

**RECREATION CENTERS OF SUN CITY, INC.**  
**BOARD MEETING AGENDA**  
**Thursday, November 17, 2022**  
**Sundial Auditorium, 9:00 a.m.**

- Call to Order
- Pledge of Allegiance
- Welcome and Introductions
- Introduction of Board Candidates
- Roll Call of Voting Members, Confirmation of Quorum
- Approval of Minutes
- Treasurer's Report
- Management Report
- Committee Reports
- Unfinished Business

1. *Motion to Reconsider – Vice President Ege*

- Motions Second Reading

1. *Second Reading Bylaws Ad Hoc Committee – Secretary Lenefsky* – On behalf of the Bylaws Ad Hoc Committee, I move to reinstate all policies as written and currently located in the Bylaws to Board Policies listed below:

- BP#1 Conflict of Interest
- BP#2 Senior Management
- BP#3 Corporate Records
- BP#6 Corporate Privacy Policy
- BP#8 Privilege Card Holders
- BP#9 Guests & Host Punch Cards
- BP#16 Budget & Financial Reporting
- BP#20 Sun City Foundation
- BP#21 Membership Documentation Requirements
- BP#24 Preservation & Improvement Fee and Fund
- BP#27 Committees
- BP#31 Risk Management
- BP#33 Investments

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2. **Second Reading Bylaws Ad Hoc Committee – Secretary Lenefsky** – I move for the adoption of the proposed Bylaws Revision. (See TAB 5)

- New Business

1. **Director Wilson** – On behalf of the Sun City Foundation, I move to amend Board Policy #1, Item #1a to include the following:

1. TO QUALIFY FOR FOUNDATION ASSISTANCE:

- a) Applicant is at least 67 years of age and a property owner in Sun City for a minimum of five years and resides in the home. The applicant must also be a member in good standing for the three years prior to applying for assistance unless there are exigent circumstances.

2. **Director Wilson** – I move to amend Board Policy #10 as follows:

**Pickleball**

1. Food nor beverages of any kind are not allowed within the court enclosures.
2. Rubber soled shoes with closed heels and toes are required.

**Racquetball/Handball**

1. Food nor beverages of any kind are not allowed within the court enclosures.
2. Rubber soled shoes with closed heels and toes are required.

**Table Tennis**

1. Food nor beverages of any kind are not allowed within the playing areas.
2. Rubber soled shoes with closed heels and toes are required.

**Tennis**

1. Food nor beverages of any kind are not allowed within the court enclosures.
2. Rubber soled shoes with closed heels and toes are required.

3. **Secretary Lenefsky** – I move to approve \$3,000 to be paid to the Sun City Posse for their continued assistance with event parking in 2023.

- Announcements

Next Meeting Date – Member/Board Exchange December 5, 2022, at 9am at Sundial Auditorium. The next meeting of the Board of Directors will be on December 15, 2022, at 9am in the Sundial Auditorium.

- Adjournment

**RECREATION CENTERS OF SUN CITY, INC.  
BOARD MEETING MINUTES**

**October 27, 2022**

At the Board meeting called to order by President Lehrer at 9:00am on October 27, 2022 at Sundial Auditorium the following took place:

**PRESENT:** Dale Lehrer, President; Mike Ege, Vice President; Darla Akins, Treasurer; Allan Lenefsky, Secretary, Directors Karen McAdam, John Nowakowski, Kat Fimmel, Steve Collins; Sue Wilson and Parliamentarian Rae Chornenky

**ALSO PRESENT:** Bill Cook, General Manager; Kevin McCurdy, Director of Finance; Chris Herring, Director of Operations; Brian Duthu, Director of Golf and Grounds; Michael Wiprud, Director of Buildings & Infrastructure; Joelyn Higgins, Communication & RCSC Marketing Coordinator; Polly Corsino, SCVC & Marketing Manager; Marcia Johnson, Corporate Executive Coordinator; Theresa Cirino, Director of Events & Entertainment; Allen Kleinhans & Carla Young Audio/Video Engineers; 58 RCSC Cardholders and 1 member(s) of the press

**Pledge of Allegiance:** Everyone stood for the Pledge of Allegiance.

**President Comments:** President Lehrer explained the process for a Board meeting and how the Board conducts business. she introduced the Board and staff members present.

**Board Quorum:** Secretary Lenefsky verified that a Board quorum was present.

**Motion from Secretary Lenefsky** – I move for adoption of Special Rules of Procedure for discussion and voting on the Bylaws Revision as follows:

**Rule One:** Discussion of the proposed Bylaw Revision will proceed Article by Article ad 'seriatim. Motions to amend may be made, seconded and voted on while we are considering an Article, but no vote will be taken on whether to adopt the Article or the entire Bylaws Revision document until we have gone through the entire document and discussed each Article one at a time.

**Rule Two:** Any motion to amend longer than ten (10) words must be submitted in writing.

**Rule Three:** No voting member shall speak more than once to the same question and shall not speak longer than two (2) minutes.

**Rule Four:** There will be a maximum time of five minutes for each affirmative and negative side for a total of five (5) minutes per issue.

**Rule Five:** The Chair and Co-chair of the Bylaws Committee may address all questions without time requirements.

**Rule Six:** All amendments and discussion shall be germane to the issue at hand and not dilatory.

**Rule Seven:** When discussion is complete of the final Article, the entire Bylaws Revision document will be open for final discussion. A motion to accept/reject will be taken at the end of discussion.

Motion was seconded by Director Fimmel. Secretary Lenefsky explained the process and his reason for the motion. Director Nowakowski asked President Lehrer if the amendments would need a 2/3 majority vote or just a majority and the answer was the amendments would need just a majority but when the vote was for the entire Bylaw document, that would need a 2/3 majority vote.

Director McAdam asked Secretary Lenefsky also Chair of the Ad Hoc Bylaws Committee about suggestions received by the members on changes and if they were responded to, Secretary Lenefsky responded that they were recommendations for the committee and that they were not all responded to. Director McAdam also inquired about the fact that there was no spot for the members to speak on the motion. Director Fimmel replied that there is no room for member comments today because there is nothing for the members to comment on. The committee did their work to create the document and now the Board needs to finalize the document at which time the members will have something to comment on. Further discussion was had on allowing members to comment and when that would be. Secretary Lenefsky explained that this is a motion for Special Rules of Procedure then we the Board address each Article and vote on any amendments. When finished with the Articles the entire Bylaws revision will be voted on the member will have an opportunity to speak at the Member Exchange as well as the November Board meeting where it will be a second reading of the motion.

Director McAdam moved to amend the Special Rules motion #7 by striking the last sentence which states: A motion to accept/reject will be taken at the end of discussion and to replace it with a motion to approve the final form of the draft of the Bylaws revision will be taken at the end of the discussion. Seconded by Director Nowakowski motion to amend failed 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Vote was taken for the original motion to adopt the Special Rules of procedure and the motion passed 7 to 2 with Director Collins and Director Nowakowski opposed.

**Minutes:** With corrections noted, the Minutes of the September 29, 2022 Board Meeting are approved as amended.

**Treasurers Report:** With questions answered on the Treasurers Report, the Treasurers Report is filed for audit.

**Management Report:** General Manager Bill Cook presented the Management Report. The Management Report has been accepted as presented.

## Committee Reports:

1. ***Finance and Budget Committee – Director McAdam*** – On behalf of the Finance and Budget Committee, I move to approve the 2023 Budget except for the recommendation to transfer \$4.5 Million from carry forward to the Capital Reserve. Also, I understand I am able to amend this motion as I make it to add the following; The 2023 budget includes the increase in the annual per property assessment to \$525.00; an increase in the grandfathered per person assessment to \$262.50; an increase in the annual Privilege Card fee to \$262.50, and an increase in the short-term monthly 30, 60, 90-day Privilege Card fee to \$80 per month. All increases would take effect January 1, 2023.

Parliamentarian Rae Chornenky asked Director McAdam if the amendment numbers already appear in the Budget.

Director McAdam responded that the this was not an amendment and that this is the first time the motion has been brought to the floor and there is an opportunity to revise the language in the motion. The information that is in the budget is the annual per property assessment fee for \$525.00 and the rest of the figures there are derived figures based on that being the new assessment fee being proposed by management. These numbers are not in the budget but are there to make it more clear on what we are bringing to the floor.

Parliamentarian Rae Chornenky explained that she was asking about the motion because if the numbers were in the budget you would not have to add this to the motion because you are moving for adoption of that budget with those numbers already included.

Director McAdam replied that this motion was brought forward on her behalf as well as the additional language, so I am reading what was presented to me and bringing it to the floor. President Lehrer explained the change in the motion and felt it wasn't necessary to include all the breakdown just the increase to \$525.00. She told Director McAdam that she had the right to change the motion.

Director McAdam read her proposed motion as follows: On behalf of the Finance and Budget Committee, I move to approve the 2023 Budget except for the recommendation to transfer \$4.5 Million from carry forward to the Capital Reserve. The 2023 Budget includes the increase of the annual per property assessment to \$525.

Director McAdam spoke on the motion as maker, she had two primary items to speak on. First of all, the fact that the posted motion did not include the fact of the increased assessment and many of you would have come to this meeting not realizing that the proposal included the \$29 increase to the annual assessment. I am concerned about that and also about the fact that there is no place for member comments and taking the first reading and taking a vote without allowing our votes to be shaped by member input.

I also want to explain to you that this might be odd that this motion was brought to you under my name. The reason it was is because I am the chair of the Budget and Finance Committee and I at

the same time am going to be voting against this motion and want to explain how that happens. The chair and the co-chair of standing committees don't vote on decisions that are made. This decision was brought before the Budget and Finance Committee, there was discussion and I indicated at that time why I was opposed to that because we currently are in the best cash position RCSC has ever been in its 60-year history. At a time that all of us are dealing with inflation and many seniors are on fixed incomes. We have 8.1 million dollars in the bank. IN addition, we have 11.3 million dollars in carry forward money. I don't feel we need to increase the assessment and I will be voting in opposition of this motion.

Director Akins added additional information supporting the increase.

General Manager Bill Cook explained to the Board and Members why there is an increase. We haven't raised the assessment in 6 years. It is very important, and part of the reason for not raising the assessment is we have the carry forward, and we do budget every year to utilize a portion of that carry forward. Fortunately, we have been very efficient in terms of our expenses and typically we don't eat into the carry forward but instead actually add to it. This year with all our costs going sky high and the fact that we have some added head count in order to make sure we can provide all of the services listed in this budget so we are budgeting to eat into that carry forward by 20%. This is the highest year ever in terms of us doing repair and maintenance, capital and all projects associated with what the club members want. This represents a roughly 35% increase over any other year. To not increase the assessment will affect us for many years to come if we don't raise it now. Some of our sister communities have raised their fees \$12 a month for a total of \$144 a year. My point here is that even during the pandemic, some of our sister communities raised assessments and we did not. If we don't raise it now we will continue to eat into the carry forward and will not have anything left. You pay me to be the person who takes care of us from a fiscal perspective and that is what I am trying to do to not completely eat into that carry forward and to have enough in the event of an emergency. We are under reserved so that's why we did make the recommendation to put 4.5 million into our capital reserve. We need to have the funds to help us in an emergency and I am just trying to protect the organization by doing this.

Prior to vote, Director Collins moved to amend the motion to remove the line on the motion; "to increase the assessment to \$525.00" and replace it with; "No increase to the annual assessment. Second by Director Nowakowski prior to vote discussion ensued and General Manager Cook addressed the Board again informed the Board that if this amendment is passed, the budget will then have to be redone and at this point it would be a reduction in income by about \$750,000 and if I can also address Director McAdam as well, If we look at industry standards and similar communities some of them have a requirement by their bylaws to be at a 40 to 50 percent reserve based on their total amount of assets. I have spoken to some individuals that are in the industry that are consultants, and they actually recommend that as well. I believe we are under reserved and need to increase that from a fiscal perspective.

Vote was taken on Director Collins amendment to remove the line on the motion; “to increase the assessment to \$525.00” and replace it with; “No increase to the annual assessment. Motion to amend fails 4 to 5 with Vice President Ege, Treasurer Akins, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

President Lehrer then asked for a vote on the original motion as follows:

On behalf of the Finance and Budget Committee, I move to approve the 2023 Budget except for the recommendation to transfer \$4.5 Million from carry forward to the Capital Reserve. The 2023 Budget includes the increase of the annual per property assessment to \$525. Motion fails 4 to 5 with Director Collins, Director Fimmel, Director McAdam, Vice President Ege and Director Nowakowski opposed.

2. ***Bylaws Ad Hoc Committee – Secretary Lenefsky*** – On behalf of the Bylaws Ad Hoc Committee, I move to reinstate all policies as written and currently located in the Bylaws to Board Policies listed below - motion passes unanimously.

- BP#1 Conflict of Interest
- BP#2 Senior Management
- BP#3 Corporate Records
- BP#6 Corporate Privacy Policy
- BP#8 Privilege Card Holders
- BP#9 Guests & Host Punch Cards
- BP#16 Budget & Financial Reporting
- BP#20 Sun City Foundation
- BP#21 Membership Documentation Requirements
- BP#24 Preservation & Improvement Fee and Fund
- BP#27 Committees
- BP#31 Risk Management
- BP#33 Investments

President Lehrer: The next item of business is the report of the Bylaws Ad Hoc Committee to be given by Chairman of the Committee and RCSC Board Secretary, Allan Lenefsky. Chairman Lenefsky, thank you very much and we also thank the members of your committee. Each of these members have spent many hours creating and reviewing this proposed RCSC Bylaws Revision. We are very grateful to the members of our Bylaws Committee for undertaking this task.

