

RECREATION CENTERS OF SUN CITY, INC.

MINUTES OF THE REGULAR BOARD MEETING

Thursday, June 26, 2008

PRESENT: Jon Braemer, **Vice President**; Bill Johnson, **Treasurer**; Craig Brown, Sue Painter, Don Schordje and Gene Westemeier, **Directors**.

ABSENT: Denny Nichols, **President**; Warren Hoffmann, **Secretary**; Shirley Humphrey, **Director**

ALSO PRESENT: Jan Ek, **General Manager**; Jim Wellman, **Assistant General Manager**; John Snyder, **Director of Golf & Grounds**; Marion Krell, **Director of Human Resources**; Chris Herring, **IT Director**; Bill Collier, **Director of Finance**; Randy Johnson, **Bowling Manager**; Deanna Szentmiklosi, **Executive Assistant to GM**; Linda Menna, **Executive Assistant to AGM**; Tim Gallen, **Communications**; Helen Thiel, **Executive Coordinator**, 35 RCSC cardholders and two members of the press.

Vice President Braemer convened the meeting at 9:00 a.m.

Board Quorum: Treasurer Johnson verified a Board Quorum was present.

Approval of Minutes: The minutes of the Regular Board Meeting of May 29, 2008 were approved..

MANAGEMENT REPORTS:

Management reports were given by each member of the Management Team. In the very near future, these reports will be available monthly on the RCSC website at www.sunaz.com.

DIRECTORS REPORTS:

Bid: Two bids were approved in May, Director Schordje reported. Repairs to the North well pump performed by Weber Group cost \$62,991.54. The funds came from the 2007 Capital Fund.

Repairs to the Willowbrook well pump ran \$50,362 and were done by Foster Electric. Funds came from the 2007 & 2008 Capital Funds and \$5353.54 from golf equipment capital.

Properties: Director Westemeier reported the committee met this week to discuss the inspection reports. Everything looks good and has been repaired or a work order placed, he said.

COC: The committee continues to work on Rules and Regulations and should have these completed shortly, Director Painter advised.

Insurance: After two insurance presentations were made last month, Director Brown advised that the Hays Company was selected as the insurance broker for the corporation and all coverage will be moved effective July 1. He stated he will make a report at the August meeting. The committee is still looking for members of the community with insurance experience to serve on the committee.

No members signed up to speak during the Members Comments period.

BOARD OF DIRECTORS REGULAR BOARD MEETING, THURSDAY, JUNE 26, 2008

MOTIONS:

#1 – Amendment of the Corporate Bylaws: The Board unanimously approved a motion to amend the RCSC Corporate Bylaws, as presented. See Exhibit A. Director Schordje made the motion which was seconded by Director Painter,

#2- Board Policy Resolution #BP 8 – Privilege Cardholders: An amendment to form BP:8 of Board Policy Resolution #BP 8, titled Privilege Cardholders, was unanimously approved. See Exhibit B. Motion was presented by Director Brown and seconded by Treasurer Johnson,

#3 – Contractor for Fairway Center Project: Director Westemeier moved that the RCSC under the Change Management At Risk Plan, commonly referred to as the CM at Risk or CMAR Plan, approve the Weitz Company as General Contractors for the Fairway Construction Project (Phase 1) at a contractor fee of 4.25%. He further moved that with the stipulation in the Weitz contract that all sub-contractors must be licensed and bonded and the Weitz Company's financial statement is on file. A Performance and Payment Bond with Weitz Company for the Fairway Construction project (Phase 1) is waived for a savings of 1% of the total contract. See Exhibit C. The motion was unanimously approved after a second by Director Brown.

#4 – Board Policy Resolution #BP 27– Standing Committees: A motion to amend the Legal Affairs and Auditing Committee section of Board Policy Resolution #BP 27, titled Standing Committees, was unanimously approved as follows: “The Legal Affairs and Auditing Committee will consider and consult upon any matter submitted to the Committee by the Board of Directors or Management.” See Exhibit D. Motion was seconded by Director Westemeier.

#5 – Board Policy Resolution #BP14 – Posting of Signs & Distribution of Literature: Moved by Director Schordje, seconded by Director Westemeier, the Board unanimously approved an amendment to the Non-RCSC Issues section of Board Policy Resolution #BP 14 titled Posting of Signs & Distribution of Literature, as follows: “5. Non-RCSC Issues: The posting of signs or distribution of literature concerning non-RCSC issues is not allowed, unless of general interest to RCSC Cardholders and specially authorized by the Board or Management.” See Exhibit E.

Meeting adjourned at 09:45 p.m.

The next meeting is scheduled for Thursday, August 28, 2008 in the Sundial Auditorium at 9:00 a.m.

Submitted by:

Bill Johnson

Bill Johnson, Secretary Pro-tem
RCSC Board of Directors.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: June 26, 2008	Presented by: Don Schordje
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I MOVE THAT the Corporate Bylaws are amended as presented.

Deletions are shown with strikethroughs with dark gray highlights (example) and additions are shown with yellow highlights inside of a box (example).

Approved

Defeated

Tabled

Exhibit A

RECREATION CENTERS OF SUN CITY, INC.

CORPORATE BYLAWS

Amended **June 26, 2008** ~~December 20, 2007~~

WHEREAS Article VIII, Section 3 of the Restated Articles of Incorporation provides that the Board of Directors may adopt Corporate Bylaws not in conflict with the Restated Articles of Incorporation.

NOW, THEREFORE, the Board of Directors ("Board" or "Director(s)") of the Recreation Centers of Sun City, Inc. ("RCSC" or "Corporation") adopts the following Corporate Bylaws in their entirety on December 20, 2007:

ARTICLE I – OFFICE AND RCSC FACILITIES

The principal Corporate office for the transaction of business of the Recreation Centers of Sun City, Inc. is located in Sun City, Maricopa County, Arizona.

Smoking shall be prohibited and banned inside all buildings of the Recreation Centers of Sun City, Inc. and also throughout and around RCSC facilities and per Federal and Arizona State law.

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES

For purposes of clarification, the following definition shall be used: (a) Property: Any land, building or structure or portion of any building or structure which is, has been or is intended to be, for use and occupancy as a dwelling unit, real property in Sun City, Arizona as defined by these Corporate Bylaws.

