

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, May 30, 2024
Sundial Auditorium, 9:00 am.

- Call to Order
 - Pledge of Allegiance
 - Welcome and Introductions
 - Roll Call of Voting Members, Confirmation of Quorum
 - Approval of Agenda
 - Approval of Minutes
 - Treasurer's Report
 - Management Report
 - Committee Reports
 - Recreation Center Update Report – General Manager
 - President Comments
 - Announcements
 - Committee Recommendations
1. ***Insurance Committee – Director Foster*** - I move, based on the Insurance Committee's and RCSC's Insurance Broker's recommendations, to approve the 2024-2025 insurance renewal proposal for the Recreation Centers of Sun City, Inc. The renewal proposal includes the same insurance coverages, carriers, and terms/conditions per RCSC's expiring coverage, with the exception of the Excess Liability coverage. \$30 million in Excess Liability coverage was provided in 2023-2024 by Philadelphia Insurance (\$10 million) and Federal Insurance (\$20 million). In 2024-2025 this same \$30 million of coverage will be split among Philadelphia Insurance (\$5 million), Sompo (\$5 million), Chubb (\$10 million), and Great American Insurance (\$10 million). The overall premium increase for all coverage during 2024-2025 will be \$303,148 or 26.6%. Flood coverage is currently being quoted by RCSC's Insurance Broker, and RCSC will bind this coverage by the end of June, 2024.

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, May 30, 2024
Sundial Auditorium, 9:00 am.

2. **Insurance Committee – Director Foster** - I move based on the Insurance Committee’s and RCSC’s Insurance Broker’s recommendation, that RCSC decline Terrorism Risk Insurance. The terrorism related coverage is optional for commercial property and casualty coverages except Workers Compensation. The Terrorism Risk Insurance Act (TRIA) was initially created by the federal government after the 9/11/2001 attack on American soil. The act allows the federal government to share monetary losses with insurers on commercial property and casualty losses due to a terrorist attack. For TRIA coverage to apply, a terrorist event would have to be declared by the Secretary of State which has not happened in the United States since this Act was passed by Congress in 2002. RCSC has rejected TRIA on applicable coverages during the past several years.

• **Motions Second Reading**

1. **Vice President McAdam** – On behalf of the Elections Committee, I move to amend Bylaws Article VII titled Nomination and Appointment Procedures, Sections 2 & 3 as follows:

ARTICLE VII - NOMINATION AND APPOINTMENT PROCEDURES

SECTION 2: RECRUITMENT OF CANDIDATES

On or before the first Monday in June, **Board Candidate Packets will be available.** ~~Members shall be invited to become candidates.~~ In the event additional candidates are needed, the Election Committee shall begin recruiting 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 Elections Committee on the ~~first Friday in October~~ **scheduled date in the candidate packet**, the following:

2. **Director Kise** – On behalf of the Golf Advisory Committee, I move to amend Board Policy #17 titled Golf, Section titled Green Committee, paragraph 4 as follows:

Green Committee

In addition to each selected Green Committee member having a vote on the Golf Advisory Committee, the Presidents **and Vice President** of the Sun City Men’s Golf Association (“SCMGA”), **the President of the** Sun City Women’s Golf Association (“SCWGA”) and **the President of the** Sun City Women’s Nine Hole Association will also have a vote.

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, May 30, 2024
Sundial Auditorium, 9:00 am.

3. **Director Rough** – I move to amend Board Policy #24 titled Preservation & Improvement Fee/Capital Improvement Fee as follows:

- Modify language around death of a single owner who was married at the time of the purchase of a property to not require a new PIF Fee or CIF Fee on the transfer of property to a spouse as sole owner. See Section 1 Paragraph A number 7, and Section 2 Paragraph A number 7 for language.
 - Modify language requiring ownership for one year of a property that is sold, and subsequent Sun City property is purchased within a year of that sale. This would stop flippers from getting a refund of PIF Fee and CIF Fee on new property not owned for a year. See Section 1 Paragraph C number 1, and Section 2 Paragraph C number 1 for language
 - Adds detail to allow use of PIF Capital and CIF Capital. See Section 1 Paragraph D number 4, and Section 2 paragraph D number 4.
- New Business
 1. **Director Kise** – I move to approve \$335,000 to fund the turf reduction design plan at the South golf course. The scope of work includes surveys of both the golf course and the sub-surface of the lakes, golf course design and consulting, golf course irrigation design, civil designs for irrigation road crossings and landscape architectural design.

SCOPE OF SERVICE	FEE
Initial Payment	\$15,000.00
Survey (M4)	\$17,500.00
Survey (Civil)	\$12,500.00
Lake Sub-Surface Survey	\$3,800.00
Golf Course Design and Consulting	\$125,500.00
Golf Course Irrigation Design	\$85,000.00
Civil (MCDOT) Design	\$32,400.00
Landscape Architecture	\$43,300.00
Total	\$335,000.00

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, May 30, 2024
Sundial Auditorium, 9:00 am.

2. **Director Kise** – I move to approve \$6.0 million for the Quail Run Golf Course renovation project. The scope of work includes money previously approved for project development, green renovation to USGA guidelines, complete irrigation replacement to include a new pump station, conversion of tees and fairways to Tif Tuf Bermuda grass, renovation of the golf course lake to provide lining and increased water storage, consultant construction oversight and a contingency. Additionally, the Quail Run audio system and patio will receive upgrades that are on the Golf Advisory Committee project priority list.

DESCRIPTION	VENDOR	COST
Project Cost to Date	GBGD/MMD/Survey/Civil	\$129,600.00
Golf Course Renovation	Landscapes Unlimited	\$4,449,159.00
Golf Course Pump Station	Watertronics	\$210,159.00
Fertigation System	Fertizona	\$14,798.00
Golf Course Lake Renovation	Pacific Aquascapes	\$412,412.00
Consultant Construction Oversight Services	GBGD/MMD	\$111,000.00
Grow-in/Course Furnishings/Start-Up	RCSC	\$50,000.00
Upgrade clubhouse audio and patio	RCSC	\$100,000.00
Contingency	RCSC	\$547,712.00
TOTAL		\$6,024,840.00

3. **Director Rough** – I move to amend Board Policy #21 titled Membership Documentation Requirements; Letter C titled Occupancy as follows:

- C. Occupancy: Each individual qualified by ownership and age, must also qualify as occupying the Property as their primary Arizona residence, by providing one of the following:
1. a valid Arizona driver’s license having the same address as the Property for which a Member Card is sought, **and property listed with Maricopa County as primary residence, not rental or other status;** or
 - ~~2. a valid Arizona driver’s license having an address farther than seventy five (75) miles from Sun City, Arizona; or~~
 3. a valid out-of-state or out-of-country driver’s license; or
 4. if no valid driver’s license is available, any government issued identification with the individual’s name and address of the Property for which a Member Card is sought. An additional form of identification with a photo is required when the government issued identification does not contain a photo.

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING AGENDA
Thursday, May 30, 2024
Sundial Auditorium, 9:00 am.

5. Owners who misrepresent themselves as an occupant of a Property shall be subject to suspension of Member Privileges. This suspension automatically extends to all Owner(s) of said Property, as well as any occupants of any other Properties owned by such Owner(s) including denial of use of any and all RCSC Facilities **and any issued Privilege Cards,** as determined by the Board.

4. **Director Rough** – I move to amend Board Policy #3 titled Corporate Records; Section A number 8 as follows:

CORPORATE RECORDS

8. After completing review of documents, Members may request to have copies of a particular document, which may or may not be granted by the Board. There may be a charge for copies and such other additional charges as permitted by law. **if approved, members may take photos of documents.**

The Next meeting will be the Exchange Meeting on June 10, 2024 at **1:00pm** in the Sundial Auditorium. The next meeting of the Board of Directors will be on June 27, 2024, at 9:00am in the Sundial Auditorium. The next Annual Meeting is March 11, 2025 at 6:00pm in the Sundial Auditorium.

- Adjournment

RECREATION CENTERS OF SUN CITY, INC.
BOARD MEETING MINUTES

April 25, 2024

At the Board meeting called to order by Vice President McAdam at 9:00am on April 25, 2024 at Sundial Auditorium, the following took place:

PRESENT: Kat Fimmel, President (via phone); Karen McAdam, Vice President; Connie Jo Richtmyre, Acting Secretary and Directors Tom Foster, Jim Rough, Steve Collins, Preston Kise, Chris Nettesheim

ALSO PRESENT: Matthew D'Luzansky, General Manager; Chris Linam, Golf Shop Manager; Kevin McCurdy, Support/Finance Sr. Leader; Mike Wiprud, Facilities Sr. Leader; Mike Dirmyer, Non-Golf Sr. Leader; Debbie Giles, Assistant to GM; Marcia Johnson, Board Coordinator; Joelyn Higgins, Communication Coordinator; Allen Kleinhans, Doreen Rafferty Audio/Video Engineers; 68 RCSC Cardholders and 1 member(s) of the press

ABSENT: Anita Borski, Treasurer; Brian Duthu, Golf Sr. Leader

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

Board Quorum: Acting Secretary Richtmyre verified that a Board quorum was present.

Approval of Agenda: The Agenda was approved as presented.

Approval of Minutes: With no questions noted, the Minutes of the March 28, 2024 Board Meeting were approved as presented.

Treasurers Report: Director Kise read the Treasurers Report in Treasurer Borski's absence, and the Treasurers Report was filed for audit.

Management Report: With no questions noted, the Management Report was accepted as presented.

Committee Reports:

Bowling Committee Member Mike Williams reported that the bowling committee works closely with the RCSC Management to enhance the bowling experience in Sun City for RCSC Members. The committee has assisted in enhancing communication within the bowling centers to increase participation in newly developed league and tournament programs. There are monthly tournaments, league bowling for all levels of experience, and free coaching opportunities that give RCSC Members plenty of opportunity to enjoy getting out of the heat this summer and go bowling.

Director Steve Collins, Chair of the Club Organization Committee (COC), reported that with summer approaching, many members leave for the summer. If you have any interest, we are always looking for volunteers for the committee. There have been many issues within clubs since COVID, I ask that the clubs try to resolve the issues within the club.