Secretary Lenefsky thanked the Bylaws Ad Hoc Committee Members and added that the Bylaws Committee has met and worked for over seven (7) months to draft the proposed Bylaws Revision, which was posted for all members on September 23, 2022, along with the notice of the September Board meeting.

The RCSC Bylaws Ad Hoc Committee has approved the proposed Bylaws revision and has directed me to move its adoption.

3. **Secretary Lenefsky** – By the direction of the RCSC Bylaws Ad hoc Committee, I move adoption of the Bylaws Revision.

President Lehrer stated that the motion before you is for the adoption of the proposed Bylaws revision. This will be handled differently than simple amendments to the Bylaws. Because this proposed Bylaws revision was posted for all voting members to review on October 20, 2022, we will not read each proposed Article. The Special Rules of Procedure will be in effect for discussion and amendments of Articles. Each Article will be discussed one at a time and as we discuss each Article, if you wish to make an amendment to that Article, you may “move to amend” and the amendment will be voted on. Again, NO vote will be taken on whether to adopt the Article or this entire Bylaws revision until we have gone through the entire document. When we have discussed the final Article, I will open the entire document for any final discussion or amendments you may wish to make in the entire document. Then we will vote on whether to adopt the entire Bylaws revision document.

Discussion is now open on **Article I titled “The Corporation and Article II titled “Membership, Cardholders and Guests”** – since they are very brief, we will discuss I & II at the same time.

**Director Nowakowski** moved to amend the first paragraph in the Bylaws as follows:

WHEREAS Article VIII, Section 3 of the Restated Articles of Incorporation (“Articles”) provides that the Board of Directors of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) may adopt Corporate Bylaws (“Bylaws”) not in conflict with the Articles; now therefore, be it resolved the Corporation shall adhere to the following Bylaws. The Corporate Bylaws will be reviewed by the RCSC Corporate Attorney ~~on an annual basis~~.

Seconded by Director McAdam, motion to amend passes 5 to 4 with Vice President Ege, Treasurer Akins, Director Fimmel & Secretary Lenefsky opposed.

**Director Nowakowski** moved to amend Article 1, Section 2 titled Object as follows:

**SECTION 2: OBJECT**

~~The object of the RCSC shall be to support RCSC recreational facilities of Sun City.~~

The object of the RCSC shall be to operate recreational facilities for the benefit of homeowners and residents of Sun City, Arizona who qualify to use them under Registered Articles of incorporation, Corporate Bylaws and Board Policies.

Seconded by Director McAdam, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

**Director McAdam** moved to amend Article II, Section 5, letter D titled Board Hearing Appeal as follows:

- D. Board Hearing Appeal: A Cardholder may appeal the action taken by the Board Hearing Commission by submitting a written appeal request with the basis for the appeal to the Corporate Office within ten (10) business days after the date of the Board Hearing



Commission's decision. The Board may deny the appeal request and will notify the Cardholder in writing accordingly. ~~If the appeal request is accepted, the Cardholder may not introduce new witnesses or evidence.~~ The entire Board will review all evidence submitted and watch the recorded hearing conducted by the Board Hearing Commission, if available. The Board of Directors will notify the Cardholder in writing of its final decision.

Seconded by Director Nowakowski, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Discussion is now open on **Article III titled "Assessments, Fees"**

No discussion or amendments were made on this article.

Discussion is now open on **Article IV titled "Membership Meetings."**

**Director Nowakowski** moved to amend Article IV, Section 4, Paragraph 3 as follows:

If the disposition of the proposal(s) is determined by the Board not to be in the best interest of the Corporation, the Board shall announce its decision within 45 days, or it is deemed denied pursuant to the bylaws. However, a petition may be taken out by the Members within 10 days of the Boards denial of the proposed change or from the time the proposal is deemed denied pursuant to the bylaws. The Members have 120 days from the date the petition number is issued by the Corporation to obtain signatures of at least ten percent (10%) of the total Membership in good standing of the Corporation as of the first day of the preceding July. ~~If this occurs, the Members may bring the proposal or matter to a duly called and noticed Annual or Special Membership meeting with a quorum.~~

~~If the proposal passes at this meeting, the action (the passing of the petition) of the members shall prevail when (and if) a majority of the members, at the meeting in person or by proxy, vote "yes" on the petition.~~

**If the petition is successful, the President will announce the date of an election within thirty (30) days. Members may vote in person, online or by absentee ballot.**

Seconded by Director McAdam, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

**Director McAdam** moved to amend Article IV, Section 1, paragraph as follows:

### **SECTION 1: ANNUAL MEMBERSHIP MEETING**

An annual meeting of the Members shall be held the 1<sup>st</sup> Tuesday in March each year except for the - occurrence of a Force Majeure. A Force Majeure is any provision of any present or future law or regulation, or any act of any governmental authority, any act of God or war or terrorism, weather or natural disasters, labor strikes or stoppages, epidemics, pandemics or any similar circumstances beyond the reasonable control of the Corporation.

In case of a Force Majeure or cancellation, the annual membership meeting shall be reconvened at the earliest suitable date.

Seconded by Director Nowakowski, motion to amend passes unanimously.

**Director McAdam** moved to amend Article IV, Section 1, paragraph 2 as follows:

**SECTION 1: ANNUAL MEMBERSHIP MEETING**

An annual meeting of the Members shall be held the 1<sup>st</sup> Tuesday in March each year except for the - occurrence of a Force Majeure. A Force Majeure is any provision of any present or future law or regulation, or any act of any governmental authority, any act of God or war or terrorism, weather or natural disasters, labor strikes or stoppages, epidemics, pandemics or any similar circumstances beyond the reasonable control of the Corporation.

Written notice stating the place, day and hour of the annual meeting of the Members shall be posted in RCSC Facilities and/or published in the RCSC newsletter and/or on the RCSC website ~~not less than ten (10) days, nor more than forty-five (45) before the date of the meeting.~~

Seconded by Director Collins, motion to amend passes 8 to 1 with President Lehrer opposed.

**Director McAdam** moved to amend Article IV, Section 3 as follows:

**SECTION 3: MEMBERSHIP QUORUM**

A quorum for any Membership meeting shall consist of not less than eight hundred (800). Quorum is achieved by in person or by proxy. Members in good standing may carry no more than ~~ten (10)~~ **fifty (50)** proxies per Member. A proxy is only effective for the meeting intended and will expire at the end of such meeting. If, however, such quorum shall not be present or represented at any meeting of the Members, the presiding director at such meeting shall have the power to adjourn the meeting without notice other than announcement at the meeting.

Seconded by Director Nowakowski, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

**Director McAdam** moved to amend Article IV, Section 4 as follows:

**SECTION 4: MEMBERSHIP MEETING RULES**

Robert's Rules of Order shall govern procedure at all meetings of the Corporation subject to the limitations on Parliamentary Authority set forth in Article I, Section 3. A Parliamentary may be present at the discretion of the President. **Document changes to Bylaws or policies voted upon by the membership shall be handled as explicitly stated in the Articles of Incorporation Article 8, Section 4.**

**Other** proposals or matters relating to the conduct of the affairs of the Corporation, if brought before a Membership meeting, and if passed by a majority of the Members in good standing at the Membership meeting with a quorum, shall be referred to the Board for study. Such matters, being solely within the powers delegated to the Board in accordance with the laws of the State of Arizona and Corporate Documents, will be considered only as a recommendation to the Board.

Seconded by Director Nowakowski, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Discussion is now open on **Article V titled “Board of Directors”**

**Director Wilson** moved to amend Article V, Section 2 as follows:

**SECTION 2: CONFLICT OF INTEREST**

**Board Directors cannot serve on any board of a chartered club or greens committee or golf association affiliated with RCSC golf courses.** The Board Members shall disclose in writing to the Corporation’s President or Vice-President any – substantial interest or relationship on their part which is or may be considered a conflict of interest. Violation of this policy could provide grounds for removal as a Board of Director. A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests.

Seconded by Director Akins, motion to amend passes unanimously.

**Director McAdam** moved to amend Article V, Section 2 as follows:

**SECTION 2: CONFLICT OF INTEREST**

Board Directors cannot serve on any board of a chartered club or greens committee or golf association affiliated with RCSC golf courses. The Board Members shall disclose in writing to the Corporation’s President or Vice-President any – substantial interest or relationship on their part which is or may be considered a conflict of interest.

Violation of this policy could provide grounds for removal as a Board of Director. A conflict of interest is a situation in which someone in a position of trust has **material** or competing professional or personal interests.

Seconded by Director Collins, motion to amend passes unanimously.

**Director Nowakowski** moved to amend Article V, Section 5, Item #6 as follows:

6. It is the role of the Board to establish objectives, **review** and approve budgets for the Corporation. The Board can delegate the implementation of Board decisions to the General

Manager. The Board can direct and empower the General Manager to take actions on behalf of the Corporation.

Seconded by Director McAdam, motion to amend passes 5 to 4 with Treasurer Akins, Director Fimmel, Director Wilson and President Lehrer opposed.

**Director Nowakowski moved** to amend Article V, Section 5, Item #9 as follows:

9. The Board shall **review and** adopt an Annual Budget.

Seconded by Director Collins, motion to amend passes 5 to 4 with Treasurer Akins, Director Fimmel, Director Wilson and President Lehrer opposed.

**Director McAdam** moved to amend Article V, Section A, Item # 4 as follows:

4. The Board's fiduciary duty requires Board of Directors to act in the best interests and for the benefit of the Corporation. **The duties of which are clearly spelled out in the Articles of Incorporation, Article 3.** This duty requires Board of Directors to avoid conflicts of interest and acting out of self-interest; and to act as reasonable people in conducting the affairs of the Corporation.

Seconded by Director Collins, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

**Director Nowakowski** moved to amend Article 6, Section 5, Subsection B, #2 as follows:

- B. If the accused is found guilty by two-thirds (2/3) ballot vote of the Board of Directors of any specification or charge, resolutions are moved and seconded naming the discipline to be assigned to each specification and/or charge resulting in a finding of "guilty."
  1. The accused returns to the room and is informed of the findings of guilt and the discipline decisions of the Board of Directors.
  - ~~2. If a member of the Board of Directors is removed for cause from the Board of Directors, in cases of serious circumstances, the Board of Directors, by two-thirds (2/3) ballot vote, may preclude the member from being on the board for a period of up to and including permanent ban.~~

Seconded by Director Collins, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

**Director McAdam** moved to amend Article 6, Section 5, Subsection D as follows:

- D. Removal or discipline for cause includes but is not limited to the following grounds:
  1. Failure to maintain the required resident status which qualifies an individual to hold elected office or to be a member resident.
  - ~~2. Publicly advocating against or taking action against the distributed objectives of the RCSC.~~

3. Violation of, and or actions which , are in conflict with, the bylaw provisions, standing rules or adopted policies of the RCSC.
4. ~~Dilatory actions causing needless expenditure of time or resources or tending to cause delay, to cause confusion, to obstruct, or to enhance the individual or his/her position.~~

Seconded by Director Collins, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Discussion is now open on **Article VII titled “Nomination and Appointment Procedures”**

**Director Nowakowski** moved to amend Article VII, Section 4, Item #G

#### **SECTION 4: CANDIDATE REQUIREMENTS**

An eligible candidate for election to the Board shall satisfy all the following requirements and a candidate for appointment to the Board shall satisfy all except Section G. below:

- A. Shall be at least fifty-five (55) years of age;
- B. Shall be Member in good standing;
- C. Shall not reside with or be related by marriage or birth to any other Board of Director, Board candidate, or Senior Management;
- D. Shall reside in Sun City, Arizona and be available at least ten (10) months of the year;
- A. Shall meet the requirement to hold an Arizona liquor license;
- F. Shall be eligible and available to serve a three (3) year term; and
- G. Shall attend Board Candidate Orientation ~~or under exigent circumstances, view video.~~
- H. Board Directors cannot serve on any board of a Chartered Club or green committee or golf association affiliated with RCSC golf courses;

Seconded by Director Collins, prior to vote Director McAdam asked for clarification on the intention of the motion from Director Nowakowski, after discussion, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed

**Director McAdam** moved to amend Article VII, Section 4, Item# G

#### **SECTION 4: CANDIDATE REQUIREMENTS**

An eligible candidate for election to the Board shall satisfy all the following requirements and a candidate for appointment to the Board shall satisfy all except Section G. below:

- A. Shall be at least fifty-five (55) years of age;
- B. Shall be Member in good standing;
- C. Shall not reside with or be related by marriage or birth to any other Board of Director, Board candidate, or Senior Management;

- D. Shall reside in Sun City, Arizona and be available at least ten (10) months of the year;
- E. Shall meet the requirement to hold an Arizona liquor license;
- F. Shall be eligible and available to serve a three (3) year term; and
- G. Shall attend Board Candidate Orientation ~~or under exigent circumstances~~, view video.
- H. Board Directors cannot serve on any board of a Chartered Club or green committee or golf association affiliated with RCSC golf courses;

Seconded by Director Nowakowski, motion to amend fails 4 to 5 with Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Discussion is now open on **Article VIII titled "Election of Board of Directors"**  
No discussion or amendments were made on this article.