SECTION 1: MEMBERS, MEMBERSHIP AND MEMBER CARDS

Members shall be Deeded Real Estate Owners ("Owner(s)") of property located in the area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E. Webb Development Company and dated July 1972, November 1974, August 1975, and September 1978 with subsequent amendments thereto. Owners who meet the following qualifications shall be entitled to a Member Card and therefore considered as the Membership of the Corporation, as long as they are Members in good standing:

- A. A Member must be an Owner 55 years of age or older and occupy the Sun City property as his/her primary Arizona residence unless his/her other Arizona residence is farther than seventy-five (75) miles from Sun City in which case the Owner(s) must provide proof that he/she occupies the Sun City residence as well.
- B. If a spousal Owner is under 55 years of age, he/she may be a Member, provided:
 - (i) he/she is not under 19 years of age;
 - (ii) he/she occupies the Sun City property as his/her primary Arizona residence unless his/her other Arizona residence is farther than seventy-five (75) miles from Sun City in which case the Owner(s) must provide proof that he/she occupies the Sun City residence as well; and

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 1: MEMBERS, MEMBERSHIP AND MEMBER CARDS (Cont.)

- (iii) that one spousal Owner is 55 years of age or older and occupies the property at the same time.

Continued Membership by an underage spousal Owner, because of the death or long term medical relocation of the Owner meeting the age requirement, shall continue only as long as the spousal Owner does not change the ownership and his/her occupancy status of the property.

- C. If there are more than two Deeded Real Estate Owners per property who meet the above qualifications for Membership and a Member Card, such Owners must decide which two of the Deeded Real Estate Owners shall be classified as Members. Up to two Member Cards may be provided for each property, provided there are two persons who meet the qualifications of Article II, Sections 2 1.A and 2 1.B of these Corporate Bylaws. Additional Owners who meet the above qualifications must purchase a Privilege Card in order to use RCSC facilities. An Owner who does not occupy a Sun City property may purchase a Host Punch Card. The Host Punch Card gives such Owner the privilege of using the RCSC facilities while temporarily in Sun City, subject to being signed in by a valid Member or Privilege Cardholder.
- D. If the Deeded Real Estate Owner is a Trust, two of the Trustees, Co-Trustees or beneficiaries may be deemed the Members, provided that they meet the individual Member qualifications of Article II, Sections 2 1.A and 2 1.B of these Corporate Bylaws. If none of the Trustees, Co-Trustees or income beneficiaries meet said qualifications, no person(s) will be eligible for a Member Card.
- E. If the Deeded Real Estate Owner is a Corporation, LLC, Partnership, LLP, or any other group entity (“Company”) that may represent non-individual ownership other than Trusts, the Company may select two of its shareholders or partners to be Members, provided that they meet the individual Member qualifications of Article II, Sections 2 1.A and 2 1.B of these Corporate Bylaws; and further provided that said individuals have an ownership interest in said Company. If none of the individuals meet said qualifications, no person(s) will be eligible for a Member Card.
- F. Each individual qualified as a Member shall be issued no more than one Member Card, regardless of whether more than one Sun City property is owned and assessments and fees are paid. A multiple property Owner is not considered to occupy more than one property at a time. Each individual qualified as a Member is entitled to only one vote on each matter voted on by the Members.
- G. Member Cardholders in good standing may vote, serve on the Board or Committees, and use all available RCSC facilities, subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs. A Member whose annual property assessments are not paid in full is not considered a Member in good standing.

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 1: MEMBERS, MEMBERSHIP AND MEMBER CARDS (Cont.)

- H. Member Cardholders in good standing may become members of the Chartered Clubs and participate in the activities of said Clubs, subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs.
- I. Member Cardholders in good standing may participate in Board/Member exchanges and speak at Board meetings, subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs.
- J. Guests of Members in good standing may use RCSC facilities for a fee, as determined by the Board, and subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs and guests must be signed in by a valid Member or Privilege Cardholder.
- K. No Member may be denied the use of any RCSC facilities furnished by the Corporation as long as he/she is in compliance with the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders Guest Code of Conduct, any Rules and Regulations of the Corporation and Chartered Clubs and is a Member in good standing. A Member whose annual property assessments are not paid in full is not considered a Member in good standing.
- L. A Member or group of Members, whether or not sponsored by a Chartered Club, or any other person or persons, must not behave in a manner which jeopardizes the rights and privileges of other Cardholders, their guests or any other person or persons. A Cease and Desist Order may be issued by the Board or Management against said Member(s) for such behavior and, upon failure of said Member(s) to comply with said Order, denial of the future use of RCSC facilities by said Member(s) may be ordered by the Board, which may include denied attendance at any and all Corporate meetings.
- M. A Member may be suspended or expelled from RCSC facilities or property by the Board, after a hearing by the Board, for non-compliance by said Member within the provisions of the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs. Any Member who is suspended or expelled is not considered to be a Member in good standing.
- N. Written application for reinstatement may be filed with the Board after the suspension or expulsion has been in effect for a minimum of thirty (30) days. During the period of suspension or expulsion, said Member shall not be entitled to any privileges of Membership or use of RCSC facilities or property and shall remain obligated to pay assessments and fees.

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 2: UNDERAGE DEEDED REAL ESTATE OWNERS

Underage Deeded Real Estate Owners (“Owner(s)”) of property located in the area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E. Webb Development Company and dated July 1972, November 1974, August 1975, and September 1978 with subsequent amendments thereto, are subject to the following:

- A. An Owner under 55 years of age, who is not eligible for the spousal Owner exemption as stated in Article II, Section 2.1.B of these Corporate Bylaws, may be issued an annual Privilege Card for a fee, as determined by the Board, provided the Owner, who is under 55 years of age:
 - (i) is not under 19 years of age, and;
 - (ii) occupies a Sun City property as his/her primary Arizona residence unless his/her other Arizona residence is farther than seventy-five (75) miles from Sun City in which case the Owner(s) must provide proof that he/she occupies the Sun City residence as well; and
 - (iii) provided further that there is verifiable proof of at least one person 55 years of age or older occupying the property at the same time.

- B. An Owner, who is under the age of 55, but over the age of 19, and who does not occupy a Sun City property as his/her primary Arizona residence, is entitled to purchase a Host Punch Card. The Host Punch Card gives such Owner the privilege of using the RCSC facilities while temporarily in Sun City, subject to being signed in by a valid Member or Privilege Cardholder.

SECTION 3: NON-OWNERS AND PRIVILEGE CARDHOLDERS

Non-Owners, renters, tenants, lessees, occupants (“Non-Owner(s)”) of property located in the area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E. Webb Development Company and dated July 1972, November 1974, August 1975, and September 1978 with subsequent amendments thereto and who meet the following qualifications may be entitled to a Privilege Card:

- A. A Non-Owner may be issued an annual Privilege Card for a fee, as determined by the Board, provided:
 - (i) at least one Owner or Non-Owner who occupies the property is 55 years of age or older;
 - (ii) the Non-Owner occupies the Sun City property as his/her primary Arizona residence unless his/her other Arizona residence is farther than seventy-five (75) miles from Sun City in which case the Non-Owner(s) must provide proof that he/she occupies the Sun City residence as well;
 - (iii) the Non-Owner is not under 19 years of age, and;
 - (iv) the property assessments and fees, where such Non-Owner resides, are current.

