

RECREATION CENTERS OF SUN CITY, INC.

RESTATED ARTICLES OF INCORPORATION

REVISED DECEMBER, 1990

AMENDED NOVEMBER 20, 2003

ARTICLE I

The name of this Corporation shall be Recreation Centers of Sun City, Inc., hereinafter referred to as "Corporation", and its principal place of business is located in Sun City, Maricopa County, Arizona.

Members of the Corporation shall be limited to homeowners or residents of Sun City, Arizona.

Sun City is all of the area shown on the plan titled "Sun City General Plan, Maricopa County, Arizona" as prepared by the Del E. Webb Development Company and dated July 1972, with subsequent amendments thereto.

ARTICLE II

The names, residences and post office addresses of the incorporators are as follows:

<u>Name</u>	<u>Residence & Post Office Addresses</u>
Lin Price	10716 Abbott Avenue, Sun City, AZ
George C. Wilson	10201 105 th Drive, Sun City, AZ
James M. Cullum	11001 Sun City Blvd., Sun City, AZ
Esther R. Morris	10315 Corte Del Sol Este, Sun City, AZ
Bertha M. Cox	10720 Crosby Drive, Sun City, AZ
Alfred R. Voelker	10824 Crosby Drive, Sun City, AZ
John W. Prather	10144 Pinehurst Drive, Sun City, AZ
Gerald W. McCarty	11609 Balboa Drive, Sun City, AZ
John R. Mead	10413 Clair Drive, Sun City, AZ
Leo J. Wilson	11807 Hacienda Drive, Sun City, AZ
Walter F. Schott	12045 Cherry Hills Drive, Sun City, AZ
Phil T. Ewan	12451 Augusta Drive, Sun City, AZ

ARTICLE III

The general nature of the business in which the Corporation is engaged is as follows:

To do anything and everything lawfully necessary in the interest of the Members of the Corporation, including, without limitation, the following:

1. To establish and conduct a general social, cultural, recreational and amusement enterprise for the benefit of its Members and do anything lawfully necessary or convenient to accomplish such purpose, including, but not by way of limitation, to purchase, acquire, develop, sell, lease, own, operate, and manage theaters, playhouses, agricultural projects, riding stables and corrals, libraries, opera houses, golf courses, baseball and football games, tennis courts, dancing facilities, lawn bowling rinks, horseshoe pits, croquet courts, travel clubs, card games, shuffleboard, swimming pools, skating rinks, lecture and conference rooms, and facilities and equipment for such arts and crafts as ceramic work, sewing, woodworking, leathercraft, lapidary, photography, fine arts, jewelry, shellcraft, mosaics, etc., and any and all facilities necessary or incidental to accomplish the general purposes of the Corporation.
2. To coordinate, implement, and aid the various recreational and social clubs which are now or which may become duly recognized as such by this Corporation.
3. To promote cooperation in all matters of interest and benefit to the residents and/or homeowners of the area within the bounds set out in Article I, who become and remain Members of this Corporation.
4. To contract, coordinate or operate, with other organizations, associations, corporations, or individuals in carrying out and conducting the activities and endeavors for which this Corporation is formed and in effecting the benefits and results sought to be gained.
5. To purchase, lease, option, contract for or otherwise acquire, take, own, hold, exchange, sell, or otherwise dispose of, pledge, mortgage, hypothecate, encumber any and all classes of property necessary to the fulfillment and furtherance of the objects and purposes of the Corporation within the limits prescribed by law.
6. To issue such notes, bonds, debentures, contracts, or other security or evidence of indebtedness upon such terms and conditions and in such manner and form as may be prescribed or determined by the Board of Directors, within the limitations prescribed by Article X hereof.
7. To purchase, acquire, own, hold, sell, assign, transfer, mortgage, pledge or otherwise acquire, dispose of, hold or deal in the shares of stocks, bonds, debentures, notes or other security or evidence of indebtedness of this or any other corporation, association or individual, and to exercise all the rights, powers and privileges of ownership, including the right to vote thereon, to the same extent as a natural person might or could do.

