.

The HOA establishes an annual operating budget and capital reserves and assesses homeowners for these expenses. HOA assessments and Club Social Membership dues are separate obligations, even though both currently appear on the same quarterly billing statement.

Who is required to belong to the HOA?

Every lot owner is a member of the HOA. HOA membership attaches to the lot and applies equally to golfers and non-golfers.

Who currently controls the HOA?

Shea currently controls the HOA. Homeowners do not currently have representation on the HOA Board.

The HOA has contracted with Associated Asset Management to provide professional community management services.



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Do homeowners currently have a say in how the HOA is run?

Not currently.

Will control of the HOA eventually transfer to homeowners?

Yes. Under the governing documents, control of the HOA will eventually transfer from Shea to homeowners.

The HOA will turn over to the homeowners upon the closing of the 1,384th home sale.

When is HOA turnover currently expected?

As of July 31, we understand approximately 70 homes had not yet been placed under contract. Based on current information, normal HOA turnover is estimated to occur sometime between late 2027 and mid-2028.

THE CLUB SALE PROCESS

Who can buy The Club?

The owners have retained CBRE to market The Club. CBRE is responsible for managing the sale process, providing information to qualified prospective buyers and assisting the sellers in evaluating potential transactions.

Potential buyers could include the Verde River HOA or third-party private club owners and operators.

Are other buyers interested?

CBRE has informed the CEC that there is significant interest from qualified third-party buyers and that prospective buyers have toured The Club.

The CEC does not know the identity of all potential buyers.

Do homeowners have a say in who buys The Club if the HOA does not purchase it?

No. Homeowners do not have approval rights over a sale by the current owners to a third party.

What is the Club Evaluation Committee (“CEC”)?

The HOA formed a six-member Club Evaluation Committee comprised of existing Verde River homeowners to independently evaluate whether homeowner ownership of The Club should be pursued.

The CEC’s responsibility is to gather information, conduct due diligence with professional advisers, evaluate the potential financial and operational implications and ultimately make a recommendation to homeowners.

Who serves on the CEC?

All CEC members are Verde River homeowners volunteering their time.

Dennis Weibling – Co-Chair

Private equity, finance and transaction evaluation.

Brandy Maranian – Co-Chair

Operations, mergers and acquisitions, corporate governance and former Club Advisory Group member.

Mark Bromberg

Restaurant, club and hospitality operations; former Club Advisory Group member.

Mike Ulvestad

Mergers and acquisitions and transaction structuring.

Jim Nunns

Golf operations, construction and infrastructure.



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Joe Castriano

Finance, tax planning and business analysis.

Collectively, the committee brings experience in finance, M&A, hospitality, golf operations, corporate leadership and governance.

What is the CEC's mandate?

The CEC's mandate is to objectively evaluate the potential acquisition and make a recommendation to homeowners.

This includes evaluating the financial and operational implications, identifying potential risks and benefits, communicating with homeowners and providing opportunities for homeowners to ask questions and provide input.

Has the CEC already decided that homeowners should buy The Club?

No. The CEC has not completed its analysis and has not made a recommendation to buy or not buy The Club.

How is the CEC evaluating a transaction of this complexity?

CEC members bring significant experience in finance, M&A, operations and governance, but we are not experts in every asset under consideration.

At the CEC's recommendation, the HOA retained GGA Partners to provide independent expertise and due diligence. The CEC is also working with experienced transaction counsel to advise on the LOI and any potential purchase agreement.

The combined consultant and legal budget is currently capped at \$60,000. We recognize that these are homeowner funds and are working to control costs while obtaining the information necessary for the community to make an informed decision.

If the full \$60,000 is spent, the equivalent cost across 1,385 lots would be approximately \$43 per lot.

What is the current status of the sale process?

The CEC has submitted a non-binding Letter of Intent ("LOI"), which has been received by Shea.