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 3: NON-OWNERS AND PRIVILEGE CARDHOLDERS (Cont.)

- B. Privilege Card fees are not refundable except:
- (i) in the event of death of the Privilege Cardholder, or;
 - (ii) upon the purchase of a Sun City, Arizona property, by the Privilege Cardholder, provided the Privilege Cardholder has met the related Facilities Agreement obligations.
 - (iii) All refunds shall be on a pro-rata basis and may be subject to a service charge.
 - (iv) Refunds shall not be issued if the property assessments and fees, where such Privilege Cardholders occupied, are not current.
- C. Privilege Cardholders in good standing may use all available RCSC facilities, subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs. If the annual property assessments are not current on the property the Privilege Cardholder occupies, they will be denied use of RCSC facilities. Privilege Cardholders cannot vote or hold Corporate office and may not be entitled to participate in Corporate meetings.
- D. Privilege Cardholders in good standing may become members of the Chartered Clubs and participate in the activities of said Clubs, subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs.
- E. Guests of Privilege Cardholders in good standing may use RCSC facilities for a fee, as determined by the Board, and subject to the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs and guests must be signed in by a valid Member or Privilege Cardholder.
- F. No Privilege Cardholder may be denied the use of any RCSC facilities furnished by the Corporation as long as he/she is in compliance with the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs and is a Cardholder in good standing except if the annual property assessments are not current on the property the Privilege Cardholder occupies.
- G. A Privilege Cardholder or group of Privilege Cardholders, whether or not sponsored by a Chartered Club, or any other person or persons, must not behave in a manner which jeopardizes the rights and privileges of other Cardholders, their guests or any other person or persons. A Cease and Desist Order may be issued by the Board or Management against said Privilege Cardholder(s) for such behavior and, upon failure of said Privilege Cardholder(s) compliance with said Order, denial of the future use of RCSC facilities or property by said Privilege Cardholder(s) may be ordered by the Board.

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 3: NON-OWNERS AND PRIVILEGE CARDHOLDERS (Cont.)

- H. A Privilege Cardholder may be suspended or expelled from RCSC facilities or property by the Board, after a hearing by the Board, for non-compliance by said Privilege Cardholder with the provisions of the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs. Any Cardholder who is suspended or expelled is not considered to be a Cardholder in good standing.
- I. Written application for reinstatement may be filed with the Board after the suspension or expulsion has been in effect for a minimum of thirty (30) days. During the period of suspension or expulsion, said Privilege Cardholder shall not be entitled to any privileges or use of RCSC facilities or property, nor receive any reimbursement of Privilege Card fees.

SECTION 4: ASSESSMENTS AND FEES

Each and every Deeded Real Estate Owners (“Owner(s)”) of property located in the area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E. Webb Development Company and dated July 1972, November 1974, August 1975, and September 1978 with subsequent amendments thereto shall join in a Facilities Agreement. Each Owner shall be responsible for the payment of assessments and fees.

- A. Owners must execute a Facilities Agreement in the form required by the Corporation, obligating property Owners to pay property assessments when due. The Facilities Agreement shall obligate Owners to pay assessments whether or not Owners occupy the property or use RCSC facilities.
- B. Assessments and fees shall be determined by the Board and shall be payable by property Owners pursuant to the Facilities Agreement.
- C. Late fees and penalties, as determined by the Board, shall be imposed on all property assessments and fees which are in arrears. Legal action to secure payment may be taken, as authorized by Arizona State Law, including but not limited to additional fees, liens and the enforcement of the same. Any Owner whose assessments and/or fees are in arrears is not considered a Member in good standing.
- D. Property assessments are not refundable except:
 - (i) in the event of death of an Owner, or;
 - (ii) upon the sale of the Owner’s Sun City, Arizona property, provided the Owner has met the obligations as described in the Facilities Agreement and the purchaser(s) have executed said Facilities Agreement, or;
 - (iii) in the event of death of an Owner resulting in an estate property; however, no refund shall be issued until the sale of such Sun City, Arizona estate property, provided all annual assessments and fees are then current.
 - (iv) All refunds shall be on a pro-rata basis and may be subject to a service charge.

Exhibit A

ARTICLE II – MEMBERSHIP, CARDHOLDERS, ASSESSMENTS AND FEES (Cont.)

SECTION 4: ASSESSMENTS AND FEES (Cont.)

- E. A ~~Capital~~ Preservation and Improvement Fee, as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to property located in Sun City, Arizona pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of said ~~Capital~~ Preservation and Improvement Fee no longer retains an **majority** ownership interest in the property.
- F. A Transfer Fee, as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to property located in Sun City, Arizona pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payer of said Transfer Fee no longer retains an **majority** ownership interest in the property.
- G. A onetime Access Fee per property, as determined by the Board, shall be paid by the builder, owner or developer desiring to have access to the RCSC facilities for future property owners. Said builder/owner/developer must execute a Facilities Agreement with the Corporation. Purchasers of individual properties are also required to execute a Facilities Agreement and pay a ~~Capital~~ Preservation and Improvement Fee.

ARTICLE III - MEETINGS

SECTION 1: REGULAR MEMBERSHIP MEETINGS

Regular meetings of the Members shall be held four times throughout each year on the same day as the Regular Board Meetings in January, May, September, and November.

Written notice stating the place, day and hour of the regular meetings of the Members shall be posted in RCSC facilities and published in the RCSC newsletter (*SunViews*) and/or on the RCSC website (www.sunaz.com), not less than ten (10) days, nor more than fifty (50) days before the date of the meeting.

With respect to amendments to the Corporate Bylaws, notice of any proposed amendment shall be given by written notice to the Board of Directors and posted in RCSC facilities at least ten (10) days prior to a Board meeting at which these changes shall be considered.

With respect to amendments to the Restated Articles of Incorporation, notice of any proposed amendment shall be posted in RCSC facilities and published in the RCSC newsletter (*SunViews*) and/or on the RCSC website (www.sunaz.com) at least thirty (30) days prior to a Membership meeting at which these changes shall be considered. Such notice shall include the proposed changes to the Restated Articles of Incorporation.

Exhibit A

ARTICLE III – MEETINGS (Cont.)

SECTION 2: ANNUAL MEMBERSHIP MEETINGS

The regular meeting held in January of each year shall be the Annual Meeting of the Members.

SECTION 3: SPECIAL MEMBERSHIP MEETINGS

Special meetings of the Members may be called by the Board of Directors, President of the Corporation or by petition of the Members having at least one-tenth (1/10) of the votes entitled to be cast according to the Corporation's records as of the preceding July 1. The reason for the meeting shall be stated in such call and petition. After receiving the petition and validating the signatures thereon, the President shall set a date for such meeting, which shall be held within sixty (60) days after validation of the signatures is completed.

