

RECREATION CENTERS OF SUN CITY, INC.

MINUTES OF THE REGULAR BOARD MEETING

Thursday, May 29, 2008

PRESENT: Denny Nichols, **President**; Jon Braemer, **Vice President**; Bill Johnson, **Treasurer**; Warren Hoffmann, **Secretary**; Craig Brown, Sue Painter, and Gene Westemeier, **Directors**.

ABSENT: Shirley Humphrey and Don Schordje, **Directors**

ALSO PRESENT: Jan Ek, **General Manager**; John Snyder, **Director of Golf & Grounds**; Marion Krell, **Human Resources Director**; 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** and 70 RCSC members.

President Nichols convened the meeting at 9:02 a.m.

Board Quorum: Secretary Hoffmann verified a Board Quorum was present.

Approval of Minutes: The minutes of the Regular Board Meeting of April 24, 2008 were approved as printed.

MANAGEMENT REPORTS:

Jan Ek, General Manager, reported that the Management Team is careful not to spend our budgeted monies too early in the year in case there are some unforeseen expenses. She estimates that there is around \$200K of unspent expenses year-to-date, therefore, making the overall savings from budget around \$230K, which is primarily due to the timing of the re-opening of Sundial.

Reports were also given by Jim Wellman, Assistant General Manager, John Snyder, Director of Golf and Grounds; Marion Krell, Director of Human Resources; Chris Herring, Director of Information Technology; Bill Collier, Director of Finance and Randy Johnson, Bowling Manager, on their areas of responsibility.

DIRECTORS REPORTS:

Clubs: Director Westemeier reported that the next meeting is scheduled for Wednesday, June 11th at 8:30 a.m. in the Board Room at Lakeview Center. Director Painter advised that the committee still needs two volunteers to work with the clubs.

Properties: The inspectors will meet with management on Tuesday, June 24th at 9:00 a.m. to review the inspection reports, Director Westemeier advised.

Legal Affairs: The committee met last Tuesday to review a number of Board Policies, Secretary Hoffmann stated. Every member was present and their input was very helpful. He commended them for their expertise.

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Posse: Secretary Hoffmann reported that Posse members are being trained to use hand-held radar units in an effort to control speeding in Sun City. Speeders will be reported to the Maricopa County Sheriff's office from where letters will be sent to the motorists.

Fire Flow: The Arizona Corporation Commission did not approve the fire flow project proposed by the Arizona American water, Secretary Hoffmann advised.

RISE: Brochures listing classes available to Sun City residents are available on the back table, Director Hoffmann reported. Since ASU Life Long Learning classes were terminated in Sun City, residents can take advantage of an very affordable way to continue their education.

Finance: Treasurer Johnson reported that a very productive meeting was held with the outside CPA firm, which had just concluded an audit of the RCSC.

Insurance: The committee met with a broker on May 13th to review insurance coverage for the corporation, which is up for renewal on July 1st, Director Brown advised. Then on May 20th the committee reviewed the coverage with the current agent. A recommendation regarding future insurance coverage was made to the Board of Directors. Director Brown stated that members with insurance background are needed on the committee as he anticipates there will be considerable activity in the committee this fall.

Golf: Vice President Braemer stated that the committee is still looking for a volunteer secretary.

Sun City Foundation: A training program for all the members of the Foundation will be held to train them to be of better assistance to the members, Vice President Braemer reported.

PRESIDENT'S REPORT:

A petition with 62 signatures involving a personnel matter was received by the Board, President Nichols reported. He stated that he admires the initiative of whoever undertook the collection of signatures. However, he advised that the Board does not get involved in personnel issues and after investigation of the dismissal of the employee; he said he found that all the proper procedures and policies were followed.

President Nichols stated he was proud to announce that the Fairway project will start on June 16th. The areas affected in Phase I renovation are the auditorium, the Arizona room, the music room, library, pool and spas.

MEMBER COMMENTS:

Walter Rudolph, 42659: Asked how many managers worked at the RCSC, their individual salaries and benefits. Believes this should be an annual disclosure which is posted at all the rec. centers. Treasurer

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Johnson explained that RCSC follows the privacy act in protecting the employees and salaries will not be released by the corporation.

Ken Fold, 68315: Thanked GM Ek for putting in an electronic scale in the exercise room at Bell Center.

Jeannette Dickson, 2930: Asked if a procedure has been put in place to notify potential buyers about paying all the late fees, liens, etc. Liens are recorded with the Maricopa County Recorder's Office which fulfills public notification requirements, President Nichols advised.

Jim Bishop, 29906: Stated that renovation of the South Golf course has been promised several years. It was delayed from year to year and asked why it finally disappeared from the budget. He stated that the SCMGA South Golf Course Green Committee would like to submit its suggestions for improvement to the Golf Advisory Committee, which would make a recommendation to the Board. He asked the Board to look at the short and long term projects. President Nichols responded that the RCSC has a long "laundry list" of projects pending in all areas due to the Sundial roof collapse expense. He stated that the corporation may need to dip into the \$2.5 million reserve this summer to meet the expenses of replacing the Sundial roof. Depending on the insurance settlement, some of the projects may be resurrected, some may not. He suggested that the Golf Advisory Committee should continue to submit their requests on a priority basis each year.

Paul Santoro 20298: Had numerous questions and complaints regarding budgets, water leakage, and defective equipment at the golf courses. Asked who was to blame for overuse of the water. Suggested that overseeding be stopped on the greens and fairways as water shortage and overseeding do not go together. Stated that RCSC should not pay another fine. Vice President Braemer and GM Ek responded that the corporation did not pay a fine in the past. A fine was threatened but RCSC negotiated to pay back the excess water used by 2009.

Sally Rector, 100122: Advised that she got married on January 11th and has not been able to get her name changed on her golf card. GM Ek will follow up.

MOTIONS:

#1 – Board Policy Resolution #10 – Code of Conduct & RCSC Rules & Regulations: The Board unanimously approved an amended Code of Conduct & Rules & Regulations Board Policy replacing the previous Board Policy #10 titled Golf Tournament and Event Policy, which is being combined with Board Policy #17. See Exhibit A. The motion was made by Director Westemeier, seconded by Vice President Braemer.

#2- Board Policy Resolution #14 – Posting of Signs & Distribution of Literature: The Directors approved an amended Posting of Signs & Distribution of Literature motion, to replace previous Board Policy #14 titled Human Resources Policy, which is being eliminated. See Exhibit B. Director Brown made the motion, which was seconded by Director Painter.

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#3 – Board Policy Resolution #20 – Sun City Foundation: A motion to replace the previous Board Policy #20, also titled Sun City Foundation, was unanimously approved. See Exhibit C. Motion was made by Vice President Braemer, seconded by Director Westemeier.

#4 – Board Policy Resolution #23 – Firearms and Deadly Weapons: A motion to replace previous Board Policy 23 titled Firearms/Deadly Weapons in its entirety was unanimously approved by the Board. See Exhibit D. The motion was presented by Secretary Hoffmann and seconded by Director Westemeier.