Recreation Center update Report: General Manager D'Luzansky gave an update on the centers and current projects.

President Comments:

Vice President McAdam reported, I do have a couple of things to address under this agenda item (President comments).

First I want to reiterate here, publicly, that RCSC and the MCLD are actively engaged in the process of crafting a new five-year lease agreement for both of our libraries. We expect the new lease to be signed by both parties prior to the expiration of the current lease and are confident that Sun City residents will have access to the best possible library services for years to come.

Second, I want to let you know that a new and unexpected opportunity has arisen for RCSC regarding a vacant property in the heart of Sun City.

The property used to house an acute care hospital/rehabilitation center at the corner of Thunderbird and 111th Ave. It's a 4.6-acre parcel of land with about 50,000 square feet of building space under roof and was put up for auction last week. RCSC did not participate in the auction proceedings. The reserve-the minimum amount the seller was willing to accept-was not met, so at this point the property remains unsold. The owner's agent has since approached RCSC to see if there might be interest in purchasing the property.

We think it is advisable to at least consider possible options, which of course will involve quite a lot of community input. Let me assure you that no decisions have been made other than to begin the discussion. Pros and cons definitely exist, many of which will only come to light as the discovery process unfolds.

While this of course is not on today's agenda, we anticipate that some of you at least would like to be able to ask questions or make comments. As a result, after today's meeting is adjourned, we invite you to stay for a brief introduction to the property. We'll do our best to answer any questions that come up based on the very limited information we have at this point in time.

Announcements: None

Committee Recommendations:

1. *Vice President McAdam* – On behalf of the Elections Committee, I move to amend Bylaws Article VII titled Nomination and Appointment Procedures, Sections 2 & 3 as follows: The motion passed its first reading unanimously.

ARTICLE VII - NOMINATION AND APPOINTMENT PROCEDURES

SECTION 2: RECRUITMENT OF CANDIDATES

On or before the first Monday in June, **Board Candidate Packets will be available.** ~~Members shall be invited to become candidates.~~ In the event additional candidates are needed, the Election Committee shall begin recruiting 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 Elections Committee on the ~~first Friday in October~~ **scheduled date in the candidate packet**, the following:

2. *Director Kise* – On behalf of the Golf Advisory Committee, I move to amend Board Policy #17 titled Golf, Section titled Green Committee, paragraph 4 as follows: The motion passed its first reading unanimously.

Green Committee

In addition to each selected Green Committee member having a vote on the Golf Advisory Committee, the Presidents **and Vice President** of the Sun City Men’s Golf Association (“SCMGA”), **the President of the** Sun City Women’s Golf Association (“SCWGA”) and **the President of the** Sun City Women’s Nine Hole Association will also have a vote.

New Business:

1. *Director Rough* – I move to amend Board Policy #24 titled Preservation & Improvement Fee/Capital Improvement Fee as follows:

- Modify language around death of a single owner who was married at the time of the purchase of a property to not require a new PIF Fee or CIF Fee on the transfer of property to a spouse as sole owner. See Section 1 Paragraph A number 7, and Section 2 Paragraph A number 7 for language.
- Modify language requiring ownership for one year of a property that is sold, and subsequent Sun City property is purchased within a year of that sale. This would stop flippers from getting refund of Pif Fee and Cif Fee on new property not owned for a year. See Section 1 Paragraph C number 1, and Section 2 Paragraph C number 1 for language
- Adds detail to allow use of PIF Capital and CIF Capital. See Section 1 Paragraph D number 4, and Section 2 paragraph D number 4.

SECTION 1: PRESERVATION & IMPROVEMENT FEE

A Preservation and Improvement **Fee** ~~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 Owners 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.

A. A PIF assessment will be imposed on each Property and its Owner(s) including but not limited to the following:

1. on the date any seller(s) transfers Property to any purchaser(s);
2. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
3. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the PIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
4. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;
5. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
6. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or
7. in the event the remaining Owner(s) was not original payor of the PIF assessment, unless legally married to owner at time of purchase. Marriage certificate may be required, or marriage status proven by disclaimer deed recorded with Maricopa County.

B. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a PIF assessment.

C. In no event will more than one refund be processed for any given PIF assessment paid by the Owner(s) of a Property. All refunds for PIF assessments must be applied for through the Cardholder Services Office. A refund of the PIF assessment may be available if:

1. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona is owned for one or more years and is made within one (1) year of the purchase/ acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
2. no Owners who paid the PIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
3. if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;
4. if after a death of the last remaining original payor of the PIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;

5. the purchaser(s) ~~has been~~ **is** a Member(s) in good standing;
 6. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
 7. the Member Card(s) from the property sold are returned.
- D. Projects funded from the Preservation and Improvement Fund must:
1. be approved by the Board of Directors;
 2. be a minimum of Three Hundred Thousand Dollars (\$300,000); ~~and~~
 3. have a depreciable life of at least fifteen (15) years; and
 4. **are not to be spent for normal operating or maintenance expenses.**
- E. Income from Preservation and Improvement Fund investments will be retained in the Preservation and Improvement Fund.
- ~~F. Preservation and Improvement Funds are not to be spent for normal operating or maintenance expenses.~~
- G. A quarterly report will be submitted to the Board detailing activity of Preservation and Improvement Fund income and expenditures. A detailed list of Preservation and Improvement Fund investments will be provided quarterly to the Board.

SECTION 2: CAPITAL IMPROVEMENT FEE

A Capital Improvement Fee ~~assessment~~ (hereinafter referred to as “CIF ~~assessment~~” or “a CIF ~~assessment~~” or “the CIF ~~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 CIF ~~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 CIF assessment for the Property resulting in Owners who have not paid said CIF 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.

A. A CIF ~~assessment~~ will be imposed on each Property and its Owner(s) including but not limited to the following:

1. on the date any seller(s) transfers Property to any purchaser(s);
2. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
3. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the CIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
4. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;

5. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
6. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or
7. in the event the remaining Owner(s) was not original payor of ~~the~~ PIF assessment, unless legally married to owner at time of purchase. Marriage certificate may be required or marriage status may be proven by disclaimer deed recorded with Maricopa County.

B. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a CIF assessment.

C. In no event will more than one refund be processed for any given CIF assessment paid by the Owner(s) of a Property. All refunds for CIF assessments must be applied for through the Cardholder Services Office. A refund of the CIF assessment may be available if:

1. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona owned for one or more years and is made within one (1) year of the purchase/acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
2. no Owners who paid the CIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
3. ~~if~~ the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;
4. ~~if~~ after a death of the last remaining original payor of the CIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;
5. the purchaser(s) has been a Member(s) in good standing;
6. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
7. the Member Card(s) from the property sold are returned.

D. Projects funded from the Capital Improvement Fee must:

1. be approved by the Board of Directors;
2. be equal to or more than Five Thousand Dollars (\$5,000); ~~less than Three Hundred Thousand Dollars (\$300,000).~~
3. not fit the criteria to qualify as a PIF project.
4. are not to be spent for normal operating or maintenance expenses.

E. Income from Capital Improvement Fee investments will be retained in the Capital Improvement Fee fund.

~~F. Capital Improvement Fee funds are not to be spent for normal operating or maintenance expenses.~~

G. A quarterly report will be submitted to the Board detailing activity of Capital Improvement Fee fund income and expenditures. A detailed list of Capital Improvement Fee fund investments will be provided quarterly to the Board.

SECTION 3: TRANSFER FEE

A Transfer Fee, as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to Property (collectively known as "Ownership Change") (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 said Transfer Fee no longer retains a majority (50% or more) ownership interest in the property; or (ii) following the death of the last original Grantor under a trust which holds title to the Property; or (iii) following the death of the last holder of a life estate.

At any time when an Ownership Change has occurred for the purposes of imposing the PIF assessment, then a Transfer Fee shall also be incurred and collected at the same time that the PIF assessment is collected.

The Transfer Fee may be refunded if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and all other charges are paid in full. There are no other refunds of Transfer Fees available.

SECTION 4: ACCESS FEE

A one-time Access Fee per Property, as determined by the Board, shall be paid by the builder, owner or developer desiring to have access to RCSC Facilities for 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 and 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.

Said builder/owner/developer must execute a Facilities Agreement with the Corporation. Purchasers of individual Properties are also required to execute a [Facilities Agreement](#) and pay a PIF **Fee, CIF Fee** assessment, Transfer Fee, annual property assessment and any other and all assessments, fees and charges as designated by the [Facilities Agreement](#) and [Corporate Documents](#). There are no refunds available for access fees.

SECTION 5: LATE AND LIEN FEES, INTEREST AND COLLECTIONS

Every Owner is responsible for the total of all assessments, fees and any other and all charges against the Property and Owners. All property assessments are due annually on the date escrow closed on the property and shall be considered in arrears following that date. Other assessments, fees and charges may be assessed from time to time, at the discretion of the Board, and shall be due and payable as outlined in the billing of such and shall be considered in arrears after the due date.

Late fees and penalties, as determined by the Board, may be imposed on all assessments, fees and any and all other charges which are in arrears. Legal action to secure payment may be taken including but not limited to additional fees, liens and the enforcement of the same. Any Owner whose assessments, fees or any and all other charges are in arrears is not considered a Member in Board Meeting Minutes

April 25, 2024

Page 7 of 9

good standing and all ~~their~~ Cardholder Privileges are suspended until all of the Owner's account ~~is/are~~ ^(s) current.