With respect to a special meeting called by petition of the Members for the purpose of amending the Restated Articles of Incorporation or the Corporate Bylaws, the Board, after validation of the petition, shall set a special meeting. A written notice shall be posted in RCSC facilities and published in the RCSC newsletter (*SunViews*) and/or on the RCSC website (www.sunaz.com) not less than ten (10) days, nor more than fifty (50) days before the date of the meeting.

With respect to a special meeting of the Members called by the Board of Directors or the President of the Corporation, a written notice shall be posted in RCSC facilities and published in the RCSC newsletter (*SunViews*) and/or on the RCSC website (www.sunaz.com) not less than ten (10) days, nor more than fifty (50) days before the date of the meeting. Notice shall include information concerning the purpose for the special meeting.

SECTION 4: MEMBERSHIP QUORUM

A quorum for any Membership meeting shall consist of not less than one hundred (100) Members in good standing, including proxies. All proxies must be filed with the Secretary of the Corporation no less than three (3) business days prior to a Membership meeting; all proxies are valid for a maximum of three (3) months from the date of execution. A quorum shall be presumed in the absence of a challenge. If, however, such quorum shall not be present or represented at any meeting of the Members, the Members entitled to vote at such meeting shall have the power to adjourn the meeting without notice other than announcement at the meeting, until a quorum is present or represented.

Once a quorum has been established for any meeting, appropriate business may be conducted and decided by a majority vote of those present or represented.

SECTION 5: MEMBERSHIP MEETING RULES AND REGULATIONS

The laws of the State of Arizona, the Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation and Chartered Clubs shall govern procedure at all meetings of the Corporation, and Robert's Rules of Order, when applicable, shall apply, provided they are not inconsistent with the aforementioned. The President may appoint a parliamentarian to serve during his/her term of office.

Exhibit A

ARTICLE III – MEETINGS (Cont.)

SECTION 5: MEETING RULES AND REGULATIONS (Cont.)

New proposals or matters relating to the conduct of the business affairs of the Corporation, if brought before a Membership meeting, and not previously considered by the Board, shall, at the request of the President, be referred to the Board for study. Such matters, being solely within the powers delegated to the Board in accordance with the laws of the State of Arizona, the Restated Articles of Incorporation, the Corporate Bylaws, Board Policies, and any Rules and Regulations of the Corporation and Chartered Clubs will be considered only as a recommendation to the Board, the disposition of which may be announced at the next regular Membership meeting.

ARTICLE IV - BOARD OF DIRECTORS

SECTION 1: FISCAL YEAR

For all purposes, financial and otherwise, the calendar year January 1 - December 31, shall be synonymous with the term “fiscal year” of the Recreation Centers of Sun City, Inc. (RCSC).

SECTION 2: COMPENSATION OF DIRECTORS

The Board of Directors (“Board”) shall receive no compensation of any kind for his/her service as a Board of Director (“Director”) or Officer or from any group using RCSC facilities. Furthermore, a Director cannot serve on any Chartered Club Boards during their term in office.

SECTION 3: INSTALLATION OF DIRECTORS

At the first regular Board meeting after a Director has been newly-elected or newly-appointed, the President of the Corporation shall formally install the new Director(s) specifying when their term of office commences.

SECTION 4: ELECTION OF OFFICERS

The Board shall meet on the first business day after January 1 for election of Officers. At this organizational meeting, the Board shall select from their own number, by ballot, the Officers listed in Article V of these Corporate Bylaws who shall serve for the term of one year, to end at the election of Officers in the following year.

A Director may be re-elected to consecutive terms as an Officer if he/she receives the majority approval of the Board of Directors.

SECTION 5: LENGTH OF TERMS AND VACANCIES

The term of office for an elected Director shall be three (3) years. At the annual election, three (3) Directors shall be elected. One, two or three-year elected terms enter into the six (6) year limit set forth in the Restated Articles of Incorporation. In the event more than three (3) vacancies exist as of the deadline for turning in the petitions, those vacancies shall also be filled at the annual election as follows:

Exhibit A

ARTICLE IV - BOARD OF DIRECTORS (Cont.)

SECTION 5: LENGTH OF TERMS AND VACANCIES (Cont.)

- (i) The candidate receiving the highest number of votes, after the three (3) three-year terms are filled, shall fill the next longest vacant term.
- (ii) If a candidate is elected to a Board position and, prior to the beginning date of the term for which he/she has been elected, declines or is unable to assume the office (“declining candidate”), then the term of the declining candidate(s) shall be filled with the unsuccessful candidate(s) receiving the next highest number of votes, based on the vote totals of the candidates in the last annual Directors’ election. A candidate receiving less than one hundred (100) votes shall not be eligible to fill any vacancies.
- (iii) The Balloting Committee (hereinafter referred to as the “Election Committee”) will determine the order of placement in the event of a tie vote. The method shall be a simple drawing of the names of the candidates involved in the tie vote.
- (iv) Vacancies occurring on the Board during the year (January 1 through December 31) may be filled by appointment of the Board. A majority vote of the Board is required for said appointment. An appointment ends on December 31 of the year appointed. An appointed term does not enter in the six-year limit set forth in the Restated Articles of Incorporation.

SECTION 6: MEETINGS OF THE BOARD

Regular monthly meetings of the Board of Directors shall be held on the day or days as designated by the Board. The Board may elect to delete one summer meeting. The President or his/her appointee shall preside at all meetings. Six (6) Board of Directors shall constitute a quorum.

The regular meetings of the Board of Directors, with a prepared agenda, shall be open to the Members and the press. At each of these meetings, a specified time may be allotted for the Members to make comments in regards to Corporate matters.

Special meetings of the Board of Directors may be called by the President or upon the written request of three (3) or more of the Board of Directors. The purpose of the meeting shall be stated in the call. Except in cases of emergency, at least seventy-two (72) hours notice shall be given.

The Board may meet in an Executive Session (closed meeting) to discuss confidential matters, such as; litigation; matters relating to formation of contracts with third parties; Member or Privilege Cardholder discipline and personnel matters. Before going into Executive Session, the Chair must state such and all matters discussed thereafter shall remain confidential. Executive Sessions may be called during any work session or regular, special or emergency meeting of the Board and/or the Membership. The Board has the authority to take final action in Executive Session and is not required to make public those decisions that are of a confidential nature. Minutes may or may not be taken of Executive Sessions. If they are recorded, they are retained as a part of the confidential records of the Corporation.

Exhibit A

ARTICLE IV - BOARD OF DIRECTORS (Cont.)