#5 – Board Policy Resolution #25 – Food and Beverage: The Directors unanimously approved a new Food and Beverage Policy to replace the previous Board Policy #25 in its entirety, also titled Food and Beverage. See Exhibit E. It was made by Director Painter and seconded by Secretary Hoffmann.

#6 – Board Policy Resolution #26 – Household Pets: The Directors unanimously approved the amended Household Pets Policy, which replaces previous Board Policy #26 in its entirety, also titled Household Pets. See Exhibit F. Vice President Braemer made the motion, which was seconded by Director Brown.

#7 – Board Policy Resolution #27 – Standing Committees: An amended Standing Committees motion, presented by Vice President Braemer and seconded by Director Brown, was approved. See Exhibit G. It replaces previous Board Policy #27 in its entirety, titled Definition of Committees. Director Westemeier voted no.

#8 – Board Policy Resolution #3 – Corporate Records: The Directors unanimously approved the new Corporate Records Board Policy in its entirety to replace previous Board Policy #3, titled Board Administration. See Exhibit H. Secretary Hoffmann made the motion, which was seconded by Director Westemeier.

#9 – Board Policy Resolution #1 - Conflict of Interest: An amended Conflict of Interest motion was unanimously approved in its entirety to replace previous Board Policy #1 titled Introduction. See Exhibit I. Director Westemeier made the motion, which was seconded by Director Brown.

#10 – Corporate Insurance Coverage: Unanimous approval was given to not renew the current Property and Casualty Insurance Policies with Cincinnati Insurance Company, written through Glendale Insurance, effective June 30, 2008. It was also moved that Hays Companies become the Broker of Record to replace coverage for the RCSC. See Exhibit J. Motion was made by Director Brown, seconded by Treasurer Johnson.

#11 – Board Policy Resolution #28 – Annual Property Assessments, Fees & Collections: Unanimous approval was given to an amended Annual Property Assessments, Fees & Collections motion, which was presented by Director Painter and seconded by Director Westemeier. This policy replaces previous Board Policy #28, also titled the same. See Exhibit K.

Before each motion was voted on, Cardholders Ken Fold, 68315, Jeannette Dickson, 2930, Norm Dickson, 2429 and Tom Beckwith, 54886, took the opportunity to speak. In many cases, their suggestions were accepted and incorporated as amendments to the original motion.

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Meeting adjourned at 12:00 noon

The next meeting is scheduled for Thursday, June 26, 2008 in the Sundial Auditorium at 9:00 a.m.

Submitted by:

Warren Hoffmann

Warren Hoffmann, Secretary
RCSC Board of Directors.

EXHIBIT A

Motion #1

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Gene Westemeier
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I MOVE THAT the current Board Policy No. 10 titled GOLF TOURNAMENT AND EVENT POLICY is combined with Board Policy No. 17 titled GOLF RULES AND REGULATIONS for future review and approval.

I MOVE that Board Resolution No. 10 titled CODE OF CONDUCT & RCSC RULES & REGULATIONS as presented is approved in its entirety **as amended.**

Note: Amendments shown as strikethrough with gray highlight for deletions (~~example~~) and yellow highlights inside box for additions (example).

Approved

Defeated

Tabled

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BOARD POLICY RESOLUTION No. 10 (“BP 10”)

CODE OF CONDUCT & RCSC RULES & REGULATIONS

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 May 29, 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 Code of Conduct & RCSC Rules & Regulations shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

The following constitutes the Cardholders and Guests Code of Conduct and RCSC Rules & Regulations for use of RCSC facilities by Cardholders and their guests. Cardholders who fail to comply may temporarily or permanently have their RCSC Cardholder privileges suspended and be denied use of all RCSC facilities, as determined by the Board of Directors. Anyone may report failure to comply by completing an Incident Report, which can be obtained at any facility that is monitored by RCSC personnel.

Cardholders and Guests Code of Conduct

1. Cardholders and guests must not jeopardize or interfere with the rights and privileges of others. Any Cardholder whose conduct is unbecoming or who breaks any RCSC Rules or Regulations is subject to disciplinary action.
2. Cardholders are responsible for the conduct of their guests.
3. Cardholders and guests will refrain from loud, profane, indecent or abusive language.
4. Cardholders and guests will not harass or abuse, verbally or physically, any other person.
5. Cardholders and guests will not compromise the safety of others. Cardholders and guests will obey all safety rules and will refrain from any and all unsafe activities.
6. Cardholders will be held responsible for any damage to RCSC property caused by the Cardholder or their guest(s).
7. Cardholders will not reprimand or discipline any RCSC employee or interfere in the management of RCSC. Comments and complaints must be submitted in writing and

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8. dropped into Comment Boxes located throughout RCSC facilities which will then be directed to the respective RCSC property supervisor, golf superintendent, or Management.
9. Cardholders are prohibited from profiting financially by charging guests for the use of RCSC facilities.
10. Appropriate dress is required at all RCSC facilities. If more specific guidelines for such are not provided within the Corporate Rules & Regulations for specific RCSC facilities, the discretion of what is deemed appropriate shall be left to the judgment of RCSC personnel monitoring the facilities.
11. Only RCSC Board approved petitions are allowed on RCSC property. Any other solicitation is prohibited.
12. Groups of 10 or more, who desire to use RCSC recreation centers' monitored activity areas, must obtain prior written approval from the Corporate Office.
13. Groups of 24 or more, who desire to use RCSC golf courses, must obtain prior written approval from the Golf Administrative Office.

Minimum Age Requirements for Guests

Anyone under the age of 19 must be accompanied by an adult at all times.

Swimming Pools (<i>minimum age for Bell & Sundial pools is 18 years old</i>)	4 years old
Miniature Golf	4 years old
Bowling	6 years old
Pickleball	8 years old
Racquetball/Handball	8 years old
Shuffleboard	8 years old
Table Tennis	8 years old
Tennis	8 years old
Golf (practice facilities, driving range)	8 years old
Golf (executive courses after 1 pm)	8 years old
Fishing & Boating	8 years old
Bocce	12 years old
Horseshoes	12 years old
Golf (regulation courses)	12 years old
Billiards/Snooker	14 years old
Fitness Centers (<i>minimum age for Bell & Sundial Fitness is 18 years old</i>).....	14 years old
Spas (<i>minimum age for Bell & Sundial pools is 18 years old</i>).....	16 years old
Lawn Bowling.....	16 years old

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RCSC Cardholders who misrepresent their guest's age shall be subject to temporary or permanent suspension of all Cardholder privileges, including denial of use of any or all RCSC facilities, as determined by the Board of Directors.