8. To lend or invest its funds, with or without security, upon such terms and conditions as shall be prescribed or determined by the Board of Directors in accordance with Article VIII, Section 7, of these Articles of Incorporation.
9. To borrow money and to issue bonds, debentures, notes, contracts, and other evidences of indebtedness or obligation, and from time to time for any lawful purpose to mortgage, pledge, and otherwise charge any or all of its properties, property rights and assets to secure the payment thereof.
10. To act as surety or guarantor, agent, trustee, broker, or in any other fiduciary capacity.
11. To make and to perform contracts of every kind and description, and in carrying on its business, or for the purpose of attaining and furthering any of its objects, to do any and all things which a natural person might or could do, and which now or hereafter may be authorized by law, and in general, to do and perform such acts and things, and to have and exercise all the powers and to transact such business in connection with the foregoing objects as may be necessary and required.
12. To do all and everything necessary, suitable, or proper for the accomplishment of any of the purposes or attainment of any of the objects hereinabove enumerated, either alone or in association or partnership with other corporations, firms, and individuals, as principals, agents, brokers, contractors, trustees, or otherwise, and, in general, to engage in any and all lawful business that may be necessary or convenient in carrying on the business of said Corporation and for the purposes pertaining thereto, and to do any and every other act or acts, thing or things, incidental to, growing out of, or connected with said business, or any part or parts thereof; the designation of any object or purpose therein shall not be construed to be a limitation for qualifications or in any manner to limit or restrict the purpose and objects of the Corporation.
13. To transact any or all lawful business for which non-profit corporations may be incorporated under the laws of the State of Arizona and in pursuance thereof to exercise any or all powers granted to corporations in general under the laws of the State of Arizona.

The foregoing purposes shall be construed as both objects and powers and the foregoing enumeration of specific purposes shall not be held to limit or restrict in any manner the powers of the Corporation.

ARTICLE IV

This Corporation shall have no power to issue capital stock, and no dividends or pecuniary profits shall be declared or inure to any Member, Director, Officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation affecting one or more of its purposes), and no Member, Director, Officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

ARTICLE V

This Corporation shall have perpetual succession by its corporate name.

ARTICLE VI

Indemnification of present and former Members, Directors, Officers and employees, and agents of this Corporation shall be governed in accordance with Title 10, Chapter 5, Section 10-1005, Sub-Section B of the Revised Arizona Statutes. The provisions therein set forth are incorporated herein by reference and made a part hereof with the same force and effect as though set forth herein in full.

ARTICLE VII

No membership or certificate of membership shall be transferable and no assignee or transferee thereof, whether by operation of law or otherwise, shall be entitled to membership in this Corporation or to any property rights or interest therein, except as shall be provided in the Bylaws of this Corporation. Any person ceasing to be a Member shall forfeit all rights and privileges of membership and all rights or interest in the Corporation absolutely, except as shall be provided in the Bylaws of the Corporation.

ARTICLE VIII

1. The affairs of the Corporation shall be conducted by a Board of Directors and such Officers as the Board may elect or appoint. The Board shall select from its own members a president, one or more vice-presidents, a secretary, and a treasurer. It may select an assistant treasurer who is not required to be a member of the Board. All Officers shall be elected at the first meeting of the Board of Directors in January of each year and shall hold office for a period of one (1) year and until their successors are elected and installed. The number of Directors shall be nine (9). Directors shall be elected by the Members at an annual election in the manner prescribed in the Bylaws.
2. Three (3) Directors in a manner set forth in the Corporate Bylaws, shall be elected each year to serve for a term of three (3) years and shall serve until their successors are installed. A Member/Director may be elected to a maximum of two (2) three-year terms, six (6) years total, on the Board of Directors. **(Approved by the membership on Nov. 20, 2003)**
3. The Directors shall have the power to adopt Bylaws not in conflict with the Articles of Incorporation.

4. The Bylaws may be amended, modified, revised, or revoked by the Directors or by the Members. In the event of conflict concerning the Bylaws as amended, modified, revised, or revoked by the Directors, the action of the Members shall prevail.
5. The Bylaws of the Corporation shall prescribe the qualifications of Members and the terms of admission to membership, provided that the voting rights of all Members shall be equal and all Members shall have equal rights and privileges, and be subject to equal responsibilities. Such Bylaws shall also provide the method for determining assessments to be paid by the Members.
6. The Board of Directors shall have power to fill vacancies occurring on the Board or in any Office. Any Director or Officer so chosen shall hold such position until the next election when a successor is elected, qualified, and assumes such position.
7. The Corporation shall not convey any substantial part of its assets, or any real property of assessed value for tax purposes exceeding \$50,000, without affirmative vote of a majority of its membership entitled to vote thereon.