SECTION 7: BOARD AUTHORITY

The Board of Directors shall have the authority to employ the General Manager and the Executive Coordinator to the Board; to hold and administer Corporate assets, and direct, control, manage, and supervise the business and financial affairs of the Corporation without limitation, except as set forth in the Restated Articles of Incorporation.

The Board of Directors shall have authority to establish, change, and/or delete Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation as deemed necessary and within the authority as outlined in the Restated Articles of Incorporation and these Corporate Bylaws.

ARTICLE V – OFFICERS

SECTION 1: OFFICERS OF THE CORPORATION

The Officers of the Corporation shall be President, Vice-President, Secretary, and Treasurer and shall be elected pursuant to Article IV, Section 4 of these Corporate Bylaws.

SECTION 2: PRESIDENT

The President shall be Chair and shall preside at and conduct all meetings by a formal order of business. The President shall have general supervision and direction of the affairs of the Corporation in accordance with the Restated Articles of Incorporation, these Corporate Bylaws, Board Policies, and any Rules and Regulations of the Corporation. The President shall have authority to administer all matters not otherwise expressly delegated; shall appoint all Committee Chairpersons, and shall call special meetings of the Membership and/or Board.

After approval by the Board, he/she may execute bonds, investments, debts, and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof may be expressly delegated by the Board to some other Officer or Agent of the Corporation.

SECTION 3: VICE-PRESIDENT

The Vice-President shall perform such duties as assigned by the President and in the absence or incapacity of the President; shall perform the duties of the President.

SECTION 4: SECRETARY

The Secretary shall adhere to the duties of the Secretary as outlined in Robert's Rules of Order and shall assure that the Corporate Board of Directors records of the Corporation are maintained and in order.

Exhibit A

ARTICLE V – OFFICERS (Cont.)

SECTION 5: TREASURER AND ASSISTANT TREASURER

The Treasurer shall issue financial statements when required and perform such other duties as ordinarily pertain to that office. The Treasurer shall ensure that financial records and cash/investment handling procedures are audited after the close of each fiscal year by a Certified Public Accountant, as selected by the Board. The Treasurer shall make certain that annual income tax returns and other required Corporate filings have been filed as required. The Treasurer shall require safeguards to protect Corporate assets. Any indebtedness issued in the name of the Corporation shall be signed by the Treasurer after such indebtedness is approved by a majority of the Board of Directors.

The Board of Directors may appoint an Assistant Treasurer and who shall in the absence or incapacity of the Treasurer, have the duties and the responsibilities of the Treasurer, but shall receive no compensation therefor. An appointed Assistant Treasurer must be a Member in good standing. In the event of the absence of the Treasurer, any appointee who has been designated by the Board to countersign checks, may become a signatory.

SECTION 6: THEFT, DISHONESTY AND LIABILITY INSURANCE

The Officers of the Corporation shall ensure that an Employee Dishonesty Insurance Policy, as determined by the Board, is in place to insure the Corporation against losses relating to theft or mishandling of assets by Employees, Directors or Corporate Agents. The Corporation shall provide Directors and Officers liability insurance for all Directors and Officers and their spouses.

SECTION 7: REMOVAL OF BOARD OFFICERS

A Board Officer who is unwilling or incapable of satisfactorily performing the responsibilities of his/her office, may be removed from his/her office by a ballot vote of a majority of the Board of Directors. An Officer so removed shall be eligible to continue as a Director. The Restated Articles of Incorporation addresses removal of any elected or appointed Director from the Board.

A new election of the Officer by the Board of Directors for the vacated position(s) shall be held within fifteen (15) days after removal. In the case of a vacancy in the President's office, the Vice President will perform the duties of the President until a new President is elected.

SECTION 8: INDEMNIFICATION

Recreation Centers of Sun City, Inc., its successors and assigns, hereby agree to protect, defend, indemnify and hold harmless its Directors and their spouses, Officers, Management and Employees ("Agents") from and against any and all claims, demands, actions, damages, loss, and judgments arising out of or occurring in connection with any act or omission of such, including reasonable attorney fees and court costs. Such indemnification of said Agents of the Recreation Centers of Sun City, Inc. shall exclude any such liability caused by gross negligence or willful misconduct.

Exhibit A

ARTICLE VI - COMMITTEES

It shall be mandatory, at the next regular Board meeting after election of the President, that the Chairpersons of the standing committees be appointed. The Chairpersons may select the other members of the committees, one of whom may be a fellow Director, with the others being selected from the Membership at large. The Board shall be empowered to create or eliminate standing committees as they may deem necessary to properly and effectively carry on the affairs of the Corporation. All standing committees shall attempt to have no less than five (5) members, with a Board of Director as Chair. The Chair shall be responsible for the functions of the standing committee and may appoint a Co-Chair, who need not be a Director.

ARTICLE VII - CHARTERED CLUBS

A group of Cardholders interested in a particular hobby, avocation or field of interest may join together for the purpose of pursuing said interest and may request the Board to certify them as a Chartered Club. Duties, responsibilities and requirements of such Clubs are outlined in the Board Policies. The Restated Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct, and any Rules and Regulations of the Corporation shall take precedence over any and all Chartered Club or individual club rules and regulations. The Chartered Club facilities are to be used solely for the purpose of leisure recreational hobbies and not as a profit making endeavor.

ARTICLE VIII - NOMINATION AND APPOINTMENT PROCEDURES

SECTION 1: PRESENTATION OF CANDIDATES

The Chair of the Elections Committee shall present to the Board, at a Board meeting no later than October 31 of each year, a list of candidates for Director position(s) to be filled at the coming annual election. The election shall be held in accordance with Article IX of these Corporate Bylaws.

SECTION 2: RECRUITMENT OF CANDIDATES

On or before July 1 each year, by appropriate notice to the Membership at large, Members shall be invited to become candidates. In the event additional candidates are needed, the Elections Committee shall begin recruiting to provide the required number.

If a member of the Election Committee desires to become a Board of Director candidate, he/she must resign from the Committee prior to becoming a candidate.

SECTION 3: PETITION AND APPLICATION OF CANDIDATES

A Member who is eligible, as per Article VIII, Section 4 of these Corporate Bylaws, to become a candidate for election to the Board of Directors shall provide to the Chairperson of the Election Committee on any date specified or no later than October 15 the following:

- (i) A written petition on the official form required with valid signatures from at least one-hundred (100) Member Cardholders in good standing;

Exhibit A

ARTICLE VIII - NOMINATION AND APPOINTMENT PROCEDURES (Cont.)

SECTION 3: PETITION AND APPLICATION OF CANDIDATES (Cont.)

- (ii) An application on the official form required, to include a resume and list of goals; and
- (iii) Nominee shall make himself/herself available to RCSC for a photograph.