Fitness Centers

Fitness Area Safety

1. Fitness areas in the recreation centers are not supervised. Use of equipment and participation in the fitness areas in the recreation centers is at the user's own risk.
2. Please refer to the equipment placards or ask RCSC personnel on duty for equipment operating instructions.
3. It is advised that everyone consult a physician before using any equipment or participating in any exercise program.
4. Persons using fitness equipment that is provided with an automatic safety shutoff device (such as the line on treadmills), must properly use the device (attach the line to themselves) when using the fitness equipment.
5. Respect of others is required at all times when using the fitness areas in the recreation center.

General Fitness Area

1. All RCSC Cardholders and their guests using the fitness areas or any part of a recreation center must sign in with RCSC personnel. RCSC Cardholders must be a Cardholder in good standing and present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.
2. Only persons holding a current and valid RCSC Card or guests with appropriate documents (*BP 9*) may use the facility. Personal trainers other than those approved by the RCSC are not allowed.
3. Please leave your gym bag in the shower locker room or in one of the "cubbies" provided at the fitness area entrance.
4. Please keep the fitness areas in the recreation center clean by throwing trash in the receptacles provided.
5. Eating is not permitted in the fitness or weight lifting areas. Only water in capped plastic bottles is permitted.
6. Any person failing to abide by policy or safety rules will be asked to leave the area if they do not comply after being notified by RCSC personnel.
7. RCSC personnel's judgment with respect to issues involving safety, sanitation, clothing, and footwear and rules interpretation will prevail.
8. Appropriate workout attire should be worn:
 - a. Athletic pants or shorts are acceptable.
 - b. Muscle shirts, half shirts, uncovered sports bras, or swim suits are not permitted.
 - c. Rubber soled athletic or tennis shoes fastened with laces or Velcro are acceptable.
 - d. Bare feet, sandals, work boots, hiking boots, or street shoes are not permitted.
9. Members are not permitted to adjust the volume of or select channels on the televisions. Please see RCSC personnel for all television adjustments.

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10. Please report any malfunctioning equipment to RCSC personnel on duty.

Cardiovascular & Strength Equipment

1. Please limit your workout to 30 minutes on cardiovascular equipment and 10 minutes on strength equipment.
2. Please use the sign up board when all equipment is in use so you may use the equipment on a first-come first-served basis.
3. After each use, please wipe off the equipment with the paper towels provided. Please do not wipe off the display console on the machine as damage may result.

Free Weights

1. Please limit your workout to 30 minutes on free weights.
2. To avoid risk of injury or dropping weights on the floor, please use a spotter when training with free weights.
3. The use of barbells or dumbbells outside the free weight area is not permitted.
4. Please return all dumbbells and barbells to their appropriate rack when you have finished using them.

Recreation Center Spas

Spa Safety

1. There is no lifeguard on duty. Use of the spas is at the user's own risk.
2. Spa facilities are not equipped to accommodate disabled persons.
3. Extended exposure to hot water and vapors may be detrimental to the health of some persons. Consult your physician prior to using recreation center spas.
4. Spa temperatures are set at a maximum of 104° F.
5. Users should not stay in the spa longer than 15 minutes at a time and should wait 2 hours before using the spa again.
6. Running, horseplay, or diving is not permitted.
7. Please respect all other spa users.
8. Do not sit on the steps leading into the spa.

General Spa

1. All Cardholders and their guests using the spa must sign in with RCSC personnel. RCSC Cardholders must be a Cardholder in good standing and present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.
2. Only persons holding a current and valid RCSC Card or guests with appropriate documents (*BP 9*) may use the facility.
3. Eating or drinking is not permitted in the spa.
4. Glass containers, chewing gum, tobacco products, and alcoholic products are not permitted.

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5. Any person failing to abide by policy or safety rules will be asked to leave the area if they do not comply after being notified by RCSC personnel.
6. The RCSC personnel's judgment with respect to issues involving safety, sanitation, clothing, and rules interpretation will prevail.

Spa Sanitation

1. Showers are required before entering the spa whether or not you have showered at home. Showering after using the spa is highly recommended to remove any residual chemicals and minerals.
2. Appropriate, modest swim attire must be worn. Cut-offs are not permitted. The discretion of what is deemed appropriate, modest swim attire shall be left to the judgment of RCSC personnel monitoring the facilities.
3. No personal grooming is allowed in the spa.
4. Persons with bandages, open sores, infections, or a communicable disease are prohibited from using the spa.
5. Cardholders and their guests must observe posted Maricopa Health Department Rules and Regulations.

Swimming Pools

Children ages 4 to 15 may only use pools during designated children's hours only and must be accompanied by an adult (19 years of age or older). Guests 16 years of age or older may use pools (except Bell and Sundial) during regular hours but must be accompanied by an adult. No one under 18 years of age is permitted in Bell or Sundial pools. Fairway and Sundial pools have special accommodations for handicapped persons.

Swimming Pool Safety

1. There is no lifeguard on duty. Use of the pool is at the user's own risk.
2. Running, horseplay or diving is not permitted.
3. Swim fins, snorkels, masks, pool toys, noodles, inner tubes, air mattresses, or other inflatable devices are not permitted in recreation center pools.
4. For safety reasons, chairs, lounges, tables, and other items that could obstruct or interfere with access to and from the pool area will be restricted to designated areas.
5. Lane ropes, ramps, and stair rails are used to assist and guide pool users. Lane ropes are not designed to support a person's body weight. Please use only for their intended purposes.
6. During rain, thunder, and lightning storms, or other inclement conditions, RCSC personnel may clear and close outdoor pools until such conditions pass. RCSC is not responsible for monitoring weather conditions, and each person should immediately exit the pool area if lightning is observed or thunder is heard.

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7. Please respect the lap swimmers by not sitting, standing, or walking in the lanes designated for lap swimming.

General Swimming Pool

1. All Cardholders and their guests using the swimming pool must sign in with RCSC personnel. RCSC Cardholders must be a Cardholder in good standing and present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.
2. Only persons holding a current and valid RCSC Card or guests with appropriate documents (*BP 9*) may use the facility.
3. Eating is permitted in designated areas only. (No eating in the pools.)
4. Glass containers, chewing gum, and alcoholic products are not permitted.
5. Smoking is permitted in designated areas only. (Cigarette receptacles are provided for everyone's use and convenience.)
6. Any person failing to abide by policy or safety rules will be asked to leave the area if they do not comply after being notified by RCSC personnel.
7. The RCSC personnel's judgment with respect to issues involving safety, sanitation, clothing, and rules interpretation will prevail.

Swimming Pool Sanitation

1. Showers are required before entering the pool whether or not you have showered at home. Showering after using the pool is highly recommended to remove any residual chemicals and minerals.
2. Appropriate, modest swim attire must be worn. Cut-offs are not permitted. The discretion of what is deemed appropriate, modest swim attire shall be left to the judgment of RCSC personnel monitoring the facilities.
3. No personal grooming is allowed in the pool.
4. Persons with bandages, open sores, infections, or a communicable disease are prohibited from using the pool.
5. Only waterproof sunscreen is allowed in pool areas to reduce maintenance costs.
6. Cardholders and their guests must observe Maricopa County Health Department Rules and Regulations.