Owners are responsible for providing **and maintaining** current and accurate billing information to the Cardholder Services Offices; failure of an Owner to receive billing does not relieve the Owner of the obligation and liability to pay assessments or fees, nor does it eliminate the following collection process and fees:

- A. At thirty (30) days in arrears, Owners shall be charged a late fee, as determined by the Board and shall be sent a reminder notice regarding the unpaid balance on their account.
- B. At sixty (60) days in arrears, interest will begin to accrue on the unpaid balance on their account and a reminder notice regarding the unpaid balance on their account shall be sent. Interest equal to the interest rate charged by Maricopa County for delinquent taxes as set forth in Arizona Revised Statutes will be charged by the Corporation on any delinquent fees and/or assessments and interest shall accrue on a monthly basis until the account has been paid in full.
- C. At sixty (60) days in arrears, RCSC **reserves the right to** ~~shall~~ file a lien upon the Property with the office of the Maricopa County Recorder and a lien recording and release fee, as determined by the Board, shall be charged to the Owners.
- D. All accounts ninety (90) days in arrears may be reported to the Credit Bureau(s) as a delinquent account. If any assessment or fee is not paid within ninety (90) days after it becomes due, said lien may be foreclosed as set forth in the [Facilities Agreement](#). Said lien shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed on the Property.
- E. The Corporation may pursue all available legal processes or actions available to it in order to collect any unpaid assessments or fees owed to the Corporation. Owners shall be required to pay for all costs associated with such legal collection actions or processes.
- F. The Corporation may turn any unpaid accounts over to a third party for collections and Owners shall be required to pay for all costs associated with such collection processes.
- G. At such time that the account is paid in full, RCSC shall file a lien release with the office of the Maricopa County Recorder.

Owners shall not be considered Members in good standing until such time that all Properties in which the Owner has an ownership interest are current with all assessments, fees, and any and all other charges against the Properties and Owners.

If a Property has unpaid assessments or fees and the ownership changes, the new Owner(s) will not be allowed to use RCSC Facilities, obtain a Member Card or vote until such time that the unpaid assessments, fees and any and all other charges against the Property and Owner(s) have been paid in full. If any individual has unpaid assessments or fees relating to a Property that has been previously owned, that individual will not be allowed to use RCSC Facilities or vote until such time that the unpaid assessments, fees and any and all other charges have been paid in full.

The motion was seconded by Secretary Richtmyre and after the vote, the motion passed its first reading unanimously.

Next Meeting: Vice President McAdam reported that the next meeting will be the Exchange Meeting on May 13, 2024 at 9:00am in the Sundial Auditorium. The next meeting of the Board of Directors will be on May 30, 2024, at 9:00am in the Sundial Auditorium. The next Annual Meeting will be March 11, 2025, at 6:00pm in the Sundial Auditorium.

Adjournment: Vice President McAdam stated that with no further business, the meeting will be adjourned. The meeting was adjourned at 10:07am.

Respectfully submitted,

Connie Jo Richtmyre, Secretary

Recreation Centers of Sun City, Inc.

Treasurer's Report

May 30, 2024

The balance of unrestricted funds as of April 30, 2024, was \$20.7 million which includes a \$2.5M cash reserve. Restricted funds include the Preservation and Improvement Fund ("PIF") and the Capital Reserve Fund. As of April 30, 2024, PIF had a balance of \$34.0 million, and the Capital Reserve Fund had a balance of \$5.7 million. Capital Improvement Funds ("CIF") received to date totaled \$509k.

The Carryforward balance as of April 30, 2024 was \$7.8 million. This balance decreased from the 2023 year-end balance of \$10.4 million due to the allocation of \$6.5 million in Carryforward funds towards the 2024 budgeted Capital Projects.

The corporation operated within its budget year to date in 2024.

Respectively submitted by

Anita Borski, Treasurer

Recreation Centers of Sun City, Inc Balance Sheet

Tuesday, April 30, 2024

	Current Year	Prior Year
	<hr/>	<hr/>
ASSETS		
Cash and Investments		
Petty Cash	\$11,787	\$12,287
Cash in Bank	15,306,779	16,131,471
Cash - Money Market	2,931,317	2,916,168
Operating Reserve	2,500,000	2,500,000
Subtotal Cash and Investments	<hr/> 20,749,883	<hr/> 21,559,926
Preservation/Improvement Fund	34,030,867	31,546,248
Capital Reserve	5,691,913	5,626,089
CIF Fees	509,347	0
Accounts Receivable	126,775	88,132
Accounts Receivable - Assessments	207,978	180,793
Deposits & Prepaids	25,401	144,063
Inventory	142,412	162,566
Subtotal Cash, Investments and Other Current Assets	<hr/> 61,484,576	<hr/> 59,307,817
Fixed Assets		
Land	4,397,807	4,397,807
Land Improvements	41,606,389	40,931,594
Buildings & Structures	100,111,130	91,492,400
Furniture, Fixtures & Equipment	33,663,090	33,120,001
Vehicles	1,988,551	1,982,731
Less: Accumulated Depreciation	<hr/> (103,157,571)	<hr/> (97,240,939)
Net Fixed Assets	78,609,396	74,683,594
Work in Progress	10,687,454	12,189,940
Total Assets	<hr/> <hr/> 150,781,426	<hr/> <hr/> 146,181,351
LIABILITIES & NET WORTH		
Current Liabilities		
Accounts Payable	1,075,107	789,604
Other Current Liabilities	294,514	292,212
Deferred Income	9,395,730	8,708,935
Deferred PIF Income	33,104,966	30,650,437
Total Current Liabilities	<hr/> 43,870,317	<hr/> 40,441,188
Other Liabilities		
Net Worth		
Net Worth	105,843,740	100,536,669
Excess/Deficit Year to Date	1,067,369	5,203,494
Total Net worth	<hr/> 106,911,109	<hr/> 105,740,163
Total Liabilities and Net Worth	<hr/> <hr/> 150,781,426	<hr/> <hr/> 146,181,351

Footnote: The 2023 year-end Carryforward balance was \$10.4 million.

Recreation Centers of Sun City, Inc
STATEMENT OF INCOME AND EXPENSES
For the Four Months Ending Tuesday, April 30, 2024

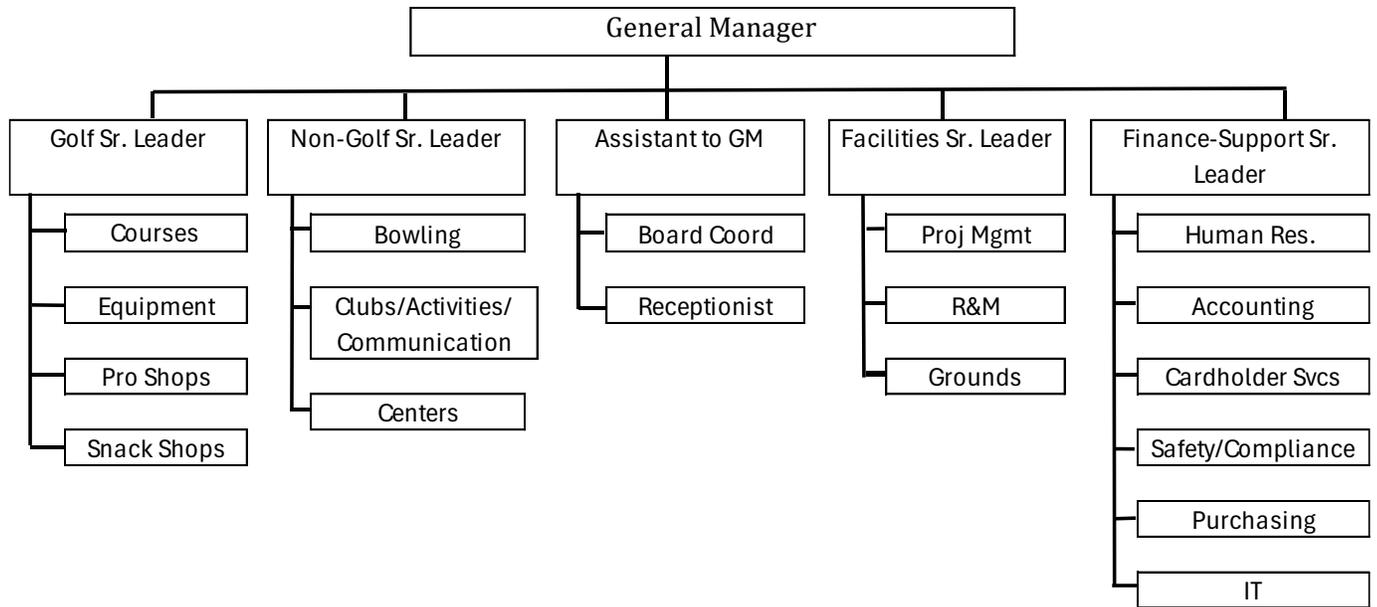
	April Actual	April Budget	YTD Actual	YTD Budget	YTD Variance	Prior YTD
Operating Income:						
Property Assessments	\$1,176,898	\$1,186,683	\$4,654,105	\$4,672,043	(17,938)	\$4,335,167
Transfer & Access Fees	57,900	55,000	191,100	220,000	(28,900)	199,200
Privilege Cards	57,659	61,556	275,223	291,879	(16,656)	263,106
Daily Guest Fees	23,308	23,295	92,477	90,147	2,330	90,146
Food/Liquor Sales	100,266	108,050	421,778	426,128	(4,350)	400,534
Bowling Fees	78,976	65,201	372,248	354,763	17,485	347,433
Prepaid Green Fees	180,103	181,899	717,523	723,403	(5,880)	704,269
Prepaid Green Fees - Non Resident	28,751	39,000	118,259	156,000	(37,741)	123,615
Daily Green Fees & Surcharge	572,248	602,147	2,621,217	2,702,179	(80,962)	2,423,323
Range Fees	32,127	42,919	141,790	175,126	(33,336)	161,229
Cart Rental	56,407	56,826	244,421	242,721	1,700	237,133
Merchandise Sales	14,887	19,795	70,454	83,316	(12,862)	82,831
Cardholder Events & Club Fees	975	200	323,910	340,300	(16,390)	308,270
Rental Income	19,754	30,013	123,902	114,335	9,567	120,869
Contributions	1,200	150	8,986	9,275	(289)	15,375
Miscellaneous Income	5,898	1,190	17,262	3,788	13,474	17,717
Total Operating Income	2,407,357	2,473,924	10,394,655	10,605,403	(210,748)	9,830,217
Operating Expenses:						
Salaries and Wages	987,210	1,010,168	3,837,445	4,041,988	(204,543)	3,216,596
Payroll Taxes & Benefits	212,940	205,966	864,840	975,243	(110,403)	689,402
Repairs and Maintenance	533,165	240,099	1,407,757	1,276,110	131,647	838,798
Utilities Expense	204,477	231,855	849,399	855,449	(6,050)	788,823
General Operating Expense	260,453	279,557	903,744	1,155,521	(251,777)	700,468
Cost of Goods Sold -Food & Liquor	33,013	34,844	135,331	137,492	(2,161)	129,662
Cost of Goods Sold - Merchandise	31,906	37,973	111,092	134,230	(23,138)	122,022
Cost of Goods Sold - Events	1,712	972	105,719	92,615	13,104	83,902
Total Operating Expenses	2,264,876	2,041,434	8,215,327	8,668,648	(453,321)	6,569,673
Net Operating Excess/(Deficit)	142,481	432,490	2,179,328	1,936,755	242,573	3,260,544
Other Income:						
Insurance Proceeds	0	0	0	0	0	1,000
Interest Income	64,254	27,500	247,882	113,750	134,132	164,384
Proceeds - Sale of Assets	1	0	1	0	1	500
Investment Income (Unrestricted)	3,885	7,500	84,174	15,000	69,174	12,419
Unrealized Gains/Losses Investments (Unrestricted)	0	0	123,797	0	123,797	384,825
Total Other Income	68,140	35,000	455,854	128,750	327,104	563,128
Other Expense:						
Property Tax	16,507	12,100	52,527	48,400	4,127	48,930
Insurance	91,478	87,675	365,912	350,700	15,212	293,474
Investment Fees (Unrestricted)	2,631	1,833	5,278	7,583	(2,305)	4,471
Other Expense	577	0	(6,197)	0	(6,197)	0
Disposal of Assets	17,000	0	17,000	0	17,000	0
Insured/Uninsured Losses	0	0	673	0	673	7,179
Total Other Expense	128,193	101,608	435,193	406,683	28,510	354,054
Net Excess/(Deficit) Before Depreciation	82,428	365,882	2,199,989	1,658,822	541,167	3,469,618