SECTION 4: CANDIDATE REQUIREMENTS

An eligible candidate for election to the Board of Directors shall satisfy all the following requirements and a candidate for appointment to the Board shall satisfy all except number seven (vii) below:

- (i) Must be at least fifty-five (55) years of age;
- (ii) Must be a Deeded Real Estate Owner of property in Sun City, Maricopa County, Arizona as well as a resident of Sun City for a minimum of two (2) years prior to December 1 of the year in which such election is to be held;
- (iii) Must be a Member in good standing;
- (iv) Must reside in Sun City, Arizona and be available at least ten (10) months of the year;
- (v) Must meet the requirement to hold an Arizona liquor license; and
- (vi) Must be eligible and available to serve a three (3) year term; and
- (vii) Must attend Board Candidate Orientation(s).

ARTICLE IX - ELECTION OF DIRECTORS

SECTION 1: POLLING PLACES, TIMES AND DATES

- (i) Election of Directors shall be held on the second Tuesday in December each year.
- (ii) The Board may schedule earlier voting dates.
- (iii) The Board shall select the **number of** polling places, **their locations** and times **of operation for voting** within Sun City, Maricopa County, Arizona.

SECTION 2: VOTES

The person or persons receiving the highest number of votes shall be elected to the vacancy or vacancies for which the election is held.

Exhibit A

ARTICLE IX - ELECTION OF DIRECTORS (Cont.)

SECTION 3: RECALL ELECTION

- (i) In a recall election, a Director shall be deemed recalled if a majority of the votes cast by Membership ballots are for his/her removal, provided further that the total number of votes received for the recall is not less than one hundred (100).
- (ii) The person receiving the highest number of votes cast by Membership ballots to replace the recalled Director shall be deemed elected to fill the unexpired term of said Director.

SECTION 4: TECHNICAL AND ROUTINE MATTERS

(i) The Board, or its designated representative, may use the services of a neutral entity such as the Maricopa County Election staff and adopt their procedures, as desired, to ensure a fair election process.

- (ii) The Board, or its designated representative, may exercise the flexibility to negotiate technical and routine matters with the neutral entity governmental agency conducting the election at the Board's request and to make any necessary arrangements or revisions, as the need arises.

ARTICLE X – VOTING PROCEDURES AT MEMBERSHIP MEETINGS

SECTION 1: NON-BALLOT VOTING

Voting shall be by voice, standing vote, or show of hands on all matters of business, except as follows when a ballot will be required:

- (i) When a majority of the Board of Directors requests a ballot vote; or
- (ii) When a ballot is requested by a majority vote of the eligible Members present or represented by proxy at a Membership meeting.

SECTION 2: BALLOT VOTING

When a ballot vote is required, the following shall apply:

- (i) Voting shall proceed under supervision of the Election Committee;
- (ii) At least two (2) members of the Election Committee shall be in attendance at all times during voting and they shall determine eligibility of all voters, issue all official ballots, and witness the casting of the ballots; and
- (iii) Ballot boxes shall remain sealed until all votes are cast. Votes shall be tabulated in the presence of at least three (3) members of the Election Committee. Any Member may be present as an observer at the tabulation of the votes. Upon completion of the tabulation of ballots, the results shall be certified by the Election Committee Chairperson to the Board and posted on the Corporate website (www.sunaz.com) and in RCSC facilities.

Exhibit A

ARTICLE X – VOTING PROCEDURES AT MEMBERSHIP MEETINGS (Cont.)

SECTION 3: PROXY VOTE

At any meeting of the Members, a Member may vote by proxy executed in writing by the Member. Such proxy shall be filed with the Secretary of the Corporation three (3) days prior to the day of the meeting. No proxy shall be valid after three (3) months from the date of execution.

SECTION 4: LIMITATION PERIOD

No Membership election or vote, initiated by petition of the members, shall be held on an issue which is the same as, or substantially similar to, any issue which has been voted upon by the Membership within the current calendar year or any of the past three (3) calendar years (hereinafter referred to as the "Limitation Period"). The Board of Directors shall determine, in its sole discretion, whether the issue proposed to be voted upon by the Membership is the same as, or substantially similar to, an issue previously voted upon by the Membership during the Limitation Period. In the event a Membership election or vote is not required to be held due to the provisions of this section, then the Board of Directors shall not set, call, notice or post the proposed Membership election or vote or any Membership meeting in connection therewith, or take any other action normally associated with a Membership election or vote or a Membership meeting. This section shall not apply to the election or removal of Directors.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: June 26, 2008	Presented by: Craig Brown
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I MOVE THAT Form BP:8 of Board Policy Resolution No. 8 titled PRIVILEGE CARDHOLDERS is **amended** as presented:

Approved

Defeated

Tabled

Exhibit B

BOARD POLICY RESOLUTION No. 8 (“BP 8”)

PRIVILEGE CARDHOLDERS

WHEREAS Article IV, Section 7 of the Corporate Bylaws empowers the Board of Directors to adopt Policies not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) in an effort to maintain and carry out its fiduciary responsibility to its Members, adopts the following Board Policy (“BP” or “Policies”) on **June 26, 2008**.

NOW, THEREFORE, BE IT RESOLVED that to minimize inconsistencies, misunderstandings and misinterpretations inherent in verbal instructions, rules and regulations, the Board of Directors has established Board Policies in written form. Such Policies shall be titled, numbered and indexed for easy reference and use.

NOW, THEREFORE, BE IT RESOLVED that the Restated Articles of Incorporation and the Corporate Bylaws shall take precedence over Board Policies and that the following Board Policy regarding Privilege Cardholders shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed by the Board.

A. This policy is intended to clarify the document(s) required from owners, non-owners, renters, tenants, lessees, and occupants (“Non-Owners”) of Sun City property (dwelling units) to obtain a Privilege Card.

1. Government issued identification with picture (“ID”) is required for each Non-Owner requesting a Privilege Card. If the ID shows an address, other than the Sun City address of occupancy, within seventy-five (75) miles of Sun City, Arizona, then no Privilege Card will be issued.
2. A Non-Owner must present to a RCSC Cardholder Services Agent a lease and/or Affidavit **FORM B:8** signed by the property Owner, verifying that the Non-Owner is an occupant of their Sun City property (dwelling unit). Only those names listed on the Affidavit **FORM B:8** may be eligible for a Privilege Card. Owners who misrepresent someone as an occupant of a Sun City property (dwelling unit) shall be subject to temporary or permanent suspension of all Cardholder privileges of the Owner(s) and any occupants of any residences owned by such Owner(s) including denial of use of any or all RCSC facilities, as determined by the Board of Directors.
3. If a lease is presented to a RCSC Cardholder Services Agent, the duration of the lease must be included in the document as the Privilege Card will be dated from the date it is issued until the expiration date on the lease (maximum one year). If a lease should terminate prior to the year term allowed on a Privilege Card and a subsequent lease is obtained which has a successive time frame (whether or not Non-Owner is occupying the same Sun City property), the Non-Owner shall be eligible to receive a new expiration date on his/her Privilege Card at no additional cost provided all documentation requirements are met, not to exceed the maximum of one year from the date of purchase of the current Privilege Card.