Tennis & Pickleball

1. All Cardholders and their guests using the tennis or pickleball courts must sign in with RCSC personnel. RCSC Cardholders must be a Cardholder in good standing and present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.

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2. All players must wear appropriate, modest tennis attire and athletic or tennis shoes that fasten with laces or Velcro.
3. Food, tobacco products, alcoholic beverages, and glass containers are not allowed in the court enclosures. Water or other non-alcoholic drinks in an unbreakable (plastic) container with a lid are permitted.
4. Adherence to any and all rules posted at courts is required.

Billiards/Snooker, Bocce, Fishing, Boating, Horseshoes, Miniature Golf, Racquetball/Handball, Shuffleboard, Table Tennis

1. All Cardholders and their guests using billiards/snooker, bocce, fishing, boating, horseshoe, miniature golf, racquetball/handball, shuffleboard, and/or table tennis facilities must sign in with
2. RCSC personnel. RCSC Cardholders must be a Cardholder in good standing and present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.
3. Appropriate, modest attire must be worn. The discretion of what is deemed appropriate, modest attire shall be left to the judgment of RCSC personnel monitoring the facilities.
4. Food, tobacco products, alcoholic beverages, and glass containers are not allowed in the billiards/snooker, bocce, fishing, boating, horseshoe, miniature golf, racquetball/handball, shuffleboard, and/or table tennis facilities. Water or other non-alcoholic drinks in an unbreakable (plastic) container with a lid are permitted.
5. Adherence to any and all rules posted at the billiards/snooker, bocce, fishing, boating, horseshoe, miniature golf, racquetball/handball, shuffleboard, and/or table tennis facilities is required.

Golf Courses

Children under 8 years of age are not permitted to play the courses or use the practice facilities. Children 8 years of age and older are permitted on all driving ranges and practice facilities, and may play the Executive Courses after 1 p.m. seven days a week (if accompanied by an adult 19 years of age or older). Children 12 years of age and older are permitted to use all courses and practice facilities. All guests under 19 years of age must be accompanied by an adult. An RCSC Cardholder is not required to play with an adult guest, but the Cardholder must be a Cardholder in good standing and send his/her valid and current RCSC card with the guest to sign in for play.

General Golf

1. Cardholders in good standing and their authorized guests may use the golf facilities. Property Assessments must be current. RCSC Cardholders must be a Cardholder in good standing and

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present a valid and current RCSC Card in order for themselves or their guests to use RCSC facilities. Failure to provide such will result in denial of use of facilities.

2. All players and their guests must check in with RCSC personnel at the Pro Shop prior to entering the course. After 5 pm when the pro shops are closed, All Course No Fee Golf Permits and After 5 Golf Cards are allowed to play without checking in with RCSC personnel.
3. Non-golfers are not allowed on the course, including cart paths, during golfing hours. Golfing hours are defined as beginning at the first tee time until sunset.
4. Pets are not allowed on the golf course at any time.
5. Practicing is not allowed on the course at any time. Please use practice facilities for this purpose.
6. Range balls and baskets are not permitted outside of practice facilities.

Golf Dress Code

1. Proper golf attire is required at all times in all golf areas, including: the course, the practice facilities, the clubhouse, the patios and the cafes.
2. Shorts are permitted. Shorts must be hemmed. No “short-shorts” or cut-off shorts are allowed. Bathing or swimming attire is not permitted.
3. Men must wear shirts with sleeves. Undershirts are not permissible outer wear.
4. Shirts with offensive language or design are not permitted.
5. Ladies must wear appropriate golf attire. Halters and bra-type halters are not permitted.
6. Shoes must be worn. Tennis shoes and golf sandals are permitted. Spikeless golf shoes are preferred. Turf-type athletic shoes are not permitted.
7. The discretion of what is deemed appropriate attire shall be left to the judgment of RCSC personnel monitoring the facilities.

Golf Etiquette

1. All golfers must register with RCSC Personnel in the Pro Shop at least 15 minutes prior to the scheduled tee time.
2. Rake sand traps to a smooth surface and replace rake in trap in a position that is parallel to the fairway.
3. Fix ball marks on greens and replace divots on tees. Sand is provided to fill fairway divots.
4. Practicing on the golf course is allowed only in designated practice areas. Pitching or chipping is not allowed on any of the practice greens except where specified.
5. If the hole in front of you is open, allow faster players to play through.

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6. To speed up play, groups should hit when ready. Abandon lost balls without undue delay and practice continuous putting.
7. Fivesomes may be allowed on regulation courses at the discretion of RCSC Pro Shop personnel. A single player has no standing on the course and shall give way to all others.
8. The Director of Golf, or his/her designee, shall have the authority to enact and enforce any additional administrative rule or policy which contributes to good golf etiquette; speeds up play; and/or protects the safety of the golfers or spectators. Such rules shall be posted in the Pro Shops and/or on the golf course and/or on the scorecard.

Golf Carts and Pull Carts

1. Handicap golf permits are available at the Golf Administrative Office. Rules may differ to golfers who have a handicap golf permit. Handicap golf rules will be disbursed at the same time the permit is issued.
2. For safety reasons, no more than two people and two bags are permitted on the cart. The driver must have a valid driver's license.
3. There should be no more than three carts for any group and a maximum of five players on regulation courses and four players on executive courses.
4. Motorized carts must be kept at least 30 yards from the greens and on the path at the teeing areas and practice greens.
5. Carts should stay on the paths or in the "rough" as much as possible. Special attention should be given to avoid leaving the path in areas where the grass is wet or worn where many carts have traveled before.
6. When it is necessary to leave the path, the 90-degree rule should be followed. This means staying on the path until opposite your ball, driving straight to it, and straight back after hitting. The 90-degree rule prevents soil compaction and allows water to better penetrate the root system.
7. Please do not use pull carts in the area between traps and greens. All pull carts must remain at least fifteen feet from greens and tee boxes.

Bowling Centers

Children under 6 years of age are not allowed to bowl; nor are they allowed within the bowling game areas. Guests under 19 years of age must be accompanied by an adult at all times.

General Bowling

1. Food and beverages are not permitted in the bowling area.
2. Alcoholic beverages may not be brought into or out of the Bowling Centers.
3. Cardholders must show their valid RCSC card when signing in.
4. No one, excluding RCSC personnel, is allowed past the foul line.

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5. Bowling shoes must be worn at all times while in the approach area.
6. Socks are required for renting RCSC bowling shoes.
7. Powders are not allowed in the bowling area or approaches.
8. Excessive bowling ball lofting is not permitted.
9. RCSC is not responsible for damage to reactive resin or particle-type bowling balls.
10. No tobacco products may be used in the Bowling Centers, including snuff and chewing tobacco.

Bowling Dress Code

1. Shorts are permitted for both men and women.
2. Men are not permitted to wear sleeveless shirts.
3. Swimsuits are not permitted.
4. Tank tops, tube tops, and halter tops are not permitted.
5. Cardholders are responsible for informing their guests of the dress code.