Discussion is now open on **Article IX titled "RCSC Initiative, Referendum and Recall Petitions"**

Vice President Ege moved to amend Article IX, Section 3, Subsection B, Item #1 as follows:

~~B. Petitions may be:~~

- ~~1. Circulated within or at all RCSC Facilities while not disrupting or interfering with RCSC Member activities or blocking ingress or egress at any facility.~~

Seconded by Director Wilson, motion to amend passes 5 to 4 with Director Collins, Director Fimmel, Director McAdam, Director Nowakowski opposed.

**Director McAdam** moved to amend Article IX, Section 3 Subsection C, Item # 4 as follows:

C. Signers of the petition, in addition to being current Members, must:

1. Be the actual person, a wife/partner may not sign for husband/partner or vice versa.
2. Legibly sign in ink. A printed "signature" is not acceptable, unless that is the usual way the person signs.
3. Indicate date on which they signed; otherwise, signature is voided.
4. Write legibly their Property address, Member Card number ~~and expiration date thereof.~~
5. Legibly print their name below their signature.

Seconded by Director Collins, motion to amend passes unanimously.

**Director McAdam** moved to amend Article IX, Section 1, Subsection D as follows:

**SECTION 1: APPLICATION FOR RCSC PETITION FORM**

- A. Check box for the petition you are seeking, Initiative, Referendum or Recall, state reason and signature of Petitioner. (Need to have exact language on petition.)
- B. The completed application for petition will be filed with the Secretary of the Corporation.
- C. Control number is given (pro forma) by RCSC Corporate office along with the petition start and end date (120 days).
- D. A referendum ~~or recall petition~~ must set forth the existing policy, rule or bylaw that is being challenged in clear language that will allow the challenge to be determined by a “YES” OR “NO” vote. **A recall petition must include the rationale for the recall.** Any proposition will be subject to the requirements and limitations of the Corporate Documents.

Seconded by Director Collins, motion to amend fails 3 to 6 with Vice President Ege, Treasurer Akins, Director Fimmel, Director Wilson, Secretary Lenefsky and President Lehrer opposed.

Discussion is now open on **Article X titled “Committees”**

**Director McAdam** moved to amend Article X, Section 1, Subsection B as follows:

**SECTION 1: COMMITTEES**

- A. The Board shall be empowered to create or eliminate committees as they may deem necessary to properly and effectively carry on the affairs of the Corporation.
- B. Non committee members may attend committee meetings but not participate ~~except where the Chairman or the committee has closed the meeting.~~ **At the invitation of the Chair.**

Seconded by Director Collins, prior to vote Director McAdam explained why she wanted the change and Parliamentarian Rae Chornenky explained Roberts Rules in relation to this motion to amend. President Lehrer, based on advice from the Parliamentarian, stated that this motion is dilatory it is already stated as such in Roberts Rules of Order, so we are going to strike this motion to amend.

Discussion is now open on **Article XI titled “Indemnification and Risk Management”**  
No discussion or amendments were made on this article.

Discussion is now open on **Article XII titled “Financial Management”**  
No discussion or amendments were made on this article.

Discussion is now open on **Article XIII titled “Investments”**  
No discussion or amendments were made on this article.

President Lehrer stated, now that we have discussed all Articles, I will open the entire document for any final discussion or amendments you may wish to make.

Director Nowakowski wanted discussion on Article 4, Section 4, paragraph 3 states that the process is that members come up with items at the annual membership meeting with a quorum, and they bring it forth to the board. The board has a specific time frame to review and respond yes or no. Once that occurs the members are given another time to start the process for a petition to call another meeting to review what was asked for before. If I am not sure how that needs to be reviewed. I think it is duplication of effort and making it difficult for the members. Time ran out for the discussion.

Director Collins stated I can't vote for this if you are not going to allow signatures to be gotten on RCSC property. I will not be able to vote for this.

Secretary Lenefsky the bottom line is if we pass this a lot of progress is made. Next year I am pledging to try to bring this in. So, the question is do you want to go back to square one and have none of this done, use the current Bylaws because these other changes are done, or do you want to pass it with that amendment that was done which I personally disagree with but voted for in order to get this to a vote that has a chance of success. So, Director Collins and everyone else has to decide if you don't get this that we are sinking everything. I made the decision that it is not worth sinking everything but each of you have to make your own decision.

Director McAdam stated that she would just like to go on record as unfortunately disagreeing with Mr. Lenefsky about this and who believes that the bylaws in the current amended bylaw proposal is actually an improvement for this community. Even though I disagree, at the same time recognizing and applauding all the effort that went into it. I am not being critical about that at all, but I am looking and asking myself if this is the response to what was brought up at the December 13<sup>th</sup> membership meeting, it does not put the membership in a better position than they would be in, in the absence of this bylaws revision. I am still a little bit appalled that we are asking the board to take a vote on this with the amendments in place without having allowed our first vote to be shaped by member comments. I think both the process and the product is wrong and will therefore be voting against it.

Director Fimmel replied that regrettably Director McAdam is wrong, all five issues raised by the members at the annual meeting were addressed in they bylaws revision and only one of them failed. So substantially what the membership asked for at the annual meeting have been addressed by these bylaws. I have to suggest that passing these bylaws gets the members what they asked for in a substantial way. Mr. Lenefsky has been very clear that he will attempt in the near future to obtain that fifth recommendation.

President Lehrer stated that with no more discussion we will now vote on whether to adopt the entire bylaws revision as amended. Vote was taken and the motion to accept the amended bylaws passes 6 to 3 with Director Collins, Director McAdam and Director Nowakowski opposed.



## **Consent Calendar:**

Director Wilson moved to approve the request for a name change of the Friday Night Ballroom Dance Club to the Friday Night Social Dance Club. Seconded by Treasurer Akins, motion passes unanimously.

## **New Business:**

- 1. Director Wilson* – I move to use \$60,000 in Preservation and Improvement Fund (PIF) monies from the Lakes Maintenance and Grounds PIF project for the completion of the Grand II building space which will be used for the Quilters Club. This \$60,000 represents underbudgeted spending on the Lakes Maintenance and Grounds PIF project to be used for an overbudgeted spend on the Grand II PIF project. Seconded by Vice President Ege, motion passes 8 to 1 with Director McAdam opposed.

Secretary Lenefsky moved to waive the second reading on this motion. Seconded by Director Fimmel, motion to waive passes 7 to 2 with Director Collins and Director McAdam opposed.

General Manager Cook addressed the board one more time to clarify that this board has decided not to pass the 2023 budget that has been submitted and recommended by the Finance and Budget Committee unanimously. Please understand, as management, our next steps in terms of that budget is to get clarification. Is the 2023 budget approved if we remove the assessment increase or do we not have a budget?

President Lehrer responded yes, currently we have no budget, and I would strongly suggest that the members who voted against approving the budget put something in writing and get it to you General Manager Cook and the chair of the budget and finance committee they will need to come up with some resolution.

General Manager Cook responded that to clarify, once it is not approved I am wondering what are Roberts Rules with respect to bringing it back for vote? General Manager Cook asked if he could ask the Board for a revote?

President Lehrer responded that you can't but a Board member can. After further discussion it was decided that if a director voted against this motion in error they obviously can make a motion to reconsider.

**Announcements:** None

**Next Meeting:** President Lehrer reported that the next meeting will be our Member Exchange on Monday, November 7, 2022 at 9:00am in the Sundial Auditorium. She also noted that the next Regular Board Meeting is Thursday November 17, 2022 at 9:00am in the Sundial Auditorium.

**Adjournment:** President Lehrer stated that with no further business the meeting will be adjourned. The meeting was adjourned at 12:30pm..

Respectfully submitted,

Allan Lenefsky, Secretary

**Recreation Centers of Sun City, Inc.**

Treasurer's Report  
November 17, 2022

The balance of unrestricted funds as of October 31, 2022, was \$18,865,303 which includes a \$2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund ("PIF") and the Capital Reserve Fund. As of October 31, 2022, PIF had a balance of \$32,107,912 plus \$542,633 collected in October that was transferred into the PIF account in early November 2022. The Capital Reserve Fund had a balance of \$5,603,514 at month end. The Carryforward balance as of October 31 was \$10.8 million.

The corporation operated within its budget year to date in 2022.

Respectively submitted by

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Darla Akins, Treasurer

**Recreation Centers of Sun City, Inc**  
**Balance Sheet**  
**Monday, October 31, 2022**

	Current Year	Prior Year
<b>ASSETS</b>		
Cash and Investments		
Petty Cash	\$12,287	\$12,287
Cash in Bank	13,482,212	11,576,488
Cash - Money Market	2,870,804	2,820,418
Operating Reserve	2,500,000	2,500,000
Subtotal Cash and Investments	18,865,303	16,909,193
Preservation/Improvement Fund	32,107,912	25,901,843
Capital Reserve	5,603,514	5,520,116
PIF Pending	542,633	787,304
Accounts Receivable	93,028	132,505
Accounts Receivable - Assessments	2,204,828	2,186,947
Deposits & Prepaids	264,636	76,529
Inventory	132,516	150,472
Assets	59,814,370	51,664,909
Fixed Assets		
Land	4,397,807	4,397,807
Land Improvements	40,872,170	40,680,755
Buildings & Structures	90,958,746	89,586,275
Furniture, Fixtures & Equipment	32,871,042	32,219,915
Vehicles	1,882,190	1,868,460
Less: Accumulated Depreciation	(94,320,621)	(88,472,193)
Net Fixed Assets	76,661,334	80,281,019
Work in Progress	7,041,642	3,513,693
Other Assets		
Total Assets	143,517,346	135,459,621
<b>LIABILITIES &amp; NET WORTH</b>		
Current Liabilities		
Accounts Payable	1,250,282	1,280,346
Other Current Liabilities	352,430	338,584
Deferred Income	7,872,665	7,154,527
Pre Billed Assessments	2,055,310	2,007,502
Total Current Liabilities	11,530,687	10,780,959
Other Liabilities		
Net Worth		
Net Worth	125,879,757	118,501,321
Excess/Deficit Year to Date	6,106,902	6,177,341
Total Net worth	131,986,659	124,678,662
Total Liabilities and Net Worth	143,517,346	135,459,621

**Recreation Centers of Sun City, Inc**  
**STATEMENT OF INCOME AND EXPENSES**  
**For the Ten Months Ending Monday, October 31, 2022**

	<b>October Actual</b>	<b>October Budget</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>YTD Variance</b>	<b>Prior YTD</b>
<b>Operating Income:</b>						
Property Assessments	\$1,076,669	\$1,056,533	\$10,789,654	\$10,625,155	164,499	\$10,685,379
Transfer & Access Fees	43,800	50,000	644,430	606,500	37,930	752,883
Privilege & Guest Cards	59,533	61,840	684,088	730,859	(46,771)	477,787
Food/Liquor Sales	60,710	49,730	674,378	574,162	100,216	479,576
Bowling Fees	83,571	72,344	637,347	565,153	72,194	339,823
Prepaid Green Fees	175,908	150,440	1,725,951	1,516,855	209,096	1,582,461
Prepaid Green Fees - Non Resident	30,272	10,525	259,180	109,115	150,065	184,874
Daily Green Fees & Surcharge	209,648	176,056	3,631,927	3,064,771	567,156	3,296,791
Range Fees	17,901	19,363	268,367	205,282	63,085	238,403
Cart Rental	22,937	13,315	360,651	189,520	171,131	378,293
Merchandise Sales	11,789	10,310	136,843	136,431	412	130,985
Cardholder Events & Club Fees	0	550	268,214	265,930	2,284	27,861
Rental Income	27,753	16,138	236,523	248,849	(12,326)	179,949
Contributions	1,200	3,000	18,866	16,500	2,366	8,782
Miscellaneous Income	4,887	1,273	30,457	8,738	21,719	27,361
<b>Total Operating Income</b>	<b>1,826,578</b>	<b>1,691,417</b>	<b>20,366,876</b>	<b>18,863,820</b>	<b>1,503,056</b>	<b>18,791,208</b>
<b>Operating Expenses:</b>						
Salaries and Wages	737,678	746,141	7,653,683	7,742,303	88,620	7,649,689
Payroll Taxes & Benefits	148,936	181,058	1,656,887	1,979,962	323,075	1,591,460
Repairs and Maintenance	362,338	174,702	2,426,024	2,030,154	(395,870)	1,817,457
Utilities Expense	189,262	187,555	2,108,836	2,013,493	(95,343)	1,841,718
General Operating Expense	219,196	263,608	2,306,380	2,512,963	206,583	2,036,635
Cost of Goods Sold -Food & Liquor	23,438	16,177	231,900	186,912	(44,988)	155,889
Cost of Goods Sold - Merchandise	11,730	11,752	178,945	157,933	(21,012)	177,735
Cost of Goods Sold - Events	614	1,000	90,275	85,190	(5,085)	10,460
<b>Total Operating Expenses</b>	<b>1,693,192</b>	<b>1,581,993</b>	<b>16,652,930</b>	<b>16,708,910</b>	<b>55,980</b>	<b>15,281,043</b>
<b>Net Operating Excess/(Deficit)</b>	<b>133,386</b>	<b>109,424</b>	<b>3,713,946</b>	<b>2,154,910</b>	<b>1,559,036</b>	<b>3,510,165</b>
<b>Other Income:</b>						
Interest Income	29,524	7,500	87,449	30,000	57,449	52,896
Proceeds - Sale of Assets	0	0	100	0	100	0
Investment Income (Unrestricted)	1,711	15,000	46,009	60,000	(13,991)	80,726
<b>Total Other Income</b>	<b>31,235</b>	<b>22,500</b>	<b>133,558</b>	<b>90,000</b>	<b>43,558</b>	<b>133,622</b>
<b>Other Expense:</b>						
Property Tax	12,232	12,289	119,848	122,890	3,042	116,426
Insurance	64,046	67,248	640,460	653,268	12,808	638,998
Investment Fees (Unrestricted)	2,453	2,500	8,436	10,000	1,564	7,461
<b>Total Other Expense</b>	<b>78,731</b>	<b>82,037</b>	<b>768,744</b>	<b>786,158</b>	<b>17,414</b>	<b>762,885</b>
<b>Net Excess/(Deficit) Before Depreciation</b>	<b>85,890</b>	<b>49,887</b>	<b>3,078,760</b>	<b>1,458,752</b>	<b>1,620,008</b>	<b>2,880,902</b>