Exhibit B

RECREATION CENTERS OF SUN CITY, INC. 10626 West Thunderbird Blvd, Sun City AZ 85351

AFFIDAVIT FOR NON-OWNER OCCUPANTS

I, _____, being a Deeded Owner of the Sun City property
Printed Name Of Owner
located at _____, Sun City AZ _____
Street Address Zip Code

do solemnly swear that only the following person(s) occupy this address:

_____	_____
Last Name (Printed)	First Name (Printed)
_____	_____
Last Name (Printed)	First Name (Printed)
_____	_____
Last Name (Printed)	First Name (Printed)
_____	_____
Last Name (Printed)	First Name (Printed)

If a lease agreement is not connected with this affidavit which defines the length of occupancy under separate cover, I represent to RCSC that the above occupant(s) of my Sun City property will occupy this address as their primary Arizona residence until _____. (Enter date in blank area, if applicable, or leave blank for indefinite period of time.) I understand it is my responsibility to notify RCSC Cardholder Services Offices immediately should occupancy status change.

I understand that any misrepresentation of the facts regarding the occupancy of a Sun City property (dwelling unit) shall be subject to temporary or permanent loss of all Cardholder privileges for the Owner(s) and any occupants of any residences owned by such Owner(s) including denial of use of any RCSC facilities, as determined by the Board of Directors.

I understand that it is my responsibility to inform all occupants of my Sun City property that they are also governed by the Articles of Incorporation, Corporate Bylaws, Board Policies and/or any and all other RCSC rules and regulations.

Owner's Signature Date

ACKNOWLEDGMENT

State of _____
County of _____

On _____ before me personally appeared _____ known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he/she voluntarily executed the same.

Notary Public for _____
My Commission Expires: _____

Notary Public

FORM BP:8

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: June 26, 2008	Presented by: Gene Westemeier
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I MOVE THAT the Recreation Centers of Sun City, Inc. under the Change Management At Risk Plan, commonly referred to as the CM At Risk or CMAR Plan, approve the Weitz Company as General Contractor for the Fairway Construction Project (Phase 1) at a Contractor Fee of 4.25%.

AND I FURTHER MOVE THAT with the stipulation in the Weitz contract that all sub-contractors must be licensed and bonded and the Weitz Company’s financial statement is on file, we waive the Performance and Payment Bond with Weitz Company for the Fairway Construction Project (Phase 1), for a savings of 1% of the total contract.

Approved

Defeated

Tabled

Exhibit D

Motion #4

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: June 26, 2008	Presented by: Craig Brown
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I MOVE THAT the Legal Affairs and Auditing Committee section of Board Policy Resolution No. 27 titled STANDING COMMITTEES is **amended** as follows:

The Legal Affairs and Auditing Committee will consider and consult upon any matter submitted to the Committee by the Board of Directors **or Management**.

Approved

Defeated

Tabled

Exhibit D

BOARD POLICY RESOLUTION BP No. 27 (“BP 27”)

STANDING COMMITTEES

WHEREAS Article IV, Section 7 of the Corporate Bylaws empowers the Board of Directors to adopt Policies not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) in an effort to maintain and carry out its fiduciary responsibility to its Members, adopts the following Board Policy (“BP” or “Policies”) on **June 26, 2008**.

NOW, THEREFORE, BE IT RESOLVED that to minimize inconsistencies, misunderstandings and misinterpretations inherent in verbal instructions, rules and regulations, the Board of Directors has established Board Policies in written form. Such Policies shall be titled, numbered and indexed for easy reference and use.

NOW, THEREFORE, BE IT RESOLVED that the Restated Articles of Incorporation and the Corporate Bylaws shall take precedence over Board Policies and that the following Board Policy on Standing Committees shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

The Board of Directors is empowered by the Corporate Bylaws to create or eliminate Standing Committees as they may deem necessary to properly and effectively carry on the affairs of the Corporation. Therefore, all Standing Committees outlined in this resolution may or may not be active.

Standing Committees have no decision making authority and are limited to presenting ideas and recommendations to the Board of Directors and Management. A Standing Committee is a sub-unit of a deliberative body, established in a permanent fashion to aid the parent assembly in accomplishing its duties.

All Standing Committees shall attempt to have no less than five (5) members and no more than twelve (12) members, with a Board of Director as Chair. The Chair shall be responsible for the functions of the standing committee and may appoint a Co-Chair, who need not be a Director. The Chairperson may select the other members of the committee, one of whom may be a fellow Director, with the others being selected from the Membership at large who must meet the following requirements:

- a. Must be a RCSC Member Cardholder in good standing;
- b. Must have knowledge and/or experience in the Standing Committee’s purpose;
- c. Must not be related to any other member of the Standing Committee as by marriage or birth (*effective January 2009*);
- d. Must agree to adhere to the RCSC Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct and any Rules & Regulations of the Corporation.

Exhibit D

Bowling Committee: It is the purpose of the Bowling Committee to:

- a. assist in the promotion of bowling at the RCSC bowling centers;
- b. help maintain interest in Sun City in the game of bowling;
- c. encourage fellowship among the bowling community in Sun City;
- d. gather input from the bowling community in Sun City, to provide a voice to the Board and Management;
- c. review and recommend bowling policies and fees to the Board of Directors;
- d. review and recommend capital improvements to the Board and Management;
- e. review and recommend bowling operational changes to Management; and
- f. conduct inspections of bowling facilities informing Management of results.

Golf Advisory Committee: It is the purpose of the Golf Advisory Committee to:

- a. assist in the promotion of golf at the RCSC golf courses;
- b. help maintain interest in Sun City in the game of golf;
- c. encourage fellowship among the golfing community in Sun City;
- d. gather input from the golfing community in Sun City, to provide a voice to the Board and Management;
- e. review and recommend golfing policies and fees to the Board of Directors;
- f. review and recommend capital improvements to the Board and Management;
- g. review and recommend golf operational changes to Management; and
- h. conduct inspections of golf courses, including cart paths, greens, fairways, driving ranges, and practice areas, informing Management of results.