Incident Report Procedures

Anyone can report a person or persons failing to comply with the aforementioned Code of Conduct & RCSC Rules & Regulations by completing an Incident Report, which can be obtained at any facility that is monitored by RCSC personnel. ~~All Incident Reports remain confidential, unless or until a Board hearing is called, at which time the Incident Report is made available to the accused. The maker of the Incident Report may be asked to provide additional information in the Board hearing.~~

~~Initially all Incident Reports are sent to the Director of Human Resources to review cases of RCSC employee injury or incident. They are then distributed to the Corporate Office, where they are reviewed for insurance processing and/or RCSC Cardholder notifications.~~

~~RCSC Cardholders are notified via letter from the Assistant General Manager or Director of Golf regarding their first violation of the Code of Conduct and RCSC Rules & Regulations. RCSC Cardholders are asked to come to the Corporate Office to discuss the violation and complete an Incident Report describing their perception of the incident.~~

~~RCSC Cardholders are notified via letter from the General Manager regarding their second violation and asked to cease and desist immediately. RCSC Cardholders are asked to contact the General Manager directly if they have any questions regarding the violation.~~

~~Upon a third violation, RCSC Cardholders may be offered an opportunity to voluntarily agree to a sixty (60) day suspension of all RCSC Cardholder privileges, which includes denial of all RCSC facilities, or they will be asked to appear at a Board Hearing. If RCSC Cardholder is offered and accepts a voluntary agreement to a sixty (60) day suspension, a Consent Agreement, **Form B:10** must be completed and submitted to the Corporate Office. This form can be obtained at the Corporate Office or Cardholder Services Office.~~

EXHIBIT A

RECREATION CENTERS OF SUN CITY, INC.

10626 West Thunderbird Blvd.
Sun City AZ 85351

CONSENT AGREEMENT

I, _____, (Member/Privilege Card No. _____) agree to cease utilization of all of the Recreation Centers of Sun City, Inc. Facilities for a period of sixty (60) days from _____ to _____. This applies to all RCSC Property and includes but is not limited to all Recreation Centers and Facilities, Golf Courses, Libraries, Bowling Centers, Club Rooms, Restaurants and Cafes.

If I violate this Agreement or any additional violations occur, I understand that further disciplinary action may be taken by the Board of Directors, which may include further temporary or permanent suspension of all my Cardholder privileges, including denial of use of all RCSC facilities.

Signature

Printed Name

Address

City, State, Zip

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 _____

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Craig Brown
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I MOVE THAT Board Resolution No. 14 titled POSTING OF SIGNS & DISTRIBUTION OF LITERATURE as presented is approved in its entirety, **as amended**, and replaces previous Board Policy No. 14 titled Human Resources Policy, which is being eliminated.

Note: Amendments shown as strikethrough with gray highlight for deletions (**example**) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT B

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 May 29, 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 B

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.

EXHIBIT B RECREATION CENTERS OF SUN CITY, INC.

10626 West Thunderbird Blvd.
Sun City AZ 85351
623-876-3000

REQUEST TO POST SIGNS OR DISTRIBUTE LITERATURE

The recreation centers, bowling centers and golf courses in Sun City are privately owned property of the Recreation Centers of Sun City, Inc. (RCSC). 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. To receive that authorization this form must be completed and delivered to the Board Office located in the Lakeview Center at the address above at least 30 days prior to the date requested for posting or distributing literature.

All blanks on the form must be completed and the form dated and signed. Failure to complete the form as directed will result in an automatic rejection of your request.

Name & Purpose of Organization: _____

Contact Person: _____ Title: _____

Address: _____

Business/Home Phone: _____ Cell/Other Phone: _____

Date(s) of Event: _____ Dates Requested for Posting: _____

Location(s) Requested For Posting/Distribution: _____

Description (include statement as to its benefit to RCSC Members): _____

A copy of the sign and/or literature you are requesting approval for posting and/or distributing must be attached to this form. If approval is granted, only the signs and/or literature attached to this form are authorized for posting and/or distribution.

Dated: _____

_____ (Signature & Printed Name)

Board Decision: _____ Approved _____ Denied _____

_____ Date

Applicant Notified: _____ By: _____

FORM BP:14

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Proposed by: Jon Braemer
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I MOVE THAT Board Policy Resolution No. 20 title SUN CITY FOUNDATION, as presented, is approved in its entirety **as amended** and replaces previous Board Policy No. 20 titled Sun City Foundation.

Note: Amendments shown as strikethrough with gray highlight for deletions (~~example~~) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT C

BOARD POLICY RESOLUTION No. 20 (“BP 20”)

SUN CITY FOUNDATION

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 May 29, 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 the Sun City Foundation shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

The Sun City Foundation (“Foundation”) is a tax exempt corporation under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. The Foundation’s Articles of Incorporation and the Bylaws state that the governing body of the Foundation rests with the Board of Directors of the Recreation Centers of Sun City, Inc.

The RCSC Board shall govern the Foundation as follows:

1. At the RCSC January organizational meeting, the RCSC Board shall determine the number of RCSC Directors to be appointed to the Sun City Foundation Board of Directors for the coming year, according to the Sun City Foundation Bylaws Article V, Section 2. A majority of the Foundation Board of Directors must be current or prior RCSC Directors. At this time, the RCSC Board may fill any or all of the remaining Foundation Board vacancies. This can be done by appointing non-RCSC Board members in accordance with the Foundation Bylaws and the following:

Must be a RCSC Member Cardholder in good standing;

- a. Must not be related to any other member of the Foundation Board by marriage or birth; (effective January 1, 2009.)

Must agree to adhere to the Foundation Articles of Incorporation and Bylaws, RCSC Articles of Incorporation, Corporate Bylaws, Board Policies, Cardholders and Guest Code of Conduct and any Rules & Regulations of the Corporation.

EXHIBIT C

Any Foundation Board positions not filled at that time may be allowed to exist for filling at a later date.

2. The Foundation Board has only a minimum amount of resources to carry out exclusively charitable and health educational purposes, therefore the following support services are approved by the RCSC Board of Directors.

- a. Accounting & Other Services:

- 1) All financial record keeping will be performed by the RCSC. All individual contributions will be listed by name, address, and the amount contributed and shall include any restriction or qualification attached to the donation. All Foundation projects will be kept in separate records. Financial reports and accounting will be performed by RCSC personnel. Clerical and other services may be performed by the RCSC personnel at no charge, based on availability of RCSC personnel.
- 2) Disbursements will be made only from Foundation funds upon approved vouchers signed by the Officers of the Foundation, and its Treasurer will report such disbursements to the Foundation Board. ~~for final review.~~

- b. Facilities: Upon approval of the RCSC Board or Management, the use of RCSC facilities is available to the Foundation at no charge.

- c. Legal: All legal matters will be processed through RCSC sources upon approval of the President of the RCSC. Payment will be made from RCSC funds.