The LOI allows the community to remain in the sale process while the CEC and its advisers continue due diligence and evaluate the financial and operational implications of a potential purchase.

Submission and reception by Shea of the LOI does **not** mean the community has agreed to purchase The Club.

Does the submitted LOI obligate homeowners to buy The Club?

No.

The LOI is non-binding. It allows the CEC to continue evaluating the opportunity without committing homeowners to complete a purchase.

Any transaction requiring homeowner approval will be presented to the community before the HOA becomes obligated to complete the purchase.

POSSIBLE OUTCOMES

NO SALE

Could Shea ultimately decide not to sell The Club?

Yes. Until a transaction closes, there is always the possibility that no sale occurs.

Based on the buyer interest communicated to the CEC, however, a sale appears likely.



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THE HOMEOWNERS, THROUGH THE HOA, BUY THE CLUB

How can homeowners buy The Club if we don't currently control the HOA?

This is one potential benefit of a homeowner purchase.

As part of discussions regarding a potential transaction, Shea has indicated a willingness to transition effective control of the HOA to homeowners at closing, subject to certain temporary requirements while Shea completes the remaining home sales.

If completed as contemplated, homeowners could gain control of both The Club and the HOA substantially earlier than currently anticipated.

How will we know whether the purchase price is fair?

The CEC is evaluating the proposed price using Club financial performance, historical and projected capital requirements, comparable transactions, financing alternatives and advice from GGA and other professional advisers.

Ultimately, the market for The Club is also an important factor because other qualified buyers are participating in the sale process.

The CEC will provide its assessment of the economics before asking homeowners to make a decision.

How can homeowners ask questions and provide input?

The CEC has established **TVRClubUpdate.com** as the central source for information regarding the potential acquisition.

The portal will contain CEC updates, FAQs, homeowner questions and other relevant materials. The CEC will also conduct Zoom meetings, surveys and other homeowner outreach throughout the process.

Following Friday's homeowner information meeting, the CEC will launch a **non-binding straw poll** to gauge community support for continuing to pursue the acquisition. The poll will close **Monday at 5:00 p.m. PT.**

Homeowners are strongly encouraged to participate so the CEC has a clear understanding of community sentiment before determining next steps.

Will BlueStar continue to manage The Club if homeowners purchase it?

That decision has not been made.

BlueStar currently manages The Club on behalf of its owners. If homeowners acquire The Club, the HOA would determine the appropriate management structure going forward.

At Trilogy Vistancia, BlueStar managed the golf operation before the HOA purchase and continues to manage it today under homeowner ownership.

Who would run the HOA and oversee The Club if homeowners purchase it?

That has not yet been determined.

Any governance and management structure would need to provide appropriate oversight of both HOA and Club operations. Details would be developed and communicated before homeowners are asked to approve a transaction.

What happens to existing Club management and employees?

It is too early to know. The outcome will depend on who ultimately owns The Club and the management structure selected by that owner.



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A THIRD PARTY BUYS THE CLUB

What type of third party could buy The Club?

There are national and regional golf club owners and operators actively acquiring clubs throughout Arizona and the country.

The CEC does not know the identity of all prospective buyers and does not want to speculate.

What if an individual homeowner or other investor wants to buy The Club?

CBRE is managing the sale process on behalf of the owners. Any interested qualified buyer would need to contact CBRE directly.

Why should homeowners care if a third party buys The Club?

A third-party buyer would determine how to operate The Club within the requirements of the governing documents and any agreements associated with the sale.

Shea's current interests include completing the sale of the remaining homes within Verde River. A third-party owner would likely evaluate Club operations, pricing and capital investments based in part on its own financial objectives.

This does not mean those changes would necessarily be negative, but ownership would be outside homeowner control.

If a third party buys The Club, are homeowners responsible for future Club capital expenditures?

The third-party owner would generally be responsible for its own Club capital investment.