# RCSC Management Report – November 17, 2022

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## **Finance:**

### **Financial Report**

The Recreation Centers of Sun City, Inc. (RCSC) ended October 2022 within its operating and capital budget year to date. All Divisions except Food & Beverage and General & Administrative have met or exceeded their net operating budget projections year to date. Food & Beverage is (\$36k) unfavorable year to date due primarily to building and equipment repairs at the cafes over budget by (\$26.6k). General & Administrative is (\$116.1k) unfavorable to budget due to spending on the unbudgeted IT Upgrade project. Operating Income for October totaled \$1,790k and was \$128.3k (7%) favorable to budget due primarily to Prepaid and Public Greens Fees being \$25.4k and \$36.7k favorable, respectively. Operating expenses for the month were \$1,657.4k and (\$104.3k) unfavorable to budget due primarily to price increases for Seed purchased for overseeding, and spending on the unbudgeted IT Upgrade project. Year to date Net Operating Excess excluding projects is \$1,353k (32.3%) favorable to budget.

### **Cardholder Services Report**

Payments on past due assessments in October were 11.1% of past due balances. Overall accounts receivable decreased in October by 4.3% and is up 9.0% from the beginning of the year. Overall accounts receivable past due balances have increased in October by 1.6%. September assessments went 30 days past due at a rate of 5.7% and August assessments went 60 days past due at a rate of 2.2%.

Payments from our third-party collections firm totaled \$7,143 in October. Year to date payments through our third-party collections firm total \$328,117. Payments made in October through the online RCSC Web Portal totaled \$163,085 from 351 property owners. Year to date web portal payments total \$1,717,998 from 3,700 property owners.

In October, property transfer balances decreased by 1.1%. Outstanding balances related to property transfers represent 60% of all receivables and 60% of past due balances. October trustee sale notices on Sun City AZ properties remained at 32, and properties owned by lending institutions remained at 1.

### **Information Technology Report**

In October, the Information Technology team received 112 new service requests, and closed 104 requests by month end. Year to date, IT has received 1,247 service requests, of which 53 remain open. On average, IT is continuing to close service requests in less than one day in 2022.

As noted in last month's report, IT and Buildings & Infrastructure have begun building out a new server room in the Lakeview facility due to a lack of sufficient power and a damaged fiber connection in the current server room. IT has contracted with Cox to deliver the intranet services directly to the Lakeview building, and with DataLink to install conduit within Lakeview to connect the various departments within Lakeview to the new servers. The space where the server room will be located has been cleared out, and work will begin shortly on electrical and fire suppression upgrades. The server room buildout will delay the IT upgrade project by several months but will provide RCSC with a more dependable server room with space for future expansion.

# RCSC Management Report – November 17, 2022

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## Human Resources Report

Human Resources began the month of October with 10 open requisitions and added 27 new requisitions during the month. Human Resources filled 27 requisitions and ended October with 10 open positions. Year to date, HR has opened 244 positions and filled 239 openings. The time-to fill requisition KPI in October was 11.7 days due to filling a position that was open for 133 days. HR continued to prepare for the Open Enrollment meetings scheduled for early November, during which employees will be given the opportunity to make changes to their benefits elections including medical, dental, and life insurance elections.

## **Building & Infrastructure:**

### **Projects:**

#### **In Work**

##### **Lakes East/West Maintenance Yard (PIF)**

- Budget: \$4.0M Total Cost to date: \$3.0M (thru September 2022)
- Certificate of Occupancy issued by Maricopa County on 10/25/22
- Move in activities are underway
- Grand Opening scheduled for 12/12/22 at 12:30 pm

• **Status: Green**

##### **Mountain View Rec Center Phases 1 and 2 (PIF)**

- Budget: \$27.3M Total Cost to date: \$81K (thru September 2022)
- Schematic design is in-progress.
- RCSC/Sun City Players /Architect design meeting with Schuler Shook, theater design specialists held on 10/19/22
- Contractor interviews held 10/24/22
- Contractor award 11/04/22

• **Status: Green**

##### **Sun Bowl Softball Field Improvements (PIF)**

- Budget: \$1.0M Total Cost to date: \$11K (thru September 2022)
- Revised drawing set for the clubhouse rebuild under review with Operations and Softball club pending release of civil preliminary set.
- Proposals being sought from Multicard and Fire Security Electronics & Communications for door security and video surveillance elements

• **Status: Green.**

##### **Sundial Rec Center Dehumidifier (Capital)**

- Budget: \$500k Total Cost to date: \$127K (thru October 2022)
- Contract signed 06/07/22. Production delay at the manufacturer moves the Installation/Completion forecast from January 2023 to February 2023. Contractor: W.D. Manor Mechanical Contractors.

• **Status: Green.**

##### **Viewpoint Lake Repair (PIF)**

- Budget: \$8.0M Total Cost to date: \$626K (thru September 2022)
- Lake Draining process began 07/05/22, water level down 7.05 feet (as of 11/01/22)
- Drainage progression slowed due to excessive rain potentially delaying excavation
- Building Permit issued by Maricopa County Planning and Development Department on 08/31/22
- Construction to commence in November

# RCSC Management Report – November 17, 2022

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- Homeowner Information Session #5 was held 10/27/22.
- **Status: Yellow.**

## **Recently Completed**

### **Quail Run Golf Course**

- Repaired asphalt cracks; applied new sealer and re-striped the parking lot. Project completed 10/14/22 at a cost of \$7,523. Vendor: Sunland Asphalt

### **Sundial Rec Center**

- Resurfaced (20) Spas with Coartz Plaster; tiled and waterproofed nearby columns. Project was completed 10/25/22 at a cost of \$28,887. Vendor: Commercial Pool Repair
- Replaced (2) Spa pumps. Project was completed 10/03/22 at a cost of \$6,253. Vendor: Leslie's Pool & Spa
- Updated lighting, sink and counter, added entry desk for the Handweaver's Club. Project was completed 10/18/22 at a cost of \$11,996. Vendors: Accel Electric & B&I Trades

### **Skilled Trades (Repair and Maintenance)**

- Completed 383 work orders in October 2022

## **Solar:**

### **New Issues: None**

### **Issues Resolved:**

#### **WB/WC Maintenance – Data Loggers not communicating.**

- Kortman has fixed this issue with Also Energy.

### **Open Issues:**

#### **Oakmont inverter Structure Number 1.**

- Estimates for repair are being sought

#### **WB/WC Maintenance Structure number 8.**

- Estimates for repair are being sought.

#### **WB/WC Maintenance inverter number 3 and 9**

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.

#### **Lakeview Rec Center inverter number 9**

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.

### **LV Lanes – SMA Inverters**

- SMA. Kortman is working with Also Energy and AMA to get the inverters talking.

### **Bell Lanes Café – Inverter #05**

- Power One is awaiting parts to repair inverters. They do not have an expected delivery date for the parts to come in from Italy, they have been awaiting parts for most of the year.



# RCSC Management Report – November 17, 2022

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## **Production Data:**

After including August's production data, the lifetime to date production versus expected went up slightly to 3.19%. The percentage of inverters producing above expected stayed the same at 73%.

## **Preventive Maintenance:**

Kortman is working on repairing the issues they found when doing the annual maintenance.

## **Golf & Grounds:**

### **Pro Shops**

Total rounds for October were 23,473. The total was 1,905 fewer than prior year but still represents the fourth highest recorded total for October since 2006. For the year we have played 291,469 rounds, which represents our highest 7-month total in 16 years. Among the regulation courses Riverview has played the most rounds (46,301), Lakes West has the second highest total (45,933), followed by Willowcreek, North and South. For the executive courses, Lakes East has played the most rounds (28,157), followed by Willowbrook and Quail Run.

Of the 291,469 rounds played this year, 154,186 have been played by Annual No Fee (Resident) and Annual Surcharge passholders. Remaining rounds have been played by Cardholder Daily (50,447), Cardholder Guest (30,159), RCSC Staff (8,003), Non-Resident passholder (11,838) and Public (36,836).

On December 2nd we will be hosting a fundraising tournament to raise money for the Sun City Foundation. The format will be Beat the Pro(s), which will be Brian Duthu (PGA) and Chris Linam (Pro Shop Manager) and will be made up of two person teams. Teams that beat the Scramble score of the Pros will equally share the prize pool. The entry fee will be \$40, and the event will be held at the South Golf Course. In addition to bragging rights for beating the pro, there will also be a chance at a Pebble Beach Vacation.

In addition to our charity event, RCSC Pro Shops are also selling Duck Bucks to raise funds for the Sun City Foundation. The purchase of a Duck Buck enters you in the Duck Race held on December 9 as part of the Holiday Celebration event held at the Sundial Center. This year the duck race will take place at Riverview Golf Course and will be broadcast at the Sundial center.

### **Snack Shops**

Snack shops are now closing at 5:00 p.m. on a consistent basis and will continue to do so until business begins slowing in April. On November 1 we increased snack shop pricing across the menu. This decision was made due to the rising costs of the products we sell.

### **Golf Courses**

Riverview, South, Willowcreek had cart path restrictions removed on November 4. Lakes West was scheduled to reopen November 4, however the closure was lengthened to provide more time to withdraw water from Viewpoint Lake. We respectfully remind golfers to please observe the 90 degree rule when traveling from the cart path to your ball. As we continue with the 5 cart policy the 90 degree rule will be key to minimizing potential damage, especially for the non-overseeded courses (Willowbrook and Lakes West).

As a reminder, we respectfully ask that golfers refrain from entering private property to retrieve errant golf balls. While there are some homeowners that are not bothered by golfers retrieving errant shots, there are many that feel violated when someone enters their property to retrieve a

# RCSC Management Report – November 17, 2022

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ball. Please remember that when retrieving an errant shot on a homeowners property, you are trespassing, unless you have been given permission to do so. We ask for your cooperation in respecting the property of others.

As play increases, so does the stress on our courses. We remind all golfers that we all have a responsibility to keep our courses in good condition. Golfers can assist by filling their divots, raking sand traps, replacing rakes in bunkers parallel to play and repairing ball marks. During times of cart path restrictions, please remember to take your sand bottle to the fairway. We do ask that you continue to fill divots at Willowbrook and Lakes West, even if your divot bottle contains seed. The seed is unlikely to germinate as the fairways will not be receiving the adequate amount of water.

During driving range practice, we ask that you be mindful of your divot pattern. Please do not scatter your divots, this manner of practice disturbs a large area of practice turf with relatively few shots. The preferred method of taking divots is to create lines. This is accomplished by placing your ball at the starting point of your previous divot. This method utilizes far less turf than other options, is easier for staff to maintain and provides less disturbed area for golfers that practice after you.

## **Lawn Bowl and Grounds**

Lawn Bowl green speeds range from 13.0 seconds on Lakeview West to 15.0 seconds on Bell South. Moisture readings range from 9.5 at Mountain View to 11.2 at Oakmont. The National Championships for lawn bowling were held at the Bell Lawn Bowls Club November 2 to November 5. The best bowlers in the USA put on a display of shot making on the finest greens in North America. The winners were **Women's Pairs** (Sandy Wall and Martha Nilson, from Florida), **Women's Singles** (Ann Nunes from California), **Men's Pairs** (Ian Ho & David Shaw from the Southwest) and **Men's Singles** (Charlie Herbert from California).

The grounds team is busy completing its move into the new building at Lakes West Golf Course. During the move the team preparing for the "falling of the leaves" and the cleanup that comes after.

## **Bowling:**

Bowling is as popular as ever at Lakeview and Bell Lanes. In October, there were 30,995 games bowled at both bowling centers. Open Bowling continues to be as strong as ever. There were 7,813 open bowling games bowled which is the most ever in the month of October since we began keeping track in 2001.