- d. General: The Foundation shall be treated the same as a Chartered club in regard to the use of RCSC resources.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Warren Hoffman
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I MOVE THAT Board Policy Resolution No. 23 titled FIREARMS AND DEADLY WEAPONS, as presented, is approved in its entirety and replaces previous Board Policy No. 23 titled Firearms/Deadly Weapons

Approved

Defeated

Tabled

EXHIBIT D

BOARD POLICY RESOLUTION No. 23 (“BP 23”)

FIREARMS & DEADLY WEAPONS

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 May 29, 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 Firearms & Deadly Weapons shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

Firearms or other deadly weapons are not permitted on Recreation Centers of Sun City, Inc. property, except for those persons authorized to carry weapons under Arizona Statutes S13-3102 and S13-3112.

Deadly weapons include, but are not limited to, guns, knives over four (4) inches in length, blackjacks, or any weapons capable of inflicting injury or causing death.

Any RCSC Cardholder who violates this policy shall be subject to immediate suspension.

All RCSC property shall be posted forbidding firearms and/or deadly weapons.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Sue Painter
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I MOVE THAT Board Policy Resolution No. 25 titled FOOD AND BEVERAGE, as presented, is approved in its entirety and replaces previous Board Policy No. 25 titled Food and Beverage.

Approved

Defeated

Tabled

EXHIBIT E

BOARD POLICY RESOLUTION No. 25 (“BP 25”)

FOOD AND BEVERAGE

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 May 29, 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 all Food & Beverage operations shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

All the following rules, regulations and restrictions apply to all food and beverages on or within Recreation Centers of Sun City (RCSC) property and facilities:

Cafes/Restaurants/Grills/Delis (hereinafter referred to as “the food and beverage establishment(s)”) for the purposes of this policy are as follows:

- Bell Café/Restaurant/Bell Lanes, 16820 N 99th Ave, Sun City, Arizona
- Lakeview Café/Restaurant, 10502 W Thunderbird Blvd, Sun City, Arizona
- Riverview Café/Grill/Deli, 16401 N Del Webb Blvd, Sun City, Arizona
- Lakes Café/Grill/Deli, 10433 W Talisman Rd, Sun City, Arizona
- North Café/Grill/Deli, 12650 N 107th Ave, Sun City, Arizona
- South Café/Grill/Deli, 11000 N 103rd Ave, Sun City, Arizona
- Willow Café/Grill/Deli, 10600 N Boswell Blvd, Sun City, Arizona

Outside Food and Beverages:

Outside food and beverages shall not be permitted in the food and beverage establishments or on the contiguous patios or bowling center concourses so long as the food and beverage establishment is open for business. No outside food and beverages will be permitted within the contiguous meeting room at the food and beverage establishment located at Riverview as long as the food and beverage establishment is open for business.

EXHIBIT E

Recreation Center Kitchens:

Each recreation center is equipped with a kitchen. These kitchens are not subject to regulation or inspection by Maricopa County Environmental Health Division. Therefore the Recreation Centers of Sun City, Inc. does not guarantee or represent that food served from them is safe to consume. These kitchens can be used only to warm or cool food. These kitchens may not be used to prepare food for cooking from a raw state. These kitchens are for use by RCSC Cardholders only, and food served from them shall not be available to the public for consumption.

Catering:

Food may be warmed or cooled in a recreation center kitchen just prior to service by a caterer, but shall not be prepared, originally chilled, initially cooked or heated, or stored there. Only caterers with valid permits and certificates of insurance on file in the Clubs & Activities Office may provide service within RCSC facilities or on RCSC property. Catering is, as defined by Maricopa County Environmental Health Code, a food establishment where a pre-arranged number of meals and/or food products are prepared at one permitted premise for immediate service and consumption at another pre-arranged off-site location for a temporary event or other occurrence.

Pot Lucks:

Food prepared in a kitchen of a private home or from another unapproved source may be provided within or on RCSC facilities or property provided that such food and beverage is made available only to the RCSC Cardholders and their guests. Pot lucks shall not be open to the public. If such event is held in a location where a sign is not already visible stating that the food being served is not prepared in a kitchen that is subject to regulation and inspection by the Maricopa County Environmental Health Division, a temporary sign must be prepared and posted.

If the club/organization sponsoring the event wishes to accept donations or charge a fee for a pot luck or meal they have prepared, they may be required to secure a permit from the Maricopa County Environmental Health Division.

Bake Sales:

The Standard Operating Procedures for bake sales from the Maricopa County Environmental Services Department are to be followed.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Jon Braemer
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I MOVE THAT Board Policy Resolution No. 26 titled HOUSEHOLD PETS, as presented, is approved in its entirety **as amended** and replaces previous Board Policy No. 26 titled Household Pets.

Note: Amendments shown as strikethrough with gray highlight for deletions (**example**) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT F

BOARD POLICY RESOLUTION BP No. 26 (“BP 26”)

HOUSEHOLD PETS

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 May 29, 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 Household Pets shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

Pets are not allowed on RCSC property or in RCSC facilities, including but not limited to all recreation centers, golf courses, parking lots, bowling centers, and club rooms, except in the following cases:

1. Best Friends Dog Club
2. Dogs Trained To Assist The Handicapped

Under the above named two exceptions, owners of dogs must follow the Maricopa County Board of Supervisors Animal Control Ordinance. Dogs must be licensed, and must wear dog tags at all time while on RCSC property. Whenever an animal injures any person or causes any damage to any property, the incident shall be reported to the Maricopa County Enforcement Agent immediately by the person(s) having direct knowledge of the incident and said person(s) shall complete an RCSC incident report and submit it to the Corporate Office.

BEST FRIENDS DOG CLUB

The Best Friends Dog Club members may bring their dogs for **obedience** training, classes and events in the fenced area designated for such. Dogs are to remain confined to this area. Dog owners must abide by the following rules.

1. All dogs must be licensed and wear a dog tag at all times.
2. Dogs must be on a leash not to exceed six feet in length and directly under the owner’s control when brought to the RCSC facilities.

EXHIBIT F

3. Dogs actively engaged must be under the control of the owner or trainer. The owner or trainer must have in their possession a dog leash of not more than six feet in length and be of sufficient strength to control said dog.
4. Injury to any person or damage to any property by a dog shall be the full responsibility of the dog owner or person or persons responsible for the dog when the injury or damage occurs.
5. Whenever an animal injures any person or causes any damage to any property, the incident shall be reported to the Maricopa County Enforcement Agent immediately by any person(s) having direct knowledge of the incident and said person(s) shall complete an RCSC incident report and submit it to the Corporate Office.