ARTICLE IX

Removal of any elected or appointed Director may be done in either of the following ways:

- A. By a vote of two-thirds (2/3) of the members of the Board of Directors after a member of the Board is absent from three (3) or more consecutive regular meetings of the Board or who, in the opinion of such two-thirds (2/3) of the Board members, is unwilling or incapable of performing his or her share of the duties and responsibilities of a Director.
- B. The Members may remove any elected or appointed Director in the following manner, and any vacancy so created may be filled in the following manner:
 1. A petition for a removal election of one or more Directors, specifying by name or names the occupants of the seats whose removal is desired, signed by not less than ten percent (10%) of the voting Members of the Corporation as of the preceding July 1st, may be filed with the Secretary of the Corporation not less than ten (10) days preceding a regularly scheduled meeting of the Board of Directors. At such meeting, the Board shall then schedule an election for the purpose of voting on the removal and replacement of any Directors whose removal is sought, said election to be held not later than forty-five (45) days and not less than thirty-five (35) days after such aforesaid meeting, and said election shall be conducted in accordance with the Bylaws of the Corporation regarding election of Directors. Appropriate announcement thereof shall be made by the Board of Directors on the bulletin boards of the Corporation.

2. Balloting at such removal elections shall proceed in the same manner as specified in Article X of the Bylaws, except that at least fifty percent (50%) of the members of the Balloting Committee shall be selected from those signing the removal petition.
3. Any member of the Corporation in good standing and who is qualified under Article IV, Section 2, of the Bylaws may become a candidate for election to the Board to fill the position of a specified Director whose removal is being sought, by filing a petition signed by not less than one hundred (100) of the voting Members in good standing, and such petition and other material, as required by Article IX of the Corporate Bylaws, shall be filed with the Chairman of the Elections Committee not later than fifteen (15) days preceding the date set for the election.

ARTICLE X

The highest amount of indebtedness or liability, direct or contingent, to which the Corporation may at any time subject itself shall be limited to \$750,000 or any greater amount which may be authorized by three-fourths (3/4) of the Members present at a duly called and noticed meeting of the membership, or in such amounts as may be authorized by the Arizona Corporation Commission.

ARTICLE XI

The private property of the Members, Directors, and Officers of this Corporation shall be forever exempt from the debts and obligations of the Corporation.

ARTICLE XII

In the event of the dissolution or winding up of the Corporation, all assets not otherwise disposed of and not subject to any trust, shall be transferred as the Board of Directors may then decide for carrying out the purposes or similar purposes of this Corporation.

ARTICLE XIII

The Members of the Corporation shall be provided with the opportunity to vote by proxy in:

- a. Amending the Articles of Incorporation
- b. Members amending the Bylaws of the Corporation
- c. The election of Directors*
- d. Any other matter requiring an act of the members

*If the Bylaws provide for voting by mail in the election of Directors, the above-stated

Proxy vote will not apply to the election of Directors.

ARTICLE XIV

An amendment to the Restated Articles of Incorporation may be proposed by resolution of the Board of Directors or by petition signed by at least ten percent (10%) of the total membership of the Corporation as of the first day of the preceding July. The proposed amendment shall be submitted to a vote of the Members at a regular or special meeting called pursuant to the provisions of the Bylaws.

The proposed amendment shall be adopted or rejected by a majority vote of the Members, present or represented by proxy at such meeting or adjourned meeting.

Written notice setting forth the proposed amendments or a summary thereof shall be given to each Member entitled to vote at the meeting within the time and in the manner provided in the Bylaws for the giving of notice of meeting to Members.

ARTICLE XV

These Restated Articles of Incorporation set forth the provisions of the Articles of Incorporation as amended and the Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto.

ARTICLE XVI

Richard H. Whitney, of the law firm of Gust, Rosenfeld, Divelbess & Henderson, whose business address is in Phoenix, Arizona, and who has been a bona fide resident of the State of Arizona for more than three (3) years last past, is hereby appointed and designated Statutory Agent of the Corporation for the State of Arizona, upon whom service of process may be had. This appointment may be revoked at any time by filing the appointment of another agent.

Rev. 7/81; 6/84; 12/88; 12/90, 11/03