Bowl with the Director continued in November and will continue the first Thursday of every month from 10:30 am until 12:00 pm at Lakeview Lanes. The November event had 20 people that attended. This event is free to all RCSC Member/Cardholders and Sun City Bowling League Participants. The purpose of this event is for anyone who may be interested in getting back in to bowling, for current league bowlers to come by and get some extra practice and coaching, and for an opportunity to chat with Mike Dirmyer about any bowling related topic. The events have been well received and the feedback has been tremendously positive. The next event is December 1, 2022.

Angry Birds Bowling has continued with great success. Since its introduction, the event has averaged 30-50 participants every Saturday night. Angry Birds Bowling is a bowling game that

# RCSC Management Report – November 17, 2022

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aligns with the popular app game and is a fast paced, 5-frame bowling game filled with excitement.

The Bowling team is putting together a winter tournament bowling schedule beginning in January. Once per month, a tournament will be hosted at each bowling center. Saturday afternoon will have an event at Lakeview and Sunday afternoon an event at Bell. Look for details coming in December.

There have been twelve 300 games and six 800 series bowled this league bowling season.

## **Operations:**

### **Grand Center**

- Implemented weekend safety measures requiring access tokens to enter Building 1 with issuance of access tokens to club members.

### **Safety and Corporate Policy Compliance Training**

- To date completed training with all Facility Attendants and Golf Operations.

### **Lakeview Fitness Equipment Replacement**

- Design and layout of replacement to strength equipment at Lakeview Center completed with equipment to be ordered in November. Delivery would be estimated in the first quarter of 2023.

## **Events and Entertainment:**

Season tickets went on sale Monday, October 17, at 8:00am. Tickets were sold through our new ticketing system Sellout. I am very happy to announce that 346 Season Ticket Packets were sold on the first day. As of Monday, November 6 there are 393 Season Ticket packets sold and we will continue to sell Season Packets through Sunday, November 13. On Monday, November 14, at 8:00am Individual Show tickets will be available for purchase up to the day of the performance(s). Individual show tickets will be available on the Sun City website [www.suncityaz.org](http://www.suncityaz.org), in-person at the Events and Entertainment Office at Sundial, or by phone by calling 623-561-4680.

Tickets already purchased will be available for pick up in the Events and Entertainment office at Sundial beginning Wednesday, November 30, at 8:00am.

Due to the draining of Lakeview Lake for repairs and maintenance please mark your calendars that this year the Holiday Celebration/Duck Race, which will be held at Sundial Recreation Center beginning at 3:00pm on Friday December 9. We will have all the fun festivities including Mini Ho-Ho-Hole in One; Reindeer Pie Yahtzee; Tic-Tac Mistletoe; the Money Tree; photos with Santa; Christmas movies and music; coffee, cocoa, hot apple cider and cupcakes and last, but not least three food trucks, burgers, Mexican food and ice cream. RCSC Members are encouraged to deck out your golf carts and sign up to enter the parade at the Events and Entertainment Offices located at Sundial just inside the west hall. Golf cart registration will begin Monday November 21 at 8:00am. through Thursday, December 8 at 4:00pm.

We proudly closed out the Sun Bowl season on Sunday, November 6 with our annual tribute to our veterans with a special veteran's performance presented by the Sun City Concert band along with the Sun City Women's Chorus. It was a full house. Thank you for showing your appreciation to our Veterans!

# RECREATION CENTERS OF SUN CITY, INC.

## CORPORATE BYLAWS

Amended ~~May 26, 2022~~ November 17, 2022

WHEREAS Article VIII, Section 3 of the Restated Articles of Incorporation (“Articles”) provides that the Board of Directors of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) may adopt Corporate Bylaws (“Bylaws”) not in conflict with the Articles; now therefore, be it resolved the Corporation shall adhere to the following Bylaws. The Corporate Bylaws will be reviewed by the RCSC Corporate Attorney. ~~on an annual basis.~~

The following definitions shall apply:

- A. “**Cardholder(s)**” is defined as a Member and/or Privilege Cardholder(s).
- B. “**Cardholder Privileges**” are defined as privileges granted to Member(s) or Privilege Cardholder(s).
- C. “**Chartered Club(s)**” or “**Club(s)**” is a group of Cardholders with a common interest formed as a part of the Corporation’s group tax exemption as a subordinate Chartered Club under section 501(c)(4) of the Internal Revenue Code. A Chartered Club qualifies as such as outlined in the Board Policy Resolution titled Chartered Clubs.
- D. “**Company**” is defined as a Corporation, LLC, Partnership, LLP, or any other entity that represents non-individual ownership other than trusts which holds or owns the current ownership interest in a Property.
- E. “**Corporate Documents**” are the Restated Articles of Incorporation, Corporate Bylaws, Board Policies and/or any rules and regulations of the Corporation.
- F. “**Facilities Agreement**” is an agreement between the Corporation and the Property Owner(s) which obligates each and every Owner to pay assessments and fees imposed by the Corporation when due whether or not Owners occupy the Property or use RCSC Facilities.
- G. “**Member(s)**” or “**Membership**” is defined as Owner(s) who meet the Member qualifications. Once Member qualifications are verified by the Cardholder Services Office, Member status shall be established and a Member Card with Owner’s photo shall be issued by the Corporation. Members in good standing shall be considered as the Membership of the Corporation.
- H. “**Member Card**” is defined as a card with Owner’s photo that is issued by the Corporation once Member qualifications are verified by the Cardholder Services Office.
- I. “**Member(s) in good standing**” is defined as a Member whose assessments, fees and any and all other charges are current for all Properties in which the Owner has an ownership interest and whose Member Privileges are not suspended.
- J. “**Member Privileges**” are granted to Member Cardholders in good standing who may vote, serve on the Board or Committees, speak at Membership and Board meetings, join and participate in Chartered Clubs, receive discounted rates for golf and bowling, attend free RCSC events and entertainment, and use all available RCSC Facilities subject to the Corporate Documents. Owners who cannot meet the Member documentation requirements shall not be issued a Member Card and shall not receive any Member Privileges.

- K. **“Owner(s)” or “the Owner(s)”** is defined as any individual or entity holding or owning a current ownership interest in a property.
1. If a trust holds or owns the ownership interest in the Property, then the Owner(s) shall be no more than two of the grantors, or if deceased, no more than two remainder beneficiaries of the trust. Remainder, contingent or non-vested beneficiaries of a trust shall not be considered Owner(s) unless grantors are deceased.
  2. If a Company holds or owns the current ownership interest in the Property, then the Owner(s) shall be no more than two individuals selected by the Company from its shareholders, members or partners provided that said individuals have an ownership interest in said Company.
  3. If life estate and remainderman interests hold or own the current ownership interest in the Property, then Owner(s) shall be the life estate interest(s).
- L. **“Privilege Card”** is defined as a card with Cardholder’s photo that is issued by the Corporation once qualifications for such are verified by the Cardholder Services Office.
- M. **“Privilege Cardholder Privileges”** are granted Privilege Cardholder(s) in good standing who may join and participate in Chartered Clubs, receive discounted rates for golf and bowling, attend free RCSC events and entertainment, and use all available RCSC Facilities subject to the Corporate Documents.
- N. **“Privilege Cardholder(s) in good standing”** is defined as a Privilege Cardholder whose privileges are not currently suspended and the assessments, fees and any and all other charges against the Property for which the Privilege Card is issued are current.
- O. **“Property(ies)” or “the Property(ies)” or “a Property”** is defined as any land, building or structure or portion of any building or structure which is, has been or is intended to be, for use and occupancy as a dwelling unit that is real property in Sun City, Arizona 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.
- P. **“RCSC Facilities”** is defined as any and all facilities in Sun City, Arizona owned and/or operated by the Recreation Centers of Sun City, Inc., which includes but is not limited to: Oakmont Recreation Center (10725 W Oakmont Dr), Fairway Recreation Center (10600 W Peoria Ave), Mountain View Recreation Center (9749 N 107<sup>th</sup> Ave), Lakeview Recreation Center (10626 W Thunderbird Blvd), Sundial Recreation Center (14801 N 103<sup>rd</sup> Ave), Bell Recreation Center (16820 N 99<sup>th</sup> Ave), Marinette Recreation Center (9860 W Union Hills Dr), Grand Recreation Center (10415 W Grand Ave), Lakeview Lanes Bowling Center (10502 W Thunderbird Blvd), Bell Lanes Bowling Center (16810 N 99<sup>th</sup> Ave), Duffeeland Dog Park (14610 N Del Webb Blvd), Sun Bowl Amphitheater and Softball Field (10220 N 107<sup>th</sup> Ave), North Golf Course, Pro Shop, Snack Shop and Maintenance Yard (12650 N 107<sup>th</sup> Ave), South Golf Course, Pro Shop and Snack Shop (11000 N 103<sup>rd</sup> Ave) and Maintenance Yard (10901 N 105<sup>th</sup> Ave), Quail Run Golf Course and Pro Shop (9774 W Alabama Ave) and Maintenance Yard (9703 N Sun Valley Dr), Lakes East/Lakes West Golf

Courses, Pro Shop and Snack Shop (10433 W Talisman Rd) and Maintenance Yard (10406 W Cameo Dr), Riverview Golf Course, Pro Shop and Snack Shop (16401 N Del Webb Blvd) and Maintenance Yard (10500 W Brookside Dr), and Willowcreek/Willowbrook Golf Courses, Pro Shop and Snack Shop (10600 N Boswell Blvd) and Maintenance Yard (10501 W Union Hills Dr).

Q. “**RCSC Organization(s)**” is defined as an organization directly affiliated with RCSC, including but not limited to: Chartered Clubs, golf associations affiliated with RCSC golf courses, Sun City Foundation, Inc., Sun City Property Holdings, Inc., and Viewpoint Lake Management Board.

R. “**Senior Management**” is defined as the General Manager, Director of Finance, Director of Operations, Director of Buildings and Infrastructure, Director of Golf and Grounds, Director of Bowling, and Director of Events & Entertainment.

## **ARTICLE I – THE CORPORATION**

### **SECTION 1: CORPORATE CATEGORIZATION**

The Recreation Centers of Sun City, Inc., is categorized by the Internal Revenue Service as a private, non-profit 501(c)(4) corporation.

### **SECTION 2: OBJECT**

The object of the RCSC shall be to support RCSC recreational facilities of Sun City.

### **SECTION 3: PARLIAMENTARY AUTHORITY**

The rules contained in the current edition of *Robert’s Rules of Order, Newly Revised*, shall govern the corporation in all cases to which they are applicable. Notwithstanding the foregoing sentence, in the event that any provision of the current edition of *Robert’s Rules of Order, Newly Revised*, conflicts with or is inconsistent with any federal, state or local law, statute, regulation or ordinance or any provisions of the Corporate Documents, then the provisions of the federal, state or local law, statute, regulation or ordinance or the provisions of the Corporate Documents shall prevail.

### **SECTION 4: CORPORATE OFFICE**

The principal Corporate Office of the Recreation Centers of Sun City, Inc. is located in Sun City, Maricopa County, State of Arizona.

### **SECTION 5: GENERAL PROVISIONS**

Whenever any action must be taken under these Bylaws during a certain period of time (or by a particular date) that ends or occurs on a non-business day, then such period (or date) shall be extended until the next succeeding business day. As used herein, the term “day” means any day of the year except Saturdays, Sundays or federal holidays (which are considered non-business days).

## **ARTICLE II – MEMBERSHIP, CARDHOLDERS AND GUESTS**

### **SECTION 1: MEMBERS, MEMBERSHIP, MEMBER CARD/CARDHOLDER**

Members in good standing shall be considered as the Membership of the Corporation.

Members in good standing may:

1. Vote;
2. Serve on the Board of Directors or Committees;
3. Speak at Membership and Board meetings;
4. Join and participate in Chartered Clubs;
5. Receive discounted rates for golf and bowling;
6. Attend free RCSC events and entertainment; and
7. Use all available RCSC facilities subject to the Corporate Documents

Members shall be Owner(s) who meet the following qualifications:

- A. A Member must be a Owner of property located in Sun City Arizona 55 years of age or older who occupies a Property as his/her primary Arizona residence unless his/her other residence is farther than seventy-five (75) miles from Sun City, Arizona in which case the Owner(s) must provide proof that he/she occupies the Property as well.
- B. If a spousal Owner is under 55 years of age, he/she may be a Member, provided:
  1. he/she is not under 19 years of age;
  2. he/she occupies the Property as his/her primary Arizona residence unless his/her other residence is farther than seventy-five (75) miles from Sun City, Arizona in which case the Owner(s) must provide proof that he/she occupies the Property as well; and
  3. that one spousal Owner is 55 years of age or older and occupies the Property at the same time.
  4. Continued Member status by an underage spousal Owner because of the death or long-term medical relocation of the Owner meeting the age requirement, shall continue so long as the Owner and occupancy status of the Property does not change.
- C. If there are more than two Property Owners who meet the Member qualifications, such Owners must decide which two Owners will be classified as Members. Up to two Member Cards may be issued for each Property, provided there are two individuals who meet the Member qualifications. Additional Owners who qualify may purchase a Privilege Card.
- D. If the Owner is a trust, no more than two of the Grantors, or if deceased, no more than two remainder beneficiaries of the trust may be deemed to be Members, provided that they individually meet the Member qualifications. Remainder, contingent or non-vested beneficiaries of a trust will not be considered Owner(s) and are not eligible to be Members, unless the Grantors are deceased.