DOGS TRAINED TO ASSIST THE HANDICAPPED

Dogs trained to assist the handicapped are allowed on RCSC property when they are performing for their owners the services for which they have been trained; seeing-eye, hearing-ear, etc. The dogs also must meet the requirements of the Maricopa County Animal Control Ordinance. The following will be required:

1. Dog must be licensed and wear a dog tag at all times.
2. Dog must be on a leash not to exceed six feet in length and be directly under the owner's control.
3. Injury to any person or damage to any property by a dog shall be the full responsibility of the dog owner or person or persons responsible for the dog when the injury or damage occurs.
4. Whenever an animal injures any person or causes any damage to any property, the incident shall be reported to the Maricopa County Enforcement Agent immediately by any person(s) having direct knowledge of the incident and said person(s) shall complete an RCSC incident report and submit it to the Corporate Office.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Jon Braemer
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I MOVE THAT Board Policy Resolution No. 27 titled STANDING COMMITTEES, as presented, is approved in its entirety **as amended** and replaces previous Board Policy No. 27 titled Definition of Committees.

Note: Amendments shown as strikethrough with gray highlight for deletions (**example**) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT G

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 May 29, 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 G

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;
- e. review and recommend bowling policies and fees to the Board of Directors;
- f. review and recommend capital improvements to the Board and Management;
- g. review and recommend bowling operational changes to Management; and
- h. 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.

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;

EXHIBIT G

- 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: May 29, 2008	Presented by: Warren Hoffmann
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I MOVE THAT Board Policy Resolution No. 2 titled BOARD OF DIRECTORS, MANAGEMENT & COMMITTEES, as presented, is approved in its entirety and replaces previous Board Policy No. 2 titled Duties & Responsibilities of Directors, Management & Committees.

Approved

Defeated

Tabled

EXHIBIT H

BOARD POLICY RESOLUTION No. 3 (“BP 3”)

CORPORATE RECORDS

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 April 24, 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 Corporate Records shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed by the Board.

The Recreation Centers of Sun City, Inc. is a private, non-profit corporation which is regulated by Arizona Revised Statute Title 10. The following guidelines shall be followed with a request for review of the Recreation Centers of Sun City, Inc. corporate records by Members who have a legitimate basis for the examination of such records. The process serves to maintain the integrity of RCSC documents while it provides access to Members who are qualified persons.

1. The Member(s) wishing to examine records must submit a written request on **FORM BP:3** which states the purpose to be served by the review; how the person qualifies as a person entitled to examine records, and an itemized statement of the specific documents to be examined. It shall be at the sole discretion of the Board of Directors as to whether a Member shall be qualified or have a valid purpose for review of any Corporate records, and therefore may be denied any review.
2. The Member(s) must be a recorded property owner(s) in good standing for at least six months preceding the request for records.
3. The request must be made in good faith and for a specific purpose.
4. If the request is approved, a date, time, and place will be set for the review, allowing at least five business days.
5. Review of documents must take place under supervision of a RCSC employee or Director.

EXHIBIT H

6. When information is contained in several documents, only one document at a time will be submitted for review. After completing review of documents, examiners may request to have copies of a particular document, which may or may not be granted by the Board of Directors. There will be a charge for copies at the current rate and such other additional charges as may be permitted by Arizona Statutes.
7. Return of an examined document will authorize release of the next document for inspection.
8. No original records of the Corporation can be removed from the premises by any person or persons. No marks, notations, erasures or other defacements will be made on any original document(s).

EXHIBIT H

RECREATION CENTERS OF SUN CITY, INC.

10626 West Thunderbird Blvd.

Sun City AZ 85351

623-876-3000

REQUEST FOR REVIEW OF CORPORATE RECORDS

I (we) request to review the following documents.

Your request must be made in good faith and for a proper purpose.

Please provide an itemized statement of the specific records requested and the specific purpose of your request. The records must be directly connected with your purpose.

Person requesting to review documents must be a Member in good standing for at least six months before the request to review.

Date

Signature

Membership Number

Address

Telephone number

(Please allow at least five business days for processing of the request.)

DATE OF EXAMINATION: _____

WITNESSED BY: _____
SIGNATURE OF RCSC EMPLOYEE/DIRECTOR

Form BP:3

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Proposed by: Gene Westemeier
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I MOVE THAT Board Policy Resolution No. 20 titled CONFLICT OF INTEREST, as presented, is approved in its entirety **as amended** and replaces previous Board Policy No. 1 titled introduction.

Note: Amendments shown as strikethrough with gray highlight for deletions (~~example~~) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT I

BOARD POLICY RESOLUTION No. 1 (“BP 1”)

CONFLICT OF INTEREST

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 April 24, 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 Conflict of Interest shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed by the Board.

Directors, Management and personnel of the Recreation Centers of Sun City, Inc. shall disclose in writing to the Board of Directors and Management any material interest or relationship on their part which is or may be considered a conflict of interest. A conflict of interest is a situation in which someone in a position of trust, such as a Director, Manager, Supervisor or other Corporate personnel, has competing professional or personal interests. Such competing interests can make it difficult to fulfill his/her duties impartially. A conflict of interest exists even if no unethical or improper act results from it. A conflict of interest can create an appearance of impropriety that can undermine confidence in that person and the organization and must be avoided.

The Board and Management serve RCSC in a fiduciary capacity calling for their undivided loyalty to the Recreation Centers of Sun City, Inc. The Board and all RCSC personnel must, therefore, avoid any direct or indirect participation in activities, which could result in personal or family benefit that could be perceived as a conflict of interest. The Board and all RCSC personnel have to avoid, as must their family members, the acceptance of gifts or favors, which might be inferred as intended to influence the performance of their duties or in any way perceived as a conflict of interest. A conflict of interest also includes any situation in which an individual’s duty to one leads to the disregard of a duty to another.

In the event a Director, Manager, Supervisor or staff member is unsure about whether or not a situation may be a conflict of interest, full disclosure of the situation is required.

EXHIBIT I

All potential, possible or probable conflicts of interest shall be reported in writing to the Board of Directors and Management for their review and resolve; such review shall be recorded along with the recommended compliance regarding such. The best way to handle conflicts of interest is to avoid them entirely.

All prospective Board candidate(s) must sign the Conflict of Interest *FORM BP:1* before being accepted as a candidate for the Board of Directors.

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS

CONFLICT OF INTEREST DECLARATION

1. Do you have any legal, financial, or business relationship, other than ownership of stock, bonds, or participation in the retirement/pension plan of a publicly traded company, with any individual or company or political entity which is doing business with or seeking to do business with Recreation Centers of Sun City, Inc.?

Yes No
 Self Other

If "yes", please explain in detail the nature of the relationships

2. During the past year, have you or any member of your immediate family received any gifts, gratuity, or travel from any person or entity doing business with or seeking to do business with Recreation Centers of Sun City, Inc. or the Sun City Foundation?

Yes No

If "yes", specify what was received, the approximate date, the name of the entity from which received, and why it was accepted.

3. Do you have any relationship with any individual or entity that you believe may pose a potential conflict of interest or create the appearance of a conflict of interest?

Yes No

If you do, do you wish to request a legal opinion as to whether a conflict exists?

Yes No

4. Do you have any relationship with any individual, group or other entity that creates a conflict of interest or creates the appearance of a conflict of interest?