The CEC cannot predict the level of investment a new owner would make, whether capital improvements would be increased or deferred, or how those decisions could affect Club pricing and operations.

Will the Trilogy name change if a third party buys The Club?

The Club is being sold, not the Verde River community itself.

Our current understanding is that the Trilogy name would remain associated with the community consistent with arrangements Shea has made in other communities.

Can we be assured that all current amenities will remain if a third party buys The Club?

No. The CEC cannot guarantee how a future owner would operate or invest in The Club beyond any requirements contained in the governing documents or transaction agreements.

Could a third-party owner open Club facilities to the general public?

The CEC has asked legal counsel to confirm what restrictions, if any, apply to public access under the governing documents and any agreements associated with the sale.

If a third party buys The Club, do homeowners get control of the HOA now?

No.

Under the current structure, if The Club is sold to a third party, Shea would continue to control the HOA until the normal turnover requirements are satisfied.

FINANCIAL CONSIDERATIONS

IF THE HOA BUYS

How would homeowners pay for a potential purchase?

The final cost will depend on the purchase price, available financing and the structure ultimately recommended to homeowners.



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The CEC is talking with financing organizations to evaluate alternatives that could allow homeowners to pay either in cash or finance some or all of their individual obligation over time.

Preliminary discussions with lenders have been encouraging, but no financing commitment has been made and any financing would be subject to lender due diligence and final terms.

Before homeowners are asked to vote, the CEC intends to provide the estimated cost per lot and available payment alternatives.

Does TVR become an “equity club” if homeowners purchase it?

Not necessarily.

The ownership, membership and financing structure has not yet been determined. Details would be provided before homeowners are asked to approve a purchase.

When we sell our homes, we currently receive a portion of our initial Club fees back. Would that continue?

The CEC is evaluating how existing membership deposits and refund obligations would be treated under a homeowner purchase. We will provide additional information when that analysis is complete.

If homeowners decide to buy, when would I have to pay?

No payment is required at this stage.

Before any homeowner vote, the CEC intends to provide the estimated cost per lot, available payment alternatives and expected timing of any payment obligation.

IF A THIRD PARTY BUYS

Do our governing documents restrict what a third-party Club owner can do?

There are provisions in the governing documents and other agreements that may affect Club operations, but they do not give homeowners broad control over a third-party-owned Club.

The CEC and legal counsel are reviewing these provisions to better understand what protections would remain following a sale.

Is there a limit to how much our dues can increase?

Different rules may apply to HOA assessments, Social Membership dues, Golf Membership dues and other Club charges.

Arizona law and the governing documents contain certain limitations on HOA assessment increases, but those limitations should not be assumed to apply equally to every Club-related charge.

The CEC is working with legal counsel to clarify these distinctions and will update this FAQ.

What could happen to Eddy's, Needle Rock, Barrel Masters and other amenities under a new owner?

Those decisions would generally be made by the new Club owner, subject to any restrictions contained in the governing documents or transaction agreements.

The CEC cannot speculate about what a future owner might change.

INFORMATION AND HOMEOWNER PARTICIPATION

How can homeowners stay informed?

The CEC has established **TVRClubUpdate.com** as the central source for information.



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The portal will include CEC communications, FAQs, homeowner questions and other relevant materials. We will also continue to communicate by email and through MyTrilogyLife.

Will there be homeowner meetings and Q&A sessions?

Yes.

The CEC will conduct Zoom meetings and other information sessions as the process progresses. Recordings and relevant materials will be posted to the portal when available.

Can homeowners review the financial records and other materials being reviewed by the CEC?

The CEC and its advisers have access to financial documents and other information necessary to evaluate the transaction.

Some of those materials are subject to Non-Disclosure Agreements (“NDAs”) and confidentiality restrictions and therefore cannot be distributed directly to individual homeowners.

The CEC will provide homeowners with the relevant conclusions and financial implications needed to evaluate any recommendation.