- E. If the Owner is a Company, the Company may select two of its shareholders or partners to be Members, provided that they individually meet the Member qualifications and further provided that said individuals have an ownership interest in said Company.
- F. If Owner interests are split between separate life estate and remainderman interests, only the life estate holders may be Members. Those holding remainderman interests will not be considered Owners and are not eligible to be Members until the termination of the separate life estate interests. No more than two life estate holders, or if the life estate is terminated, two remaindermen, may be deemed to be Members provided that they individually meet the Member qualifications.
- G. Owners that own multiple Properties are not considered to occupy more than one Property at a time.

## **SECTION 2 : UNQUALIFIED OWNERS**

Owners who cannot meet Member qualifications are considered Unqualified Owners.

- A. An Unqualified Owner who does not occupy the Property may be entitled to purchase a Guest Pass through the Cardholder Services Office. The Guest Pass gives the Unqualified Owner the privilege of using RCSC Facilities while temporarily (14 days or less per year) in Sun City, Arizona.
- B. An Unqualified Owner under 55 years of age who occupies the Property may be issued an annual Privilege Card for a fee, as determined by the Board, provided the Owner, who is under 55 years of age:
  - 1. is not under 19 years of age;
  - 2. occupies the Property as his/her primary Arizona residence unless his/her other residence is farther than seventy-five (75) miles from Sun City, Arizona in which case the Underage Owner must provide proof that he/she occupies the Property as well; and
  - 3. provided further that there is verifiable proof of at least one person 55 years of age or older occupying the Property at the same time.

## **SECTION 3 : NON-OWNER PROPERTY RESIDENTS**

Non-Owners defined as renters, tenants, lessees, occupants, those granted lifetime use of Property who are not Owners and reside in a Property and meet the following criteria may be entitled to purchase a Privilege Card:

- A. A Non-Owner may be issued a 30-day, 60-day, 90-day or annual Privilege Card for a fee, as determined by the Board, provided:
  - 1. at least one Owner or Non-Owner who occupies the Property is 55 years of age or older;
  - 2. the Non-Owner occupies the Property as his/her primary Arizona residence unless his/her other residence is farther than seventy-five (75) miles from Sun City, Arizona in which case the Non-Owner(s) must provide proof that he/she occupies the Property as well;



3. the Non-Owner is not under 19 years of age, and;
4. the assessments, fees and any and all other charges against the Property where such Non-Owner resides, are current.

#### **SECTION 4 : INCIDENT REPORTS**

[Incident Report Forms](#) are used to report any and all incidents out of the ordinary operation of RCSC within thirty (30) days of the incident. Anyone can report a person(s) failing to comply with the Corporate Documents by completing an [Incident Report Form](#). An [Incident Report Form](#) can be obtained at RCSC Facilities, on the RCSC website or at the Corporate Office. Completed Incident Reports remain confidential subject to the provisions and requirements of federal, state and local laws. The maker of the Incident Report may be asked to provide additional information. [Incident Report Forms](#) are sent or delivered to the Corporate Office, where they are reviewed for Cardholder notifications and processing.

The first and second Incident Reports submitted against a Cardholder within three (3) years will result in the Cardholder being notified of the reported incident via letter from Senior Management. The Cardholder will be asked to complete an [Incident Report Form](#) describing their version of the incident. If after the investigation by RCSC Management, the Cardholder is found to be in violation, the Cardholder will be sent another letter from Senior Management and asked to cease and desist any actions that are contrary to the Corporate Documents.

If a third incident is reported against the Cardholder within three (3) years, the Cardholder is notified of the reported incident by the Board of Directors and may be asked to appear at a hearing

#### **SECTION 5: CARDHOLDER HEARING PROCEDURES AND SUSPENSIONS**

Cardholders who fail to comply with the Corporate Documents may be subject to suspension of Cardholder Privileges as determined by a Board Hearing Commission and may no longer be considered a Member or Privilege Cardholder in good standing. A Cardholder or group of Cardholders, whether or not sponsored by a Chartered Club, or any other person(s), must not behave in a manner which jeopardizes the rights or privileges of other Cardholders, their guests or any other person(s). A cease-and-desist order may be issued by the Board or Senior Management against Cardholders for such behavior and upon failure of Cardholders to comply, a Board Hearing shall be set.

A Board Hearing Commission, appointed by the President, is made up of no less than three (3) Board of Directors. In the case of imminent danger to any person(s) or property and/or assault charges filed as a result of an alleged act committed on or at RCSC Facilities, Senior Management has the authority to immediately suspend their Cardholder Privileges for thirty (30) days. Such temporary suspension shall be reported to the Board and a Board Hearing shall be set. During a period of suspension or expulsion of any privileges or use of RCSC Facilities, Cardholders shall not be entitled to nor receive any reimbursement of any assessments or fees.

A. Notice of Board Hearing: Notice of a scheduled Board Hearing shall be provided in writing at least fourteen (14) days prior to the hearing. The notice will inform Cardholders why and where the hearing will be conducted and will include the following:

1. reported violation(s);
2. Board hearing procedure;
3. date, time and place of hearing; and
4. notice that all witnesses have the right to attend the hearing. If witnesses are unable to attend, they may provide written comments that will be read at the hearing and submitted to the Board Hearing Commission.

The Cardholder may submit a written request to the Corporate Office to waive the hearing at least twenty-four (24) hours prior to commencement of the hearing. The failure by a Cardholder to appear at the time and place of the hearing shall result in waiver of the Cardholder's right to a hearing. Refusal or failure by the Cardholder to attend the hearing will require the Board Hearing Commission to use the information available to arrive at a decision. In the event the Cardholder is an employee of RCSC, the employee shall be provided leave without pay to attend the Board Hearing.

B. Board Hearing Procedure:

1. The Board Hearing Commission shall preside and conduct the hearing. An opening statement from the Board Hearing Commission detailing the reported violation(s) by the Cardholder(s), outlining the Board Hearing procedure to be followed and providing information as to when the Cardholder can expect a decision.
2. The Cardholder will not speak or provide comment until such time they are recognized by the Board Hearing Commission. The Cardholder will be given ample opportunity to respond and present his/her case and make comments which specifically relate to the violation(s) under review.
3. The responsibility to secure witnesses solely rests with the Cardholder. The Board Hearing Commission does not subpoena witnesses or compel testimony from witnesses.
4. Witnesses may be presented by both the Board Hearing Commission and the Cardholder. Witnesses will remain outside the hearing room and will be called in one at a time to give testimony.
5. Information provided by all witnesses, whether in person or in writing, shall be reviewed and heard by the Board Hearing Commission. If a witness is reluctant to make their comments in the presence of the Cardholder, they will be allowed to do so in front of the Board Hearing Commission only. If the incident involves RCSC personnel, then any federal, state and local laws and regulations applicable to employees shall apply and the General Manager or their designee may attend the hearing.

6. The Cardholder may address the Board Hearing Commission and may call and question their witnesses. The Board Hearing Commission may ask questions and/or address the Cardholder and all witnesses.
  7. Neither the Board Hearing Commission nor the Cardholder is bound by technical rules of evidence and/or court procedure in conducting the hearing.
  8. All discussions and testimony shall be conducted in a polite and respectful manner without harassment or intimidation.
- C. Board Hearing Decision: The Board Hearing Commission will notify the Cardholder in writing of the results of the hearing. The Board Hearing Commission has full authority to suspend Cardholders for any length of time.
- D. Board Hearing Appeal: A Cardholder may appeal the action taken by the Board Hearing Commission by submitting a written appeal request with the basis for the appeal to the Corporate Office within ten (10) business days after the date of the Board Hearing Commission's decision. The Board may deny the appeal request and will notify the Cardholder in writing accordingly. If the appeal request is accepted, the Cardholder may not introduce new witnesses or evidence. The entire Board will review all evidence submitted and watch the recorded hearing conducted by the Board Hearing Commission, if available. The Board of Directors will notify the Cardholder in writing of its final decision.

## **SECTION 6: CARDHOLDERS**

Once status and qualifications have been verified by the RCSC

- A. Each qualified individual as a Member shall be issued no more than one (1) Member card with photo, regardless of whether more than one (1) property is owned and assessments and fees are paid.
- B. Unqualified Owners and/or Non-Owners in good standing may be entitled to purchase a Privilege Card for a fee as determined by the Board of Directors.
- C. Guests of cardholders in good standing may use RCSC facilities as determined by the Board of Directors.

## **ARTICLE III – ASSESSMENTS, FEES**

Each and every Owner must execute a [Facilities Agreement](#) in the form required by the Corporation. All Owners are obligated to pay assessments, fees and other charges when due whether or not Owners occupy the Property or use RCSC Facilities. Assessments, fees and other charges shall be determined by the Board and shall be payable by Owners pursuant to the Facilities Agreement and Corporate Documents.

### **SECTION 1: ANNUAL PROPERTY ASSESSMENTS**

The Corporation may levy an annual property assessment against each Property and its Owner(s). Each Owner, 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, fees and other charges due at the time of conveyance. No first 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 a 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 RCSC'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 perform such function required of it.

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

- A. Per Property Basis: Each Property and its Owner(s) is assessed, regardless of the number of Owners, one annual assessment on a Per Property basis as determined by the Board. Any Property which has any change in its legal or beneficial ownership after February 1, 2003 will be assessed on a Per Property basis.
- B. Per Person Basis: Each Property and its Owner(s) is assessed for each and every Owner at the rate of one-half (1/2) of the annual Per Property basis assessment as determined by the Board. Property owned prior to February 1, 2003 will continue being assessed on a Per Person basis as long as:
  1. Owner consistently maintains the Property as their primary Arizona residence unless Owner's current residency requires long term medical relocation and the occupancy status of the Property has not changed;
  2. Owners are in compliance with the Corporate Documents; and
  3. Original Owners as of February 1, 2003 remain as majority (50% or more) Owners or income beneficiaries of the Property.

If any purchase, acquisition, transfer, inheritance of a Property occurs after February 1, 2003, or if any Owner or beneficial interest is added to the Deed after February 1, 2003, then the assessment basis shall be changed to a Per Property basis and a new Facilities Agreement shall be executed by all Owner's.

- C. Refunds: All refunds for annual property assessments must be applied for in writing through the Cardholder Services Office. Eligible pro-rata refunds on estate properties are issued only upon the sale of the Property. To receive a refund for annual property assessments, the Member Card should be returned if applicable. Pro-rata refunds for annual property assessments may

be available as follows provided all annual property assessments, fees, and any and all other charges against the Property and Owner's are paid in full:

1. UPON THE SALE OF PROPERTY, the Owner may be entitled to receive a pro-rata refund, provided the Owner has met the obligations as described in the Facilities Agreement and Corporate Documents including the execution of a Facilities Agreement by the new Owner. To receive a refund an application must be filed with the Cardholder Services Office within three (3) years from the close of escrow. Closing documents showing the sale of the property may be required at the time the application for a refund is submitted. Refunds will be prorated from the date of the sale to the next annual assessment due date.
2. IN THE EVENT OF DEATH, the estate may be entitled to receive a pro-rata refund provided the deceased Owner has met the obligations as described in the Facilities Agreement and Corporate Documents and the estate property has been sold. To receive a refund an application must be filed with the Cardholder Services Office within three (3) years from the date of death. A death certificate must be presented at the time the application for a refund is submitted. Refunds will be prorated from the date of death to the next annual assessment due date.

Excluding the aforementioned, no other refunds will be issued for any reason for annual property assessments.

## **SECTION 2: PRESERVATION AND IMPROVEMENT FUND AND ASSESSMENTS**

A Preservation and Improvement Fund assessment (hereinafter referred to as "PIF assessment" or "a PIF assessment" or "the PIF assessment"), as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property (i) pursuant to any deed, contract for sale, will or other instrument or document transferring an interest in such property, so long as the original payor of the PIF assessment no longer retains a majority (50% or more) ownership interest in the Property; or (ii) following the death of the last payor of said PIF assessment for the Property resulting in Owner's who have not paid said PIF assessment for the Property owning a majority (50% or more) ownership interest; or (iii) following the death of the last original Grantor under a trust which holds title to the Property; or (iv) following the death of the last holder of a life estate.

## **ARTICLE IV – MEMBERSHIP MEETINGS**

### **SECTION 1: ANNUAL MEMBERSHIP MEETING**

An annual meeting of the Members shall be held the 1<sup>st</sup> Tuesday in March each year except for the occurrence of a Force Majeure. A Force Majeure is any provision of any present or future law or regulation, or any act of any governmental authority, any act of God or war or terrorism, weather or natural disasters, labor strikes or stoppages, epidemics, pandemics or any similar circumstances

beyond the reasonable control of the Corporation. **In case of a Force Majeure or cancellation, the annual membership meeting shall be reconvened at the earliest suitable date.**

Written notice stating the place, day and hour of the annual meeting of the Members shall be posted in RCSC Facilities and/or published in the RCSC newsletter and/or on the RCSC website ~~not less than ten (10) days, nor more than~~ forty-five (45) days before the date of the meeting.

With respect to amendments to the bylaws, notice of any proposed amendment shall be posted in RCSC Facilities and/or on the RCSC website at least ten (10) days prior to a Membership meeting at which these changes shall be considered. Such notice shall include the proposed changes to the bylaws.