FINANCE:

Financials:

In early 2024, the RCSC Organization Structure was streamlined, and the number of Divisions was reduced from seven to four. These four divisions are Golf, Non-Golf, Facilities, and Finance/Support. In April, Finance will begin to report financial results under this new organization structure:

RCSC Corporate Org Chart



The Recreation Centers of Sun City, Inc. (RCSC) ended April within its operating and capital budget year to date. All Divisions except Golf have met or exceeded their net operating budget projections year to date. Golf was (\$332.3k) unfavorable to budget due to Daily Public, Cardholder, and Guest Green Fees being below budget by (\$64.1k), (\$39.0k), and (\$23.2k) respectively, Non-Resident Pass fees (\$37.7k) unfavorable to budget, and Tree Trimming being (\$89.6k) unfavorable due to an initiative to trim/remove dead and dying trees, bushes and cacti from RCSC golf courses and Center properties. Operating Income for April totaled \$2,407k and was (\$66.5k) unfavorable to budget due to Public Daily Greens Fees and Non-Resident Pass Fees being below budget by (\$28.2k) and (\$10.2k) respectively. Operating Expenses for the month were \$2,198k and (\$230.6k) unfavorable to budget due primarily to tree trimming expenses as mentioned above. This should reverse substantially due to timing; this work is typically done in the fall but was accelerated and expanded for safety concerns. Year to date Net Operating Excess was \$2,179k and favorable to budget by \$242.5k (11.1%). This favorable year to date Operating Excess was due primarily to Wages and Benefits being favorable

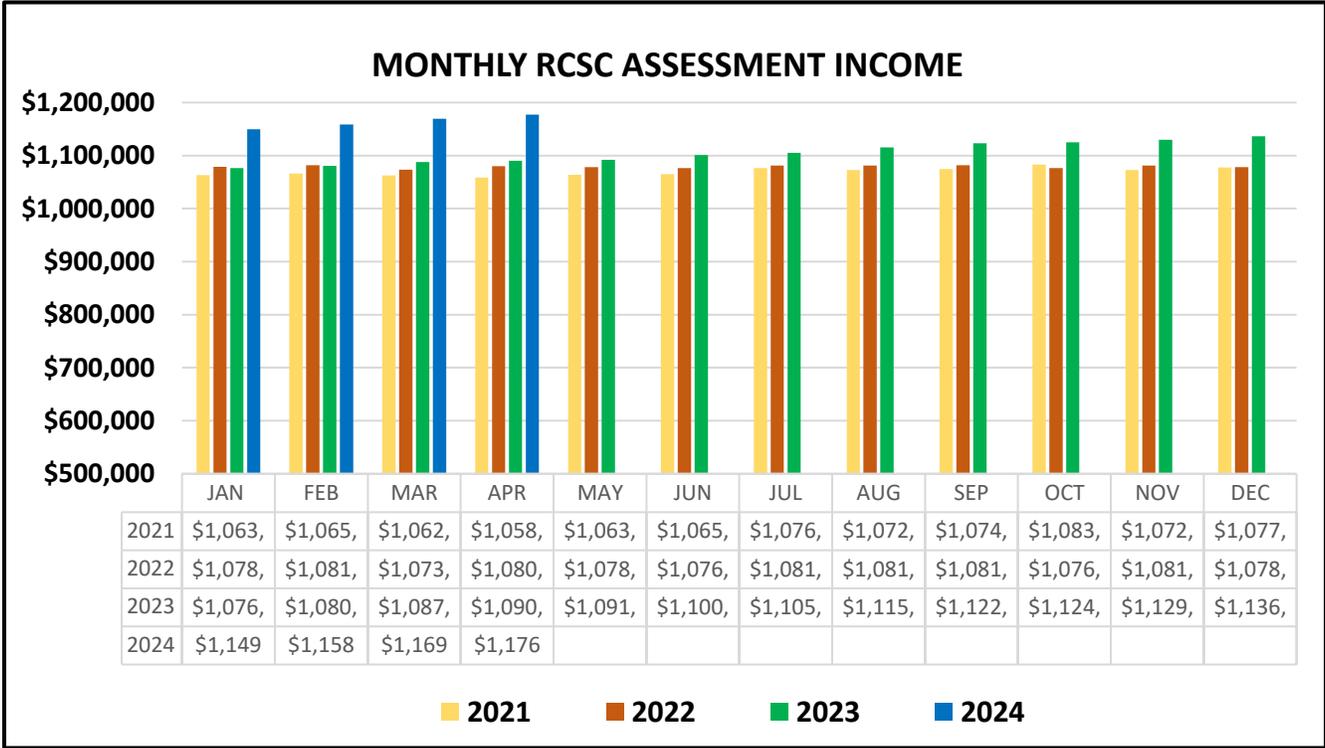
to budget by \$314.9k, and General Operating Expenses being favorable by \$251.8k due to the timing of Equipment, Furniture, and Chemicals purchases.

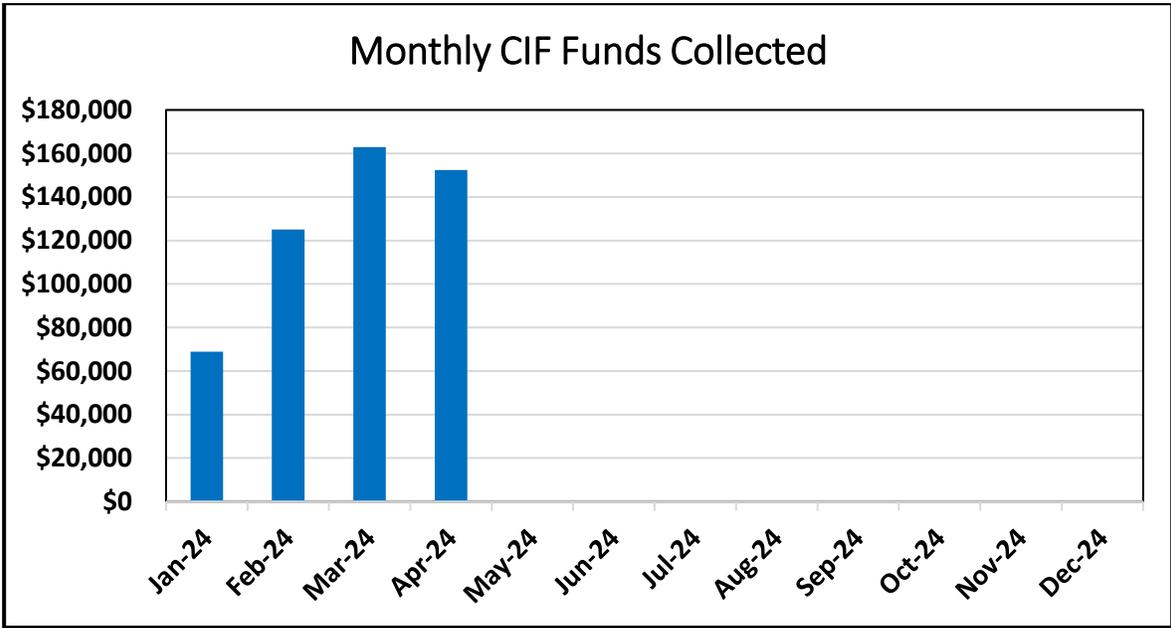
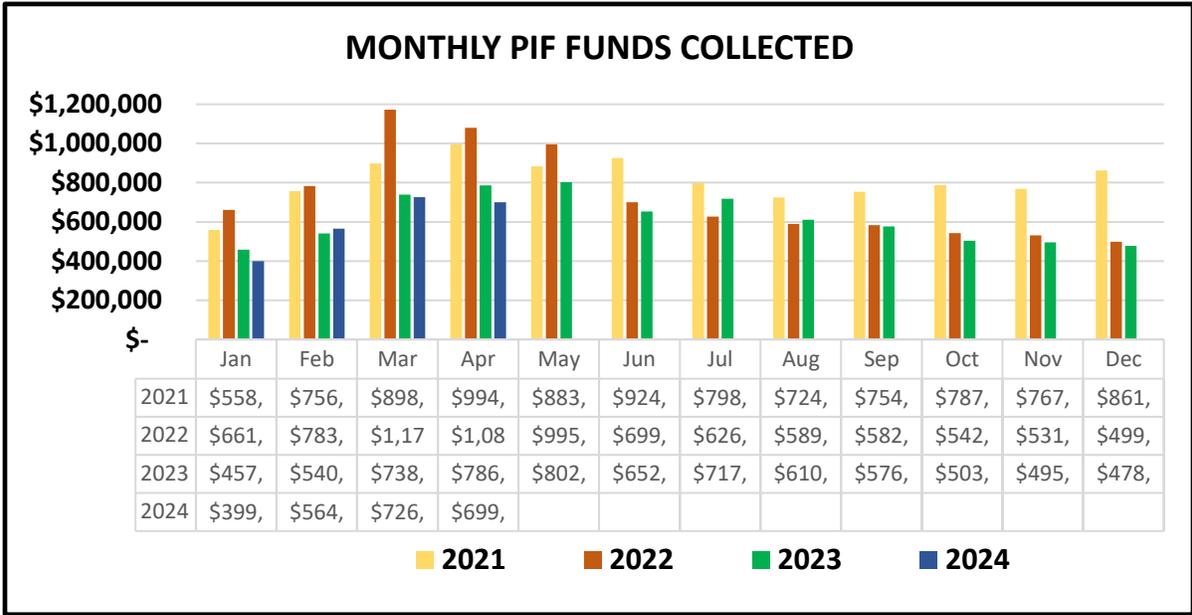
Cardholder Services:

Payments on past due assessments in April were 12.6% of past due balances. Overall accounts receivable increased in the month by 2.5% and are up 5.8% from the end of 2023. Overall accounts receivable for past due balances increased in April by 1.7%. March assessments went 30 days past due at a rate of 4.3% and February assessments went 60 days past due at a rate of 3.0%.

Payments from third-party collections firms totaled \$26,112 in April and totaled \$87,267 year to date. April payments made through the online Web Portal totaled \$306,503 from 563 property owners. Year to date online portal payments total \$1,086,350 from 1,984 property owners.

In April, property transfer balances increased by 5.0%. Outstanding balances related to property transfers represent 53% of all receivables and 54% of past due balances. April trustee sale notices on Sun City AZ properties remained at 25, and properties owned by lending institutions decreased to 1.





Purchasing:

In April, the Purchasing department revamped and standardized lease renewals for the fitness and massage spaces at the Bell and Fairway rec centers. Purchasing has also evaluated responses to the RCSC Website RFP and has recommended a vendor for this project. The department filled a newly created position for a part-time contract specialist. This position will assist with the creation and execution of service and purchase agreements with the vendors RCSC uses for goods and services.

Safety & Compliance:

Oakmont Security Project: The Safety & Compliance, Facilities, and Information Technology departments completed the Oakmont security camera and access control project in April. Members are required to obtain an access control token for entry, which can be obtained at Cardholder Services with a photo RCSC Member/Privilege Card. Safety & Compliance participated in the Clubs Organization Committee meeting to discuss safety inspections in club rooms scheduled for the fall. This ongoing partnership aims to guide RCSC's clubs in adhering to safety procedures and policies. Our Customer Engagement Platform had a soft launch in April, with a full launch planned for May. Initial feedback has been positive, with nearly 200 Members/Cardholders establishing accounts. 135 individuals, employees and club members were trained in First Aid, CPR and AED during the month of April. We are thankful for our partnership with the Sun City Fire and Medical Department who provides this training at a low cost.

Comment Cards responded to in April: 138. Year-to-Date: 783.

Incident Reports investigated in April: 44. Year-to-Date: 158.

Human Resources:

Human Resources opened 22 requisitions during the month of April and filled 21 requisitions, ending the month with 5 open positions. Year-to-date, HR has opened 63 requisitions and filled 63 open positions. The time-to fill requisition in April was 7.6 days.

In April, Human Resources updated a substantial number of position titles in the payroll system and updated the mapping of these positions to the appropriate account in the general ledger. HR worked with our 401(k) plan administrator on the annual plan audit, and continued working with Paylocity to fix some nagging issues with the integration between our payroll system with several benefits vendors' systems.

Information Technology:

In April, the Information Technology team received 82 new service requests, and closed 94 requests by month end, leaving 12 tickets remaining open. On average, IT closed service requests in less than one day in April. Year to date, IT has opened 402 tickets, and closed 400 tickets.

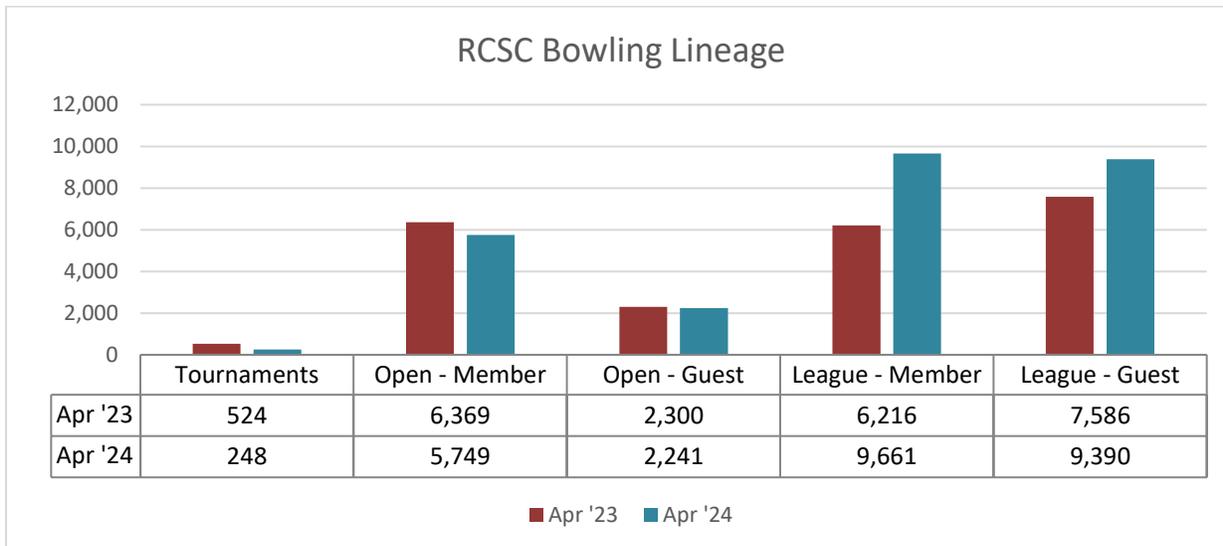
IT is continuing to work on the server and networking upgrade project. The migration of remaining applications and data from the old servers and storage devices to the new server room is on track for completion in June. Installation of the new networking service (SDWAN) from Cox has been completed at more than half of the RCSC facilities, and the project to completely rewire the Bell rec center began this month. IT supported several administrative office moves including the Clubs office move to Oakmont, Accounting's office restructuring, and the move of Safety to the Warehouse space. IT installed kiosks

at Fairway, Bell, and Lakeview to allow Members who do not own computers to enter online comments and purchase guest passes on the Portal.

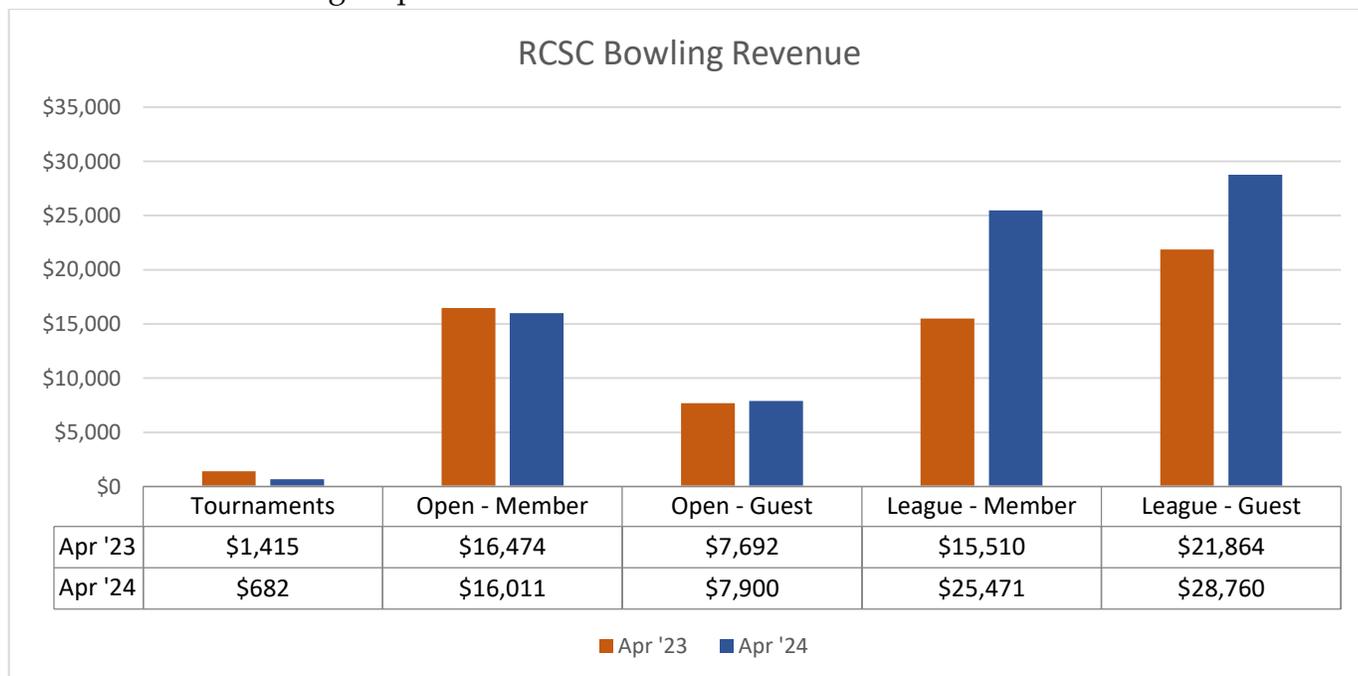
NON-GOLF:

Bowling:

In April of 2024, Bowling lineage totaled 28,232, compared to 23,582 in April of 2023, an increase of 20%. Year to date lineage through April 2024 totaled 131,894 lines, compared to 127,451 through April 2023, an increase of 3%.