Club Organization Committee (“COC”): The Club Organization Committee shall consist of one representative for each Chartered Club and its purpose is to:

- a. act as a liaison between RCSC Chartered Clubs and the Board and Management;
- b. ensure that all RCSC Chartered Clubs operate in a consistent manner;
- c. ensure that all RCSC Chartered Clubs are in compliance with RCSC Articles of Incorporation, Corporate Bylaws and Board Policies;
- d. ensure that provisions of the Board Policy Resolution(s) regarding Chartered Clubs are understood and followed;
- e. review and recommend action to be taken with respect to club applications to the Board of Directors;
- f. review and recommend capital improvements to the Board and Management;
- g. review and recommend policy changes to Board of Directors; and
- h. review and recommend rules and regulations to foster good relationships between the Corporation and its Chartered Clubs.

The Club Organization Committee is chaired and co-chaired by RCSC Directors.

Exhibit D

Elections Committee: It is the purpose of the Election Committee to:

- a. recruit a sufficient number of Board of Director candidates, as needed;
- b. collect and verify petitions and applications of Board of Director candidates;
- c. conduct elections and recall elections of the Board of Directors pursuant to the Corporate Bylaws;
- d. announce results of elections and recall elections of the Board of Directors; and
- e. supervise whenever a ballot vote is required.

The Elections Committee may use the services of a neutral entity, such as the Maricopa County Elections staff, and adopt their procedures, as desired, to ensure a fair election process.

Properties Committee: The Properties Committee shall conduct at least four complete inspections annually of all the Corporation's physical properties, including the buildings, equipment, and grounds immediate to the area of buildings to determine if same are safe, are being properly cared for, and are in good condition. After each inspection, the Committee shall report the status of the facilities to Management, including any recommendations that may be necessary for the better preservation and care of the facilities.

Finance & Budget Committee: The Finance & Budget Committee shall review at least quarterly the financial performance year-to-date of the operation in comparison to budget and the previous year. The Committee shall advise the Board of Directors of any concerns it has regarding the financial operations. The Committee shall review and make recommendations regarding the annual operating and capital budget as outlined in BP 16.

Insurance Committee: The Insurance Committee will review and recommend to the RCSC Board of Directors adequate insurance requirements and coverage. Selection of insurance brokers/agents will be reviewed annually based upon service and bid proposals.

Legal Affairs and Auditing Committee: The Legal Affairs and Auditing Committee will consider and consult upon any matter submitted to the Committee by the Board of Directors **or Management**. The Committee may not confer with legal counsel on behalf of the Corporation without the approval of the President of the Board of Directors. Chartered Clubs may be audited at the discretion of the Committee.

Long Range Planning Committee: The Long Range Planning Committee will recommend to the Board of Directors suggested major physical changes, alterations, additions or usage of RCSC properties to be incorporated as part of the RCSC Long Range planning.

Entertainment Committee: The Entertainment Committee will be responsible for the selection and booking of all acts that appear at the Sun Bowl or its alternate venues. The Committee will preview, if possible, all potential acts. It will agree, by majority vote, to all acts to be booked. It will formulate each season of shows, critique all performances and evaluate the audience response. A Contract Information Worksheet for each act, signed by the Chairperson, will be submitted to the RCSC Activities Supervisor. The Activities Supervisor will proceed with the Performance Agreement and Contracts.

Member Communication Committee: The Member Communication Committee's purpose will be to make recommendations to the RCSC Board regarding methods and procedures for providing RCSC Cardholders with information on projects, policies, activities and Cardholder benefits.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: June 26, 2008	Presented by: Don Schordje
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I MOVE THAT the Non-RCSC Issues section of Board Policy Resolution No. 14 titled POSTING OF SIGNS & DISTRIBUTION OF LITERATURE is **amended** as follows:

5. Non-RCSC Issues

The posting of signs or distribution of literature concerning non-RCSC issues is not allowed, unless of general interest to RCSC Cardholders and specifically authorized by the Board **or Management.**

Approved

Defeated

Tabled

Exhibit E

BOARD POLICY RESOLUTION No. 14 (“BP 14”)

POSTING OF SIGNS & DISTRIBUTION OF LITERATURE

WHEREAS Article IV, Section 7 of the Corporate Bylaws empowers the Board of Directors to adopt Policies not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) in an effort to maintain and carry out its fiduciary responsibility to its Members, adopts the following Board Policy (“BP” or “Policies”) on **June 26, 2008**.

NOW, THEREFORE, BE IT RESOLVED that to minimize inconsistencies, misunderstandings and misinterpretations inherent in verbal instructions, rules and regulations, the Board of Directors has established Board Policies in written form. Such Policies shall be titled, numbered and indexed for easy reference and use.

NOW, THEREFORE, BE IT RESOLVED that the Restated Articles of Incorporation and the Corporate Bylaws shall take precedence over Board Policies and that the following Board Policy on Posting Of Signs & Distribution of Literature or Advertising shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

No sign, literature or petition may be posted or distributed on RCSC property or in RCSC facilities if it contains scandalous, malicious, defamatory or libelous language. The Board of Directors and Management are authorized to police all posting of signs, distribution of literature or advertising on RCSC property and to order anyone to cease and desist and vacate RCSC property. The RCSC may destroy any unauthorized postings or distribution.

1. Commercial

No commercial signs or notices may be placed on or affixed to any RCSC property or facility. No literature or advertising of a commercial nature may be distributed on or in RCSC property, with the following exceptions:

- a. When an outside entity has entered into an agreement with RCSC for the temporary use of a facility or area, signs and literature appropriate to that use may be posted or distributed in such facility or area;
- b. When a Chartered Club has invited an outside company or vendor, for the specific purpose of promoting the Club’s activities; and
- c. Whenever the Board or Management approves an event, activity or advertising.

Copies of signs and notices shall be submitted for approval to the Corporate Office before posting or distribution begins.

Exhibit E

2. Chartered Clubs

Chartered Clubs may post Club-approved signs in their assigned space, or in other places designated for such use. Limitations on postings outside of the Club space are under the control of the Clubs & Activities Office. Club-approved literature may be distributed anywhere on RCSC property, as long as such distribution does not interfere with normal use of the amenities or facilities. All signs and literature will carry the name of the Club posting or distributing it.

3. RCSC Activities

Signs and notices relating to RCSC activities may be posted only in those places designated for such use (i.e. bulletin boards, information easels, tent signage, brochure/flyer racks and etc.). Details concerning size, placement and posting duration are under the control and approval of Management, excluding signs for RCSC Elections which shall be under the control and approval of the Chairperson of the Elections Committee.

4. Personal Notices

RCSC Cardholders may post approved notices of personal interest in places designated for such use which shall be under the control of Management. RCSC Cardholders may also distribute approved literature covering personal interest on RCSC property which shall be under the control of Management. All such notices or literature shall carry the name of the RCSC Cardholder.

5. Non-RCSC Issues

The posting of signs or distribution of literature concerning non-RCSC issues is not allowed, unless of general interest to RCSC Cardholders and specifically authorized by the Board **or** **Management.**