With respect to amendments to the Restated Articles of Incorporation, notice of any proposed amendment shall be posted in RCSC Facilities and/or published in the RCSC newsletter and/or on the RCSC website at least ten (10) days prior to a Membership meeting at which these changes shall be considered. Such notice shall include the proposed changes to the Restated Articles of Incorporation.

## **SECTION 2: SPECIAL MEMBERSHIP MEETINGS**

Special meetings of the Members may be called by a majority of the Board of Directors, President of the Corporation or by petition of the Members having at least one-tenth (1/10) of the votes entitled to be cast according to the Corporation's records as of the preceding July 1. The reason for the meeting shall be stated in such call and petition and no other items shall be allowed. Signatures on petitions must be obtained within one hundred twenty (120) days from receipt of petition number and turned into the corporate office by 4:00pm of the one hundred twentieth (120<sup>th</sup>) day from the petition number receipt date. After receiving the petition and validating the signatures thereon, the President shall set a date for such meeting, which shall be held within forty-five (45) days after validation of the signatures is completed.

With respect to a special meeting called by petition of the Members for the purpose of amending the Articles or Bylaws, the Board, after validation of the petition, shall set a special meeting within forty-five (45) days. A written notice shall be posted in RCSC Facilities and/or published in the RCSC newsletter and/or on the RCSC website not less than ten (10) days, nor more than forty-five (45) days before the date of the meeting.

With respect to a special meeting of the Members called by the Board of Directors or the President of the Corporation, a written notice shall be posted in RCSC facilities and/or published in the RCSC newsletter and/or on the RCSC website not less than ten (10) days, nor more than forty-five (45) days before the date of the meeting. Notice shall include information concerning the purpose for the special meeting.

## **SECTION 3: MEMBERSHIP QUORUM**

A quorum for any Membership meeting shall consist of not less than eight hundred (800). Quorum is achieved by in person or by proxy. Members in good standing may carry no more than ten (10) proxies per Member. A proxy is only effective for the meeting intended and will expire at the end of such meeting. If, however, such quorum shall not be present or represented at any meeting of the Members,

the presiding director at such meeting shall have the power to adjourn the meeting without notice other than announcement at the meeting.

Once a quorum has been established for any meeting, the quorum must be maintained to conduct business.

#### **SECTION 4: MEMBERSHIP MEETING RULES**

Robert's Rules of Order shall govern procedure at all meetings of the Corporation subject to the limitations on Parliamentary Authority set forth in Article I, Section 3. A Parliamentarian may be present at the discretion of the President.

Proposals or matters relating to the conduct of the affairs of the Corporation, if brought before a Membership meeting, and if passed by a majority of the Members in good standing at the Membership meeting with a quorum, shall be referred to the Board for study. Such matters, being solely within the powers delegated to the Board in accordance with the laws of the State of Arizona and Corporate Documents, will be considered only as a recommendation to the Board.

If the disposition of the proposal(s) is determined by the Board not to be in the best interest of the Corporation, the Board shall announce its decision within 45 days, or it is deemed denied pursuant to the bylaws. However, a petition may be taken out by the Members within 10 days of the Board's denial of the proposed change or from the time the proposal is deemed denied pursuant to the bylaws. The Members have 120 days from the date the petition number is issued by the Corporation to obtain signatures of at least ten percent (10%) of the total Membership in good standing of the Corporation as of the first day of the preceding July. If this occurs, the Members may bring the proposal or matter to a duly called and noticed Annual or Special Membership meeting with a quorum.

If the proposal passes at this meeting, the action (the passing of the petition) of the members shall prevail when (and if) a majority of the members, at the meeting in person or by proxy, vote "yes" on the petition.

#### **SECTION 5: VOTING PROCESS AT MEMBERSHIP MEETINGS**

- A. Voting shall be by Standing Vote of Members in good standing present at any meeting of the Members. Members with proxy votes shall be issued a card with the number of validated proxies on it for use during Standing Votes. The following procedures shall apply for voting:
1. Voting shall proceed under supervision of the Election Committee.
  2. At least three (3) members of the Election Committee shall be in attendance at all times during voting and they, along with their assigns, shall count the votes of the members standing when voting is requested.
  3. Member shall remain standing with proxy cards visible until all votes are counted for a motion. Upon completion of the tabulation of ballots, the results shall be certified by the Election Committee Designee (not a current Board Member) to the Members and posted on the RCSC website and/or in RCSC Facilities.

- B. The President of the RCSC Board, or its designated representative, may use the services of a neutral entity and adopt their procedures, as desired, to ensure a fair election process. All motions to be voted on at the Annual Membership Meeting shall be submitted to the RCSC Corporate office by four (4) pm, no later than twenty (20) days prior to the meeting date. Members must sign in for the meeting with their Membership card with picture ID and member number on the card. Only Members in good standing, and President's designees will be allowed to enter for the meeting. At the appointed start time, the President of the Board will ask the Secretary of the Board if there is a Quorum. Each individual qualified as a Member is entitled to only one vote on each matter voted on by the Members. A Quorum needs to be maintained at the time each of the motions is voted on. The President of the Board will state the motion, then request a second, then ask if the maker of the motion would like to speak first to the motion.
1. Each speaker will have one (1) minute to speak to the motion (one time).
  2. When there are no more Members who wish to speak to the motion, debate on that one motion will be closed.

#### **SECTION 6: LIMITATION PERIOD**

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

### **ARTICLE V - BOARD OF DIRECTORS**

#### **SECTION 1: COMPENSATION OF BOARD OF DIRECTORS**

The Board shall receive no compensation of any kind for his/her service as a Board of Director.

#### **SECTION 2: CONFLICT OF INTEREST**

Board Directors cannot serve on any board of a chartered club or greens committee or golf association affiliated with RCSC golf courses. The Board Members shall disclose in writing to the Corporation's President or Vice-President any - substantial interest or relationship on their part which is or may be considered a conflict of interest. Violation of this policy could provide grounds for removal as a Board of Director. A conflict of interest is a situation in which someone in a position of trust has material or competing professional or personal interests.



### **SECTION 3: LENGTH OF TERMS AND VACANCIES**

There shall be nine (9) elected or appointed Members of the Board of Directors.

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

- A. A candidate receiving less than one hundred (100) votes shall not be eligible to fill any vacancies.
- B. The candidate receiving the highest number of votes, after the three (3) three-year terms are filled, shall fill the next longest vacant term.
- C. If a candidate is elected to the Board and prior to the beginning date of the term for which he/she has been elected, declines or is unable to assume the office, then the term of the declining candidate shall be filled with the unsuccessful candidate receiving the next highest number of votes, based on the vote totals of the candidates in the last annual Board election.
- D. The Election Committee will determine the order of placement in the event of a tie vote. The method shall be a simple drawing of the names of the candidates involved in the tie vote.
- E. Vacancies occurring on the Board during the year (January 1 through December 31) may be filled by appointment by the Board. A majority vote of the Board (5) is required for said appointment. An appointment ends on December 31 of the year appointed. An appointed term does not enter in the six (6) year limit set forth in the Articles.

### **SECTION 4: MEETINGS OF THE BOARD**

Meetings of the Board shall be held on the days and times as designated by the Board. The oath of office shall be administered to newly elected or appointed Directors at the first Board Meeting following election or appointment. The President, Vice-President or his/her appointee shall preside at all meetings. Six (6) Board of Directors shall constitute a quorum. Robert's Rules of Order shall govern procedure at all meetings of the Corporation provided they are consistent with the laws of the State of Arizona and the Corporate Documents. A Parliamentarian may be present at Board meetings at the discretion of the President.

All meetings of the Board and Member/Board Exchanges, excluding Executive Sessions and Informational Meetings, shall be open and video recorded. Member comments at Board Meetings will be limited to posted motions and amendments to motions.

At least seven (7) days prior to all Board meetings, excluding Executive Sessions, Informational Meetings and Member/Board Exchanges, an agenda, subject to amendment, shall be posted in RCSC Facilities and/or on the RCSC website. Motions made in Board meetings, excluding Executive Sessions, and Member/Board Exchanges, shall be read and passed a minimum of two times by a

majority of the then serving Directors before being finalized and acted upon unless readings are waived or bylaws are changed which require a vote of two-thirds (2/3) of the then serving Directors. As soon as practicable, a brief summary of the preceding Board meeting shall be posted on the RCSC website. After approval by the Board, minutes of Board meetings, excluding Executive Sessions and Member/Board Exchanges will be available on the RCSC website or to Members in good standing at no cost upon request at the Corporate Office.

Member/Board Exchange dates and times shall be determined by the Board of Directors.

Board meeting and Member/Board Exchange schedules will be posted in RCSC Facilities and/or published in the newsletter and/or on the RCSC website.

The RCSC Board of Directors may hold a Planning Meeting as needed to discuss issues or to garner information from the General Manager. These meetings will be open for attendance by Members who will not be allowed to comment. These sessions will be video recorded and the agenda posted on the RCSC website prior to the meeting.

Informal Informational Meetings of the Board are held after the Member/Board Exchange to identify and resolve issues brought forth at the Member/Board Exchange by the Membership. Only Directors and RCSC Management will attend except when additional information is needed from other individuals.

Special Meetings of the Board may be called by the President or upon the written request of three (3) or more Board of Directors. The purpose of the meeting shall be stated in the Call for the meeting and posted on the RCSC website. Except in cases of emergency, at least seventy-two (72) hours' notice shall be given.

The Board may meet in an Executive Session (closed meeting) to discuss confidential matters such as; litigation, matters relating to formation of contracts with third parties, Cardholder discipline and personnel matters. All matters discussed in an Executive Session shall remain confidential indefinitely. Executive Sessions may be called separately or during any meeting of the Board. The Board has the authority to take final action in Executive Sessions and is not required to reveal those decisions. Minutes of Executive Sessions are retained as a part of the confidential records of the Corporation.

## **SECTION 5: BOARD AUTHORITY/DUTIES, COMMISSIONS AND SENIOR MANAGEMENT**

### **A. Board Authority/Duties:**

1. The Board shall have the authority and responsibility to employ the General Manager; to hold and administer assets, and direct, control, manage, and supervise the business and financial affairs of the Corporation without limitation except as set forth in the Corporate Documents.
2. The General Manager shall report to the Board. Any successful candidate for General Manager must be approved by at least five (5) members of the Board of Directors. A job performance review will be conducted annually by the President, with input from the Board. The President shall provide direction and guidance to the General Manager. The

General Manager cannot be terminated without approval by at least five (5) members of the Board of Directors.

3. The Board shall have authority to establish, change, and/or delete Board Policies and any rules and regulations of the Corporation as deemed necessary and within the authority as outlined in the Corporate Documents.
4. The Board's fiduciary duty requires Board of Directors to act in the best interests and for the benefit of the Corporation. This duty requires Board of Directors to avoid conflicts of interest and acting out of self-interest; and to act as reasonable people in conducting the affairs of the Corporation.
5. Except for Board of Directors who are also Officers and who are required by the Corporate Documents to perform certain operational functions in their official capacities, the Board's duty and responsibility is to establish policy and to ensure the implementation of that policy by Senior Management.
6. It is the role of the Board to establish objectives, review and approve budgets for the Corporation. The Board can delegate the implementation of Board decisions to the General Manager. The Board can direct and empower the General Manager to take actions on behalf of the Corporation.
7. The Board has no direct supervisory authority over RCSC personnel, excluding the General Manager. The Board shall make any requests for reports, information, repairs, maintenance or any other requests to Senior Management only.
8. Any Board of Director shall have the right to attend, as a guest, all meetings of Committees or RCSC team meetings. Board of Directors attending such meetings may not participate during the meeting unless invited to do so by the Committee Chair, Committee Co-Chair or Senior Management. In no instance shall a guest Board of Director have the right to vote on any issue before the Committee.
9. The Board shall review and adopt an Annual Budget.
10. The Board may amend the bylaws with an affirmative vote of 2/3 of the total membership of the Board of Directors.

**B. Commissions:**

Commissions may be established by the Board and are made up of Board of Directors only. The purpose of a Commission is to carry out specific business of the Corporation, with written guidelines (i.e., Bid Commission, Investment Commission) as assigned to that Commission by the Board. The Board may empower Commissions to take action on behalf of the Corporation to fulfill such duties.

## **ARTICLE VI – OFFICERS**

### **SECTION 1: OFFICERS OF THE CORPORATION**

The Officers of the Corporation shall be President, Vice-President, Secretary and Treasurer.

### **SECTION 2: ELECTION OF OFFICERS**

The Board shall meet in a closed Executive session on the first business day after January 1 for election of Officers. The Board shall elect from their own number, by majority ballot vote, the Officers who shall serve for the term of one year to end at the election of Officers in the following year. An Officer may serve consecutive terms.