Yes No

If you do, do you wish to request a legal opinion as to whether a conflict exists?

Yes No

Signature: _____

Printed Name: _____

Date: _____

Form BP:1

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Craig Brown
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I MOVE THAT the current Property & Casualty Insurance Policies with Cincinnati Insurance Company, written through Glendale Insurance, be non-renewed effective June 30, 2008.

I FURTHER MOVE that Hays Companies become Broker of Record to replace coverage for the Recreation Centers of Sun City, Inc.

Approved

Defeated

Tabled

RECREATION CENTERS OF SUN CITY, INC.

BOARD OF DIRECTORS MOTION/RESOLUTION

Date of Meeting: May 29, 2008	Presented by: Sue Painter
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I MOVE THAT Board Policy Resolution No. 28 titled ANNUAL PROPERTY ASSESSMENTS, FEES & COLLECTIONS, as presented, is approved in its entirety **as amended** and replaces previous Board Policy No. 28 also titled the same.

Note: Amendments shown as strikethrough with gray highlight for deletions (~~example~~) and yellow highlights inside box for additions (**example**).

Approved

Defeated

Tabled

EXHIBIT K

BOARD POLICY RESOLUTION No. 28 (“BP 28”)

ANNUAL PROPERTY ASSESSMENTS, FEES & COLLECTIONS

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 May 29, 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 Annual Property Assessments, Fees & Collections shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

For purposes of clarification, the following definitions shall be used:

- a. Property: Any land, building or structure or portion of any building or structure which is, has been and/or is intended to be, for use and occupancy as a dwelling unit; real property in Sun City, Arizona as defined by the Corporate Bylaws.
- b. Person: Each individual deeded owner of any land, building or structure or portion of any building and/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 the Corporate Bylaws.
- c. Owner(s): Deeded Real Estate Owners 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 as defined by the Corporate Bylaws.

The Corporation may levy an annual property assessment against each Property and/or Owner. Each Owner of a Property, by accepting a deed or entering into a Facilities Agreement, is deemed to covenant and agree to pay these annual property assessments. All annual property assessments, together with interest due from the due date of such annual property assessment, late charges, costs (including lien fees and administrative costs) and reasonable attorneys’ fees, shall be a charge and continuing lien upon each Property against which the annual property assessment is levied until paid and shall be the obligation of the Owner(s) of such Property at the time the annual property assessment is imposed. Upon a transfer of title to a Property, the grantee(s) shall be jointly and severally liable with the grantor(s) for any assessments and other charges due at the time of conveyance. No first

EXHIBIT K

mortgagee or first deed of trust beneficiary who obtains title to a Property by exercising the remedies provided in its mortgage or deed of trust, as the case may be, shall be liable for unpaid annual property assessments which accrued prior to such acquisition of title. Annual property assessments shall be paid in such manner and on such dates as the Board may establish. No Owner may exempt himself, herself or itself from liability for annual property assessments, by non-use of the Corporation's facilities, abandonment of his, her or its Property, or by any other means. The obligation to pay annual property assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of annual property assessments or setoff shall be claimed or allowed for any alleged failure by the Corporation, Board or RCSC Personnel to take any action or any perform such function required of it.

Annual property assessments are assessed on two different basis methods, as follows:

1. Per Property: The Property is assessed, regardless of the number of Owners, one annual assessment fee Per Property as determined by the Board of Directors annually. Property with any change in ownership of legal or beneficial interest in title after February 1, 2003 will be assessed on a Per Property basis. Up to two (2) Member cards are issued on a Per Property basis as defined in the Corporate Bylaws.
2. Per Person: The Property is assessed for each individual Deeded Owner at the rate of one-half (1/2) of the annual Per Property assessment fee as determined by the Board of Directors annually. Property owned prior to February 1, 2003 will continue being assessed on a Per Person basis as long as they consistently maintain a primary Arizona residence in Sun City and are in compliance with the Restated Articles of Incorporation, Corporate Bylaws, Board Policies and any Rules and Regulations of the Corporation. If any Owner or beneficial interest is added to the Deed after February 1, 2003, the assessment basis shall be changed to a Per Property basis and a new Facilities Agreement shall be executed by all Deeded Owners. A RCSC card is issued for each qualified (per the Corporate Bylaws) Owner on a Per Person basis, however, only up to two Member Cards may be provided for each property.

Every Owner, whether their property is assessed on a Per Property or Per Person basis, is responsible for the total of all assessments and fees. All property assessments are due annually on the date escrow closed on the property and shall be considered in arrears following that date. Special assessments may be assessed from time to time, at the discretion of the Board, and shall be due and payable as outlined in the billing of such and shall be considered in arrears after the due date. Owners are responsible for providing current and accurate billing information to the Corporation at the Cardholder Services Offices located in the Lakeview Recreation Center; failure of an Owner to receive billing does not relieve the Owner of the obligation and liability to pay annual or special assessments or fees, nor does it eliminate the following collection process and fees:

- i. At thirty (30) days in arrears, Owners shall be charged a late fee, as determined by the Board of Directors and shall be sent a reminder notice regarding the unpaid balance on their account.

EXHIBIT K

- ii. At sixty (60) days in arrears, interest will begin to accrue on the unpaid balance on their account and a reminder notice regarding the unpaid balance on their account shall be sent. Interest equal to the interest rate charged by Maricopa County for delinquent taxes as set forth in Arizona Revised Statutes will be charged by the Corporation on any delinquent fees and/or assessments and interest shall accrue on a monthly basis until the account has been paid in full.
- iii. At ninety (90) days in arrears, RCSC shall file a lien upon the property with the office of the Maricopa County Recorder and a lien filing fee, as determined by the Board, shall be charged to the Owners. All accounts ninety (90) days in arrears shall be reported to the Credit Bureau(s) as a delinquent account. If any annual property assessment, special assessment or fee is not paid within ninety (90) days after it becomes due, said lien may be foreclosed as set forth in the Facilities Agreement. Said lien shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed on the Property.
- iv. The Corporation may pursue all available legal processes or actions available to it in order to collect any unpaid assessments or fees owed the Corporation. Owners shall be required to pay for all costs associated with such legal collection actions or processes.
- v. The Corporation may turn any unpaid accounts over to a third party for collections and Owners shall be required to pay for all costs associated with such collection processes.
- vi. At such time that the account is paid in full, RCSC shall file a lien release with the office of the Maricopa County Recorder and a lien release fee, as determined by the Board, shall be charged to the Owners.

RCSC Member Cardholders shall not be considered Members in good standing until such time that their account balance is zero. A Member must pay all late fees, interest and lien fees, as well as their property and special assessments before they will be allowed to use RCSC facilities or vote.

If a property has unpaid assessments or fees relating to such property and the ownership changes, the new Owner(s) will not be allowed to use RCSC facilities, obtain a RCSC Member Card or vote until such time that the unpaid assessments and fees have been paid in full.