HOMEOWNER INPUT AND APPROVAL PROCESS

What is the purpose of the straw poll?

The straw poll being launched Friday is intended to give the CEC an early indication of whether there is sufficient homeowner support to continue pursuing the acquisition.

It is **non-binding and is not the formal vote to purchase The Club**.

The results will help determine whether the CEC continues the process toward a formal homeowner vote.

Will the straw poll determine whether the CEC moves forward?

The results will be an important factor in determining next steps.

If the poll indicates sufficient community support, the CEC will continue its due diligence and prepare the information needed for a formal homeowner vote. If there is not sufficient support, the CEC will reassess whether it makes sense to continue pursuing the acquisition.

When will the straw poll take place?

The straw poll will be launched immediately following Friday's homeowner information meeting and will close **Monday at 5:00 p.m. PT**.

GGA Partners will distribute the poll, with one response per household.

Will homeowners receive information before being asked to make a formal decision?

Yes.

If the process continues beyond the straw poll, the CEC intends to provide homeowners with the information necessary to understand its recommendation, the estimated financial impact, key risks and benefits, and available financing alternatives before any formal vote.

The portal, email communications, Zoom meetings and FAQs will be used to distribute that information.

Will there be a formal homeowner vote?

That will depend in part on the results of the straw poll.

The straw poll is not a formal vote and does not commit homeowners to a purchase. Its purpose is to determine whether there is sufficient community support for the CEC to continue pursuing the acquisition and move toward a formal homeowner vote.



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If the results support moving forward, the CEC will continue its due diligence and prepare the information needed for a formal homeowner vote.

Will the formal vote be independently administered?

Yes. The CEC intends for any formal homeowner vote to be administered by an independent third party.

How many votes would be required in a formal vote?

The CEC's current understanding is that approval would require 67% of the 1,385 home sites, or 928 affirmative votes.

Legal counsel is confirming the precise voting requirement under the governing documents before any formal vote is conducted.

Who would be eligible to vote?

Each eligible home site is entitled to one vote, regardless of whether the home is owned by an individual, couple, family or trust.

If my spouse and I disagree, do we each get one-half vote?

No. Each home site receives one vote.

What happens if someone owns more than one home in Verde River?

Each eligible home site receives one vote. An owner of three eligible homes, for example, would have three votes.

How will Shea-owned unsold lots be treated in a formal vote?

The CEC is working with Shea and legal counsel to confirm the treatment of Shea-owned lots in any formal vote and will provide that information before voting begins.

The CEC is separately evaluating how Shea-owned lots would be treated for purposes of funding any potential purchase.

Can prospective homeowners who are under contract but have not yet closed vote?

This is being confirmed with legal counsel.

What happens if I don't vote in a formal vote?

If 928 affirmative votes are required, a homeowner who does not vote does not contribute toward that threshold. As a practical matter, failing to vote would therefore have the same effect on the outcome as voting NO.

For that reason, the CEC strongly encourages every homeowner to participate.

If homeowners approve the acquisition and I personally vote against it, am I still bound by the community's decision?

Yes. If the required homeowner approval is obtained and the transaction proceeds, the resulting HOA obligations would apply to all applicable homeowners in accordance with the governing documents.

WE ARE ALL IN THIS TOGETHER

The CEC was formed to evaluate a complex opportunity on behalf of our community. Committee members are homeowners just like you and are volunteering substantial time to understand the financial, operational and legal implications.

Our goal is not to persuade homeowners to reach a predetermined conclusion. It is to determine whether homeowner ownership represents an opportunity worth pursuing or one we should decline, and to provide the community with the information necessary to make that decision.



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Friday's straw poll is an important first step in that process. We encourage every household to participate so the CEC has a clear understanding of community sentiment before deciding whether to move toward a formal vote.

Each lot has one vote, and whatever the ultimate outcome, we will make this decision as a community.

We will continue to share information as it becomes available.

The Club Evaluation Committee