Bowling Revenue in April 2024 totaled \$78,823 which was 25% greater than the April 2023 revenue of \$62,955. Year to date, 2024 Bowling revenue is \$371,935, or 7% greater than the total revenue through April of 2023.



Activities:

A full schedule of summer events is being offered this year! In addition to 4 concerts, a magician, music bingo, 2 game shows similar to Family Feud and Name That Tune, a juggler and a Trivia Night are all on the schedule. There is also a Food Truck event with music by a string folk duo, games and several clubs have been invited to be on-site.

The entire fall schedule for the Sun Bowl concerts has been booked.

Plans for the July 4th event is in full swing with some changes to the ceremony including new video compilations.

An additional Audio/Visual Technician has been hired and started May 15th.

Communications:

Welcome Center - 717 visitors in April, a decrease from March of approximately 12% which is usual for this time of year. Of those 717 visitors, 674 were current residents - renters and owners. The #1 reason for their visit was to pick up club brochures; numbers 2 & 3 were to show family and/or friends what RCSC has to offer and to pick up the latest edition of the Sun City Update and local paper.

Arizona emerged as the top state of origin for the majority of our prospective buyers/renters closely trailed by Colorado and Washington. Half of our prospective buyers cited referrals from friends and family as their source of information, while the other half fell within the 60-69 age bracket. Additionally, half of them are planning to relocate within a year or less, with a striking 83% intending to be retired upon arrival. Among the activities that pique the interest of prospective buyers, swimming and walking claim the top spots, followed by bicycling and fitness pursuits.

A new Communications Coordinator has been hired and will begin May 28th. A special thanks goes to Joelyn Higgins for her dedication and years of service to RCSC. We wish her a great retirement; she will be missed.

Clubs:

Budget requests for 2025 have been submitted by all clubs. Room reservations utilized by the clubs throughout the year are being integrated into the online calendar. Inventory lists from the clubs are due by June 1st.

Centers:

USAGE BY CENTER	JAN	FEB	MARCH	APRIL	YTD
BELL	23,335	27,732	30,512	31,182	112,761
FAIRWAY	18,994	18,620	19,439	19,861	76,914
LAKEVIEW	10,129	14,061	17,081	13,036	54,307
MOUNTAIN VIEW	4,003	4,090	6,545	6,203	20,841
MARINETTE	17,278	18,369	19,496	20,589	75,732
OAKMONT	3,119	3,302	4,365	4,182	14,968
SUNDIAL	19,239	17,703	17,990	13,470	68,402
TOTAL CENTER USAGE	96,097	103,877	115,428	108,523	423,925

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MARCH	APRIL	YTD
BASKETBALL	31	61	106	31	229
BILLIARDS	2,795	2,607	2,733	2,441	10,576
BOATS, PEDAL & ROW	587	1,109	1,435	948	4,079
BOCCE (open)	255	206	290	116	867
DARTS	783	833	928	750	3,294
FISHING	289	191	113	76	669
FITNESS	36,395	34,847	34,557	31,275	137,074
WHISPERBALL/RACQUETBALL	322	323	351	270	1,266
HORSESHOES	120	135	80	25	360
MINI GOLF	4,317	6,411	8,568	4,760	24,056
PICKLEBALL	10,362	11,240	11,265	13,007	45,874
POOLS, SWIMMING	12,704	14,306	20,065	20,085	67,160
POOLS, WALKING	3,126	5,466	6,920	11,128	26,640

USAGE SUMMARY BY ACTIVITY	JAN	FEB	MARCH	APRIL	YTD
POOLS, WARM WATER	2,296	2,368	2,086	1,839	8,589
SHUFFLEBOARD (open)	794	868	940	569	3,171
SPA, INDOOR	4,245	4,008	3,784	2,976	15,013
SPA, OUTDOOR	4,212	6,080	6,812	7,622	24,726
TABLE TENNIS	841	800	904	757	3,302
TENNIS COURTS	1,119	1,136	1,233	1,004	4,492
WALKING, INDOOR	5,579	4,676	4,682	4,810	19,747
WALKING, OUTDOOR	4,925	6,529	7,576	4,034	23,064
TOTAL CENTER USAGE	96,097	104,200	115,428	108,523	424,248

FACILITIES:

Projects:

In Process:

Mountain View Rec Center Phases 1 and 2 (PIF) Status: Green

- RFP for architectural services yielded 4 proposals, 05/15/24
- Currently responses are in review. Top candidate(s) may be asked to meet with RCSC Management for further details/clarifications. Exact date yet to be determined.

Sun Bowl Softball Field Improvements (PIF) Status: Green

- Budget: \$1.38M. Total Cost to date: \$860,000
- Project commenced 11/27/23
- Contractor is Robert E Porter Construction
- Project approved by Maricopa County with a Certificate of Occupancy on May 20
- Working to complete camera/access control installation & staff training before turn-over to the Softball Club. Turnover date to be discussed with the club on May 28

Recently Completed

Bell Recreation Center

- Miniature Golf Course new synthetic turf (18 holes). Project was completed on May 14 at a cost of \$ 55,172. Contractor: Baker Brothers
- Stitches Upgrade to LED lighting. Project was completed on May 7 at a cost of \$7,550. Contractor: Accel Electric
- Fitness/Pool Exterior Entrance Door. Project was completed on April 30 at a cost of \$5,753. Contractor: Tri-C Construction

Lakeview Recreation Center

- Replaced (6) column drains. Project was completed on April 14 at a cost of \$ 74,850. Contractor: K.L. McIntyre General Contracting
- Replaced chlorine tab feeders. Project was completed on May 1 at a cost of \$12,000. Contractor: CPR Pools and Accel Electric
- Acid Tab Feeders replacement. Project was completed on April 10 at a cost of \$ 12,000. Contractor: CPR Pools and Accel Electric

Marinette Recreation Center

- Demo and installation of new walking/jogging track. Project was completed on May 17 at a cost of \$ 129,072. Contractor: Elite Sports Builders
- Concrete repairs in parking lot. Project was completed on April 15 at a cost of \$ 6,533. Contractor: Rose Paving Co.

Oakmont Recreation Center

- Security enhancement pilot project at Oakmont. Project was completed on May 14 at a cost of \$177,044. Contractors: ADT/Everon, Exquisite Painting, Fairlane Fence

WORK ORDERS (Skilled Trades, Repair and Maintenance):

The Facilities Department had 130 open work orders as of May 1 and completed 429 work orders in April 2024. The average time to close a work order in April 2024 was 14.5 days. The Facilities Department has completed 1,763 work orders as of April 30.



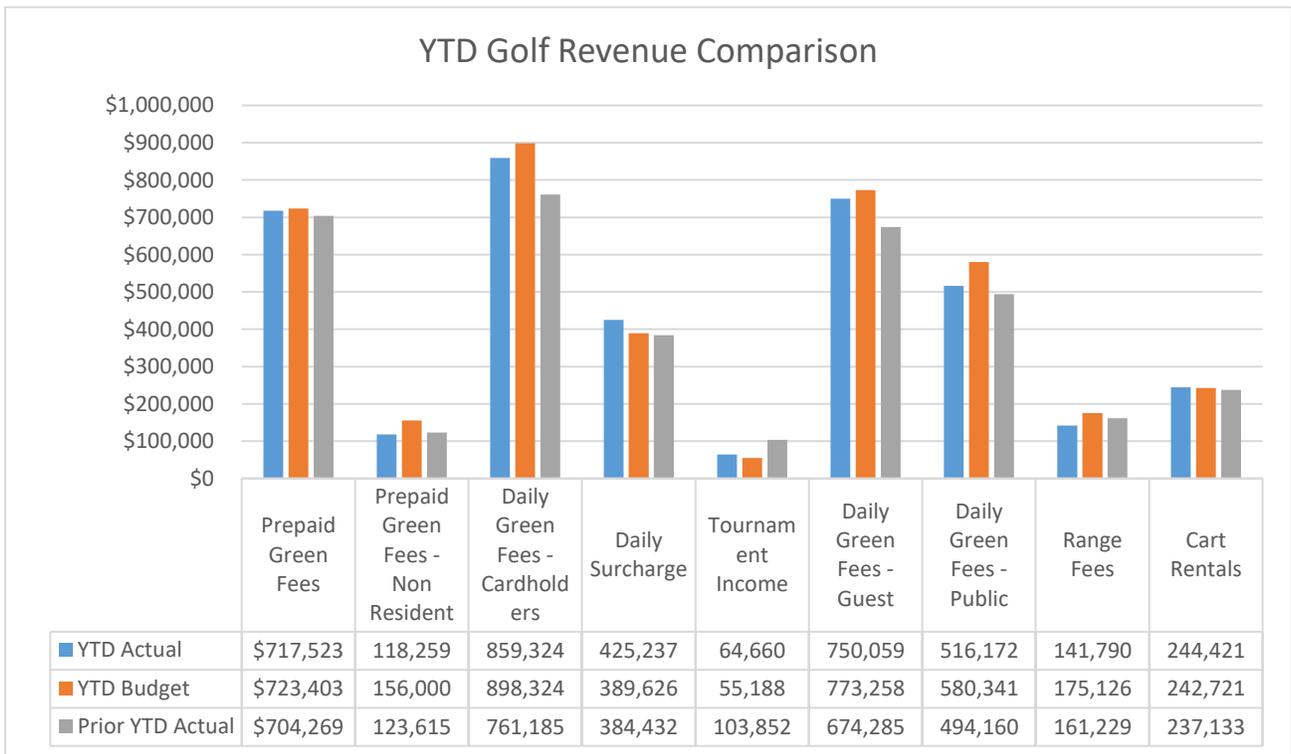
LAWN BOWL AND GROUNDS:

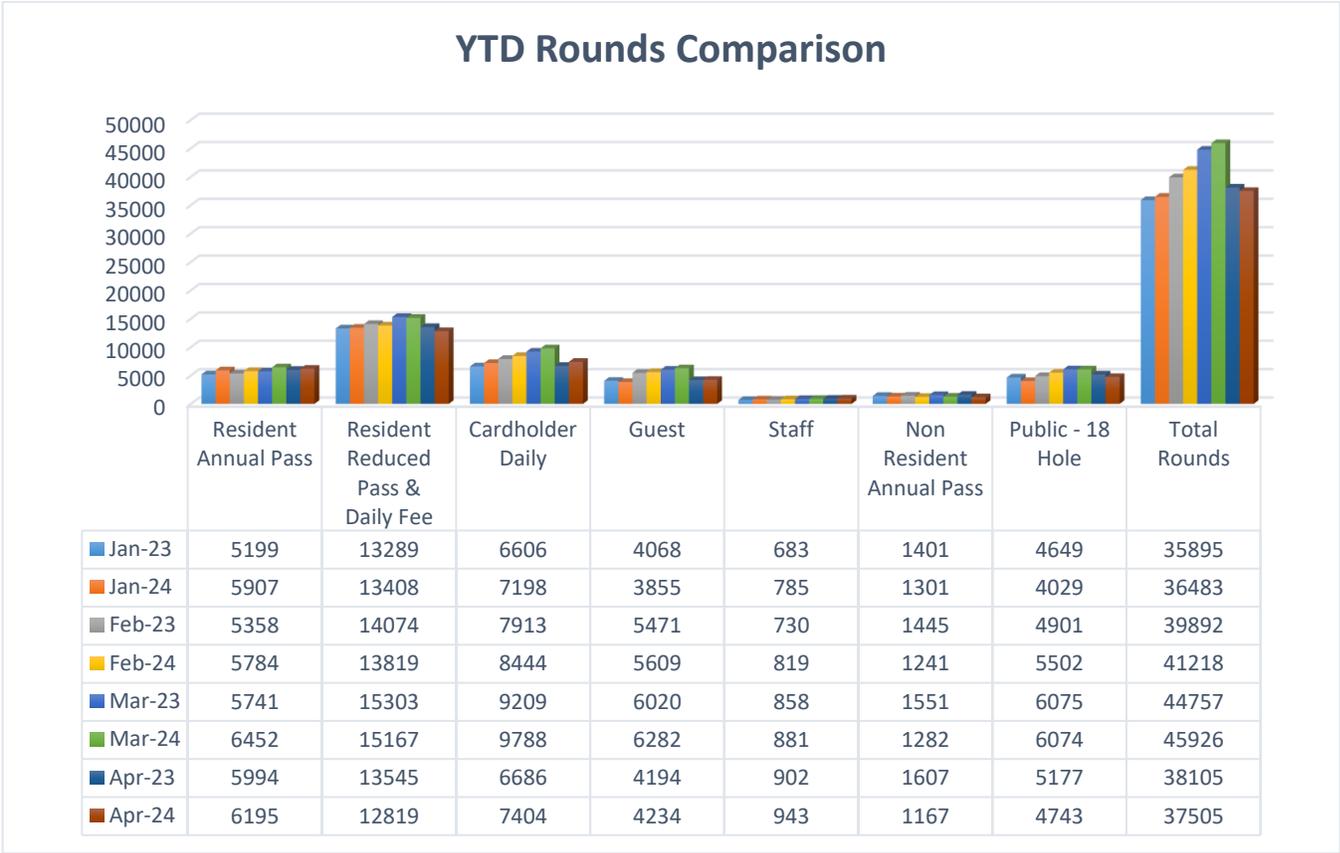
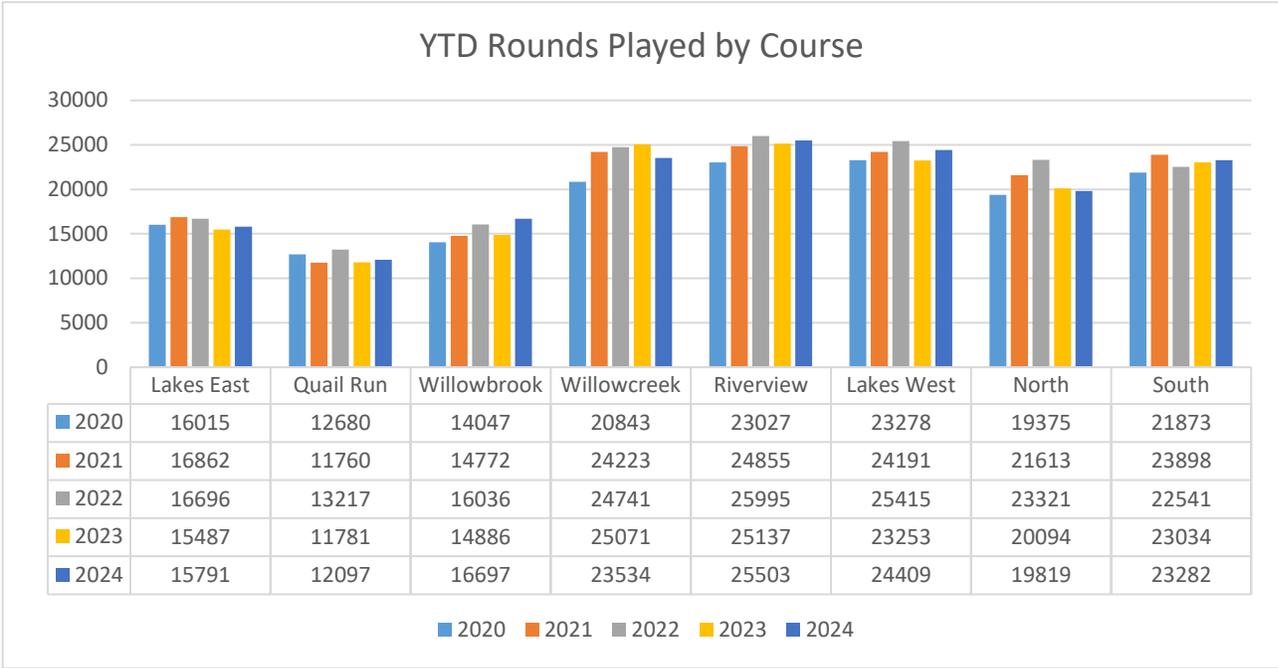
Lawn Bowls - Green speeds range from a low of 11.9 seconds at Lakeview East to a high of 13.5 seconds at Bell South. Moisture readings range from a low of 9.8 at Mountain View to a high of 12.5 at Lakeview West. Verticutted all greens. Added fertilizer and insecticide to kill grubs on all greens. Mowing twice a week, cleaning ditches three times a week and rolling three times a week.

Grounds - Cleaned around the hill at Lakeview Center for Memorial Day. Trimmed bushes and general landscaping at the Softball Field. Mowing Lakeview once per week. Mowing Sunbowl once a week.

GOLF:

Pro Shops:

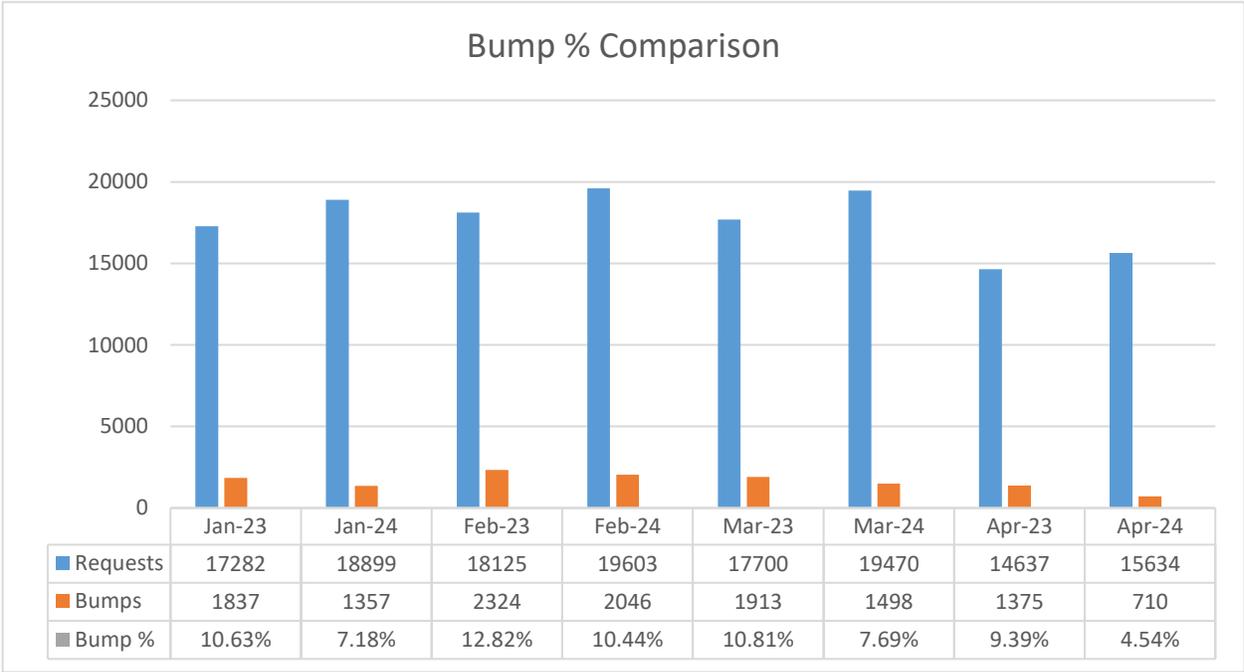




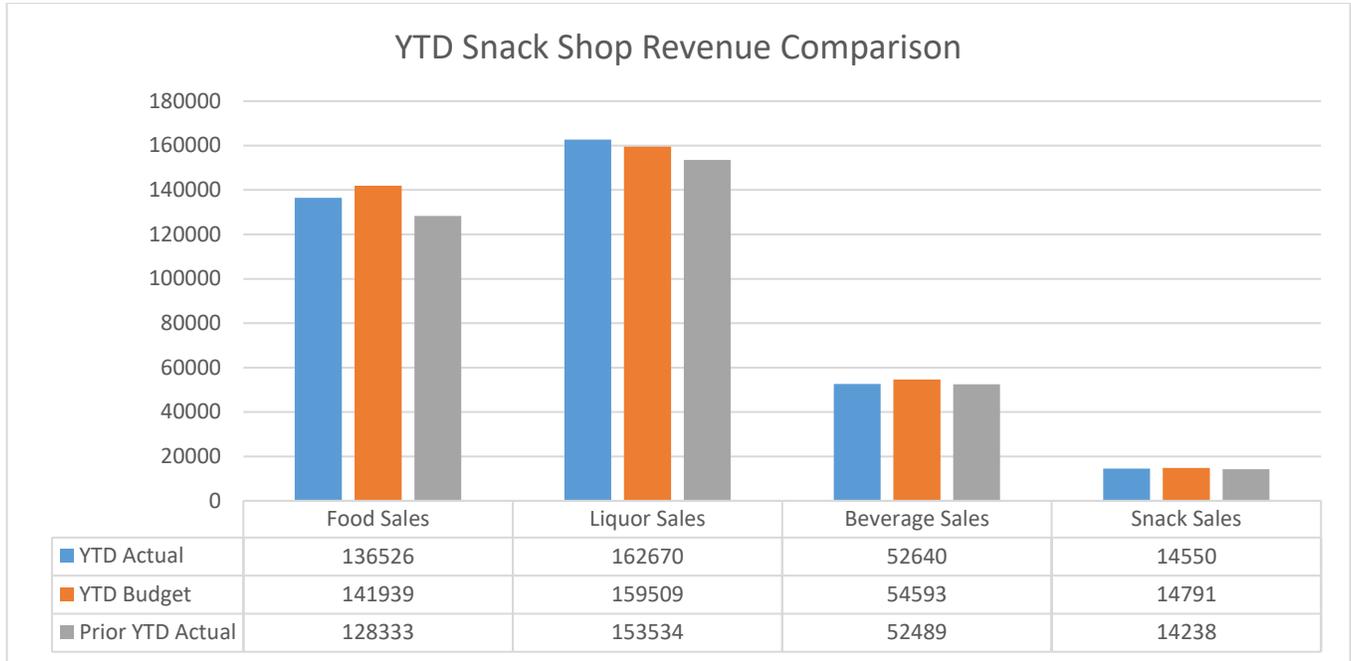
- 15.1% of total rounds played by Annual (Resident) No Fee Passholders YTD, up from 14.0% last year
- 34.27% of total rounds played by Annual Surcharge Passholders YTD, down from 35.43% last year

- 20.38% of total rounds played by Resident Cardholders YTD, up from 19.17% last year
- 3.1% of total rounds played by Annual (Non-Resident) Passholders YTD, down from 3.78% last year
- 12.63% of total rounds played by Public Golfers YTD, down from 13.11% last year
- 12.4% of total rounds played by Guests, down from 12.45% last year
- 2.13% of total rounds played by Staff, up from 2.00% last year

The bump rate (those golfers requesting a tee time through the lottery that were unsuccessful), showed improvement for the fourth consecutive month this year. For the month there was an increase in the number of requests of 997 (14,637 in 2023 versus 15,634 in 2024), however the number of golfers bumped dropped by 665 (1,375 in 2023 versus 710 in 2024). Overall, our bump rate was 4.54% for the month. For the first four months our overall bump rate was 7.62% versus 11.00% for the first four months last year.



Snack Shops:



Golf Courses:

Fairway verticutting began April 18 on Willowbrook and continued through May 7 on South. The full golf maintenance schedule can be found on the RCSC website at www.suncityaz.org under the Course Maintenance tab under Golf. Verticutting helps to thin out the winter rye grass by using blades the cut perpendicular to the soil. Thinning out the canopy allows more sunlight to reach the Bermuda grass coming out of dormancy as well as increased oxygen and moisture to reach the root zones more easily.

Following fairway verticutting, fairway aerification and green aerification began May 20 on Willowbrook and will continue through September 6 on Quail Run. Aerification of fairways and greens helps to relieve the compaction resulting in play and further allows increased oxygen and moisture to reach the root zones of both playing surfaces. This year we have opted to close the courses for longer periods of time and perform both aerification events during the closure. The longer closures will allow crews to provide some TLC to other areas of the course as well as some added healing time to the playing surfaces.

BOARD POLICY RESOLUTION No. 24 (“BP 24”)

PRESERVATION & IMPROVEMENT FEE/CAPITAL IMPROVEMENT FEE, & COLLECTIONS

WHEREAS Article V, Section 6.3 of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt Policies (“BP” or “Policies”) not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

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

WHEREAS the Restated Articles of Incorporation and the Corporate Bylaws shall take precedence over Board Policies and that the following Board Policy on Preservation & Improvement Fee/Fund shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed by the Board.

NOW, THEREFORE BE IT RESOLVED the Corporation shall adhere to the following Preservation & Improvement Fee/Capital Improvement Fee policy:

SECTION 1: PRESERVATION & IMPROVEMENT FEE

A Preservation and Improvement ~~Fee~~ 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 Owners 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.

B. A PIF assessment will be imposed on each Property and its Owner(s) including but not limited to the following:

8. on the date any seller(s) transfers Property to any purchaser(s);
9. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
10. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the PIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
11. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;
12. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
13. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or

14. in the event the remaining Owner(s) was not original payor of the PIF assessment, unless legally married to owner at time of purchase. Marriage certificate may be required or marriage status proven by disclaimer deed recorded with Maricopa County.
- E. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a PIF assessment.
- F. In no event will more than one refund be processed for any given PIF assessment paid by the Owner(s) of a Property. All refunds for PIF assessments must be applied for through the Cardholder Services Office. A refund of the PIF assessment may be available if:
8. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona is owned for one or more years and is made within one (1) year of the purchase/ acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
 9. no Owners who paid the PIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
 10. if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;
 11. if after a death of the last remaining original payor of the PIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;
 12. the purchaser(s) has been is a Member(s) in good standing;
 13. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
 14. the Member Card(s) from the property sold are returned.
- G. Projects funded from the Preservation and Improvement Fund must:
5. be approved by the Board of Directors;
 6. be a minimum of Three Hundred Thousand Dollars (\$300,000); and
 7. have a depreciable life of at least fifteen (15) years; and
 8. are not to be spent for normal operating or maintenance expenses.
- H. Income from Preservation and Improvement Fund investments will be retained in the Preservation and Improvement Fund.
- ~~I. Preservation and Improvement Funds are not to be spent for normal operating or maintenance expenses.~~
- J. A quarterly report will be submitted to the Board detailing activity of Preservation and Improvement Fund income and expenditures. A detailed list of Preservation and Improvement Fund investments will be provided quarterly to the Board.

SECTION 2: CAPITAL IMPROVEMENT FEE

A Capital Improvement Fee assessment (hereinafter referred to as “CIF assessment” or “a CIF assessment” or “the CIF 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 CIF 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 CIF assessment for the Property resulting in Owners who have not paid said CIF 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.

A. A CIF assessment will be imposed on each Property and its Owner(s) including but not limited to the following:

8. on the date any seller(s) transfers Property to any purchaser(s);
9. in the event Property is transferred to a trust, on the date of the death of the last original Grantor under a trust;
10. in the event Property is transferred from a trust, on the date when Property is transferred to persons other than the original Grantors of the trust, unless the CIF assessment was paid at the time of the death of the original Grantors of the trust and the payor(s) retain a majority (50% or more) ownership interest;
11. in the event Property is transferred to a Company, on the date when the transferor(s) is/are no longer officers and majority (50% or more) owner(s) of record of said Company;
12. in the event Property is transferred from Company to a new Owner, on the date when the transferor(s) is no longer the Owner(s) of record;
13. in the event Property is transferred by inheritance, including but not limited to probate proceedings and beneficiary deeds, on the date of legal transfer; or
14. in the event the remaining Owner(s) was not original payor of the PIF assessment, unless legally married to owner at time of purchase. Marriage certificate may be required or marriage status may be proven by disclaimer deed recorded with Maricopa County.

B. A deed or other instrument executed by Owner that holds a fee simple estate to the Property, which deed reserves a life estate to such Owner (and which may also reserve a life estate to no more than one other living person) and creates a remainder interest in another party shall not incur a CIF assessment.

C. In no event will more than one refund be processed for any given CIF assessment paid by the Owner(s) of a Property. All refunds for CIF assessments must be applied for through the Cardholder Services Office. A refund of the CIF assessment may be available if:

8. the sale/disposition/transfer of a previous primary Arizona residence in Sun City, Arizona owned for one or more years and is made within one (1) year of the purchase/ acquisition/ transfer/ inheritance of the other primary Arizona residence in Sun City, Arizona;
9. no Owners who paid the CIF assessment for the previous primary Arizona residence in Sun City, Arizona retain an ownership interest in that property at the time of the sale/disposition/transfer;
10. if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and any and all other charges are paid in full;

11. ~~if~~ after a death of the last remaining original payor of the CIF assessment, a beneficiary deeded Owner or the remaining deeded Owner sells the Property within one year of the death and the related assessment and fees are paid in full;
12. the purchaser(s) has been a Member(s) in good standing;
13. an application for a refund was made no more than three (3) years from the date of the last escrow closed; and
14. the Member Card(s) from the property sold are returned.

D. Projects funded from the Capital Improvement Fee must:

5. be approved by the Board of Directors;
6. be **equal to or more than Five Thousand Dollars (\$5,000);** ~~less than Three Hundred Thousand Dollars (\$300,000).~~
7. **not fit the criteria to qualify as a PIF project.**
8. **are not to be spent for normal operating or maintenance expenses.**

E. Income from Capital Improvement Fee investments will be retained in the Capital Improvement Fee fund.

~~F. Capital Improvement Fee funds are not to be spent for normal operating or maintenance expenses