### **SECTION 3: “OFFICER” DUTIES**

A. The President shall:

1. Call and preside over all meetings of the corporation by a formal notice and a formal order of business.
2. Call a Special Meeting of the membership when he or she has received in writing a request to do so signed by 10 % of the RCSC members in good standing or the written request of a majority of the Board of Directors and may call a Special Meeting of the membership on his or her own action.
3. Call a Special Meeting of the Board of Directors when he or she has received in writing a request to do so signed by a majority of the members of the Board and may call a Special Meeting of the Board on his or her own action;
4. Be the official representative of the RCSC;
5. Preside at all meetings of the RCSC and Board of Directors.
6. Fill vacancies in appointed offices or chairmanship positions, subject to approval of the Board of Directors by majority vote at its first meeting following the creation of the vacancy;
7. Be a signatory on all RCSC financial accounts;
8. Be bonded or insured as determined by majority vote of the Board of Directors;
9. Direct, with the assistance of the assigned RCSC staff member, the issuance of the Notice for meetings of the Board of Directors and of the membership;
10. Conduct such other business as may be directed by the Board of Directors or the membership.

B. The Vice President shall:

1. Perform the duties of the President in his/her absence; and
2. Perform such other duties as are assigned by the President, or the Board of Directors.

C. The Secretary shall:

1. Record minutes of all meetings of the RCSC and the Board of Directors and send to the President the minutes within fifteen (15) days after each meeting;
2. Ensure accuracy of a current list of RCSC officers, committee chairs and members;
3. Insure proper custody of all RCSC records and materials;

4. Assist the President and staff with drafting and posting of notice of meetings and events;
5. Perform such other duties as directed by the President and Board of Directors.

D. The Treasurer shall:

1. Be a signatory on all RCSC accounts;
2. Be bonded or insured as determined by the Board of Directors;
3. Submit a written report at each meeting of the Executive Committee and Board of Directors;
4. Make available complete financial records to the Financial Review Committee for the annual review or as requested by the Executive Committee;
5. Serve as a member of the Finance and Budget Committee;
6. Comply with all state election and other reporting or filing requirements; and
7. Perform such other duties as may be directed by the President and the Board of Directors.

**SECTION 4 : THEFT, DISHONESTY AND LIABILITY INSURANCE**

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

**SECTION 5 : DISCIPLINARY AND REMOVAL PROCEEDINGS FOR BOARD OF DIRECTORS**

- A. An elected officer of the Board of Directors may be removed from office and a Board Director may be removed from membership on the Board of Directors by a two-thirds (2/3) ballot vote of the votes cast by the Board of Directors following the report of the findings and recommendations of an appointed Confidential Investigation Committee consisting of three (3) Board of Directors members appointed by the Board President to gather and present facts and make a recommendation(s) regarding charges to be brought and discipline to be enforced provided that
1. Notice of the meeting has been sent to each member of the Board of Directors and to the accused no later than ten business days prior to the meeting date at which a hearing shall occur regarding proving charges and discipline recommended and voted upon;
  2. The Notice informed the accused and members of the Board of Directors of each charge against the accused and the Confidential Investigation Committee's findings and recommended action on each charge;
  3. The Notice informs of the following sequence of actions to be taken at the meeting to be held in Executive Meetings:

- a. The Secretary reads each specification and/or charge and the Confidential Investigation Committee's findings on each;
  - b. Verbal response entered by accused to each specification and/or charge ("admit" or "deny" only);
  - c. Opening statements by both sides
    - i. Confidential Investigation Committee first
    - d. accused second
  - e. Presentation of case by Confidential Investigation Committee then presentation of defense by accused;
  - f. Closing arguments by Confidential Investigation Committee then the accused;
  - g. Accused leaves the room; and
  - h. Ballot vote of the Board of Directors is taken on each specification and/or charge separately.
- B. If the accused is found guilty by two-thirds (2/3) ballot vote of the Board of Directors of any specification or charge, resolutions are moved and seconded naming the discipline to be assigned to each specification and/or charge resulting in a finding of "guilty."
1. The accused returns to the room and is informed of the findings of guilt and the discipline decisions of the Board of Directors.
  2. If a member of the Board of Directors is removed for cause from the Board of Directors, in cases of serious circumstances, the Board of Directors, by two-thirds (2/3) ballot vote, may preclude the member from being on the board for a period of up to and including permanent ban.
- C. A member or Board of Directors member may be disciplined with lesser consequences, including but not limited to censure, written or verbal reprimand, as well as removal from elected or appointed chairmanship position or committee or commission membership position by two-thirds (2/3) vote of the Board of Directors provided Notice has been sent to the accused at least ten (10) days prior to the meeting at which said vote is to occur. The Notice shall advise the accused of the charge(s). Prior to the vote, the accused shall be given opportunity to present a defense.
- D. Removal or discipline for cause includes but is not limited to the following grounds:
1. Failure to maintain the required resident status which qualifies an individual to hold elected office or to be a member resident.
  2. Publicly advocating against or taking action against the distributed objectives of the RCSC.
  3. Violation of, and or actions which , are in conflict with, the bylaw provisions, standing rules or adopted policies of the RCSC.
  4. Dilatory actions causing needless expenditure of time or resources or tending to cause delay, to cause confusion, to obstruct, or to enhance the individual or

his/her position.

## **ARTICLE VII - NOMINATION AND APPOINTMENT PROCEDURES**

### **SECTION 1: PRESENTATION OF BOARD CANDIDATES**

The Chair of the Election Committee shall present at a Board meeting no later than October 31 of each year a list of candidates for Board positions to be filled at the coming annual election.

### **SECTION 2: RECRUITMENT OF BOARD CANDIDATES**

On or before the first Monday in June, Members shall be invited to become candidates. In the event additional candidates are needed, the Election Committee shall begin encouraging members to provide the required number. If a member of the Election Committee desires to become a Board candidate, he/she must resign from the Committee prior to doing so.

### **SECTION 3: PETITION AND APPLICATION OF CANDIDATES**

A Member who is eligible to become a candidate for election to the Board shall provide to the Chair of the Election Committee on the first Friday in October the following:

- A. On the official petition form required at least one hundred (100) valid signatures of Members in good standing;
- B. An application on the official form required, to include a resume and list of goals; and,
- C. Nominee shall make himself/herself available to RCSC for a photograph.

### **SECTION 4: CANDIDATE REQUIREMENTS**

An eligible candidate for election to the Board shall satisfy all the following requirements and a candidate for appointment to the Board shall satisfy all except Section G. below:

- A. Shall be at least fifty-five (55) years of age;
- B. Shall be Member in good standing;
- C. Shall not reside with or be related by marriage or birth to any other Board of Director, Board candidate, or Senior Management;
- D. Shall reside in Sun City, Arizona and be available at least ten (10) months of the year;
- E. Shall meet the requirement to hold an Arizona liquor license;
- F. Shall be eligible and available to serve a three (3) year term; and
- G. Shall attend Board Candidate Orientation or under exigent circumstances, view video.
- H. Board Directors cannot serve on any board of a Chartered Club or green committee or golf association affiliated with RCSC golf courses;

A Board Candidate that withdraws from his/her candidacy for any or no reason may not elect to reestablish candidacy in the same election year.

## **ARTICLE VIII - ELECTION OF BOARD OF DIRECTORS**

### **SECTION 1: POLLING PLACES, TIMES AND DATES**

- A. Election of the Board shall be held on the second Tuesday in December each year.
- B. The Board may schedule earlier voting dates.
- C. The Board shall select the number of polling places, their locations and times of operation for voting within Sun City, Maricopa County, Arizona.
- D. The Board shall select the number of days for online voting through the Web Portal.
- E. A member can request an absentee ballot to be mailed to them. The ballot must be received back at the corporate office before 4:00pm on Election Day.

### **SECTION 2: VOTES**

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

## **ARTICLE IX – RCSC INITIATIVE, REFERENDUM AND RECALL PETITIONS**

### **SECTION 1: APPLICATION FOR RCSC PETITION FORM**

- A. Check box for the petition you are seeking, Initiative, Referendum or Recall, state reason and signature of Petitioner. (Need to have exact language on petition.)
- B. The completed application for petition will be filed with the Secretary of the Corporation.
- C. Control number is given (pro forma) by RCSC Corporate office along with the petition start and end date (120 days).
- D. A referendum or recall petition must set forth the existing policy, rule or bylaw that is being challenged in clear language that will allow the challenge to be determined by a “YES” OR “NO” vote. Any proposition will be subject to the requirements and limitations of the Corporate Documents.
- E. Recall petitions for a Director or Directors shall not be issued by RCSC if the petition is based upon any unlawful or discriminatory basis, including, but not limited to, race, color, religion, national origin, sex, sexual orientation, age, physical or mental disability or veteran status.

### **SECTION 2: PETITION REQUIREMENTS**

- A. Per the Restated Articles of Incorporation dated November 2003, any initiative, referendum, or recall petition must have a total number of signers not less than ten percent (10%) of the voting Members of the Corporation as of the preceding July 1.
- B. All signers must have signed in person and they must provide their property address and Member Card number.



- C. Signed petitions must be returned to the RCSC Corporate office, by 4:00pm, no later than 120 calendar days from the date the petition was issued.
- D. Copy official, numbered petitions.
  - 1. Each Petition should have:
    - a. The exact wording of the petition.
    - b. The control number as assigned by the Corporation.
    - c. The Certification on the back of each page.

### **SECTION 3: PRACTICES DURING THE PETITION'S CIRCULATION**

- A. All Circulators:
  - 1. Must be Members in good standing.
  - 2. May not use intimidation, misleading statements or payments in securing signatures.
  - 3. Obtain signatures of current Members only. Privilege Cardholders are not eligible to vote or sign a petition.
  - 4. Must certify, as their legal obligation requires, that he/she witnessed the signatures of each individual signing.

#### **B. Petitions may be:**

- ~~1. Circulated within or at all RCSC Facilities while not disrupting or interfering with RCSC Member activities or blocking ingress or egress at any facility.~~

#### **C. Signers of the petition, in addition to being current Members, must:**

- 1. Be the actual person, a wife/partner may not sign for husband/partner or vice versa.
- 2. Legibly sign in ink. A printed "signature" is not acceptable, unless that is the usual way the person signs.
- 3. Indicate date on which they signed; otherwise, signature is voided.
- 4. Write legibly their Property address, Member Card number and expiration date thereof.
- 5. Legibly print their name below their signature.

#### **D. Signers of the petition may withdraw their signatures at any time during the validation process by written notification to the Corporate Office.**

#### **E. All submitted petitions shall be reviewed and verified by RCSC. Any incorrect or illegible information will disqualify a submitted signature.**

### **SECTION 4: POST-PETITION CIRCULATION PROCEDURES**

When petition circulation is complete:

#### **A. File completed petitions with the Secretary of the Corporation.**

Packet must include the following:

- 1. A cover page specifying the quantity of individual official petition forms filed, the total number of signatures claimed, and the date submitted.

2. Number each signed official petition submitted.
  3. A cover page to verify each group of petitions submitted and certified by each Circulator.
- B. The Corporation will:
1. Provide a dated receipt for submitted petitions.
  2. Initiate the petition verification process.
- C. The petition verification process will include, but is not limited to, the following:
1. Investigation of Circulators:
    - a. Circulator must be a current Member in good standing.
    - b. Circulator must witness every signature.
    - c. Circulator must sign the affidavit of Circulator on the reverse side of the last official petition form submitted in a group.
    - d. Irregularities, including false or misleading statements by the Circulator, in obtaining, verifying and certifying signatures will result in rejection of all petitions of the Circulator.
  2. Inspection of signatures for:
    - a. Legibility.
    - b. Printing instead of signing.
    - c. Absence of dated signature, Property address, and Member Card number.
    - d. Duplication.
- D. Time required for petition verification:
1. Once the completed petition is filed, the Corporation will have forty-five (45) days from the filing to determine and announce whether or not the required number of signers has been obtained.
- E. Upon completion of the verification process:
1. If the number of verified signers is insufficient, the petition is declared invalid.
  2. If the number of verified signers is sufficient, the President will set the date to present the petition to the Members for their vote which will be conducted by the Election Committee within thirty (30) days of the validation announcement.
- F. The Board, or its designated representative, may use the services of a neutral entity and adopt their procedures, as desired, to ensure a fair election process.
- G. The Board, or its designated representative, may exercise the flexibility to negotiate technical and routine matters with the neutral entity conducting the election at the Board's request and to make any necessary arrangements or revisions as the need arises.

## **ARTICLE X – COMMITTEES**

### **SECTION 1: COMMITTEES**

- A. The Board shall be empowered to create or eliminate committees as they may deem necessary to properly and effectively carry on the affairs of the Corporation.
- B. Non committee members may attend committee meetings but not participate except where the Chairman or the committee has closed the meeting.
- C. Committees have no decision-making authority. Committees are limited to presenting ideas and recommendations to the Board.

## **ARTICLE XI – INDEMNIFICATION AND RISK MANAGEMENT**

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

## **ARTICLE XII – FINANCIAL MANAGEMENT**

### **SECTION 1: FISCAL YEAR**

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

## **ARTICLE XIII – INVESTMENTS**

The Corporation has an unrestricted cash reserve and additional unrestricted operations funds, a restricted Preservation and Improvement Fund and a restricted Capital Reserve Fund which shall be invested.

Adopted and signed this 26<sup>th</sup> 17<sup>th</sup> day of ~~May~~ November, 2022 at a duly called Board meeting by 2/3 of the then<sup>ly</sup> serving Directors of the Recreation Centers of Sun City, Inc.

ATTEST:

\_\_\_\_\_  
Dale Lehrer, President

\_\_\_\_\_  
Allan Lenefsky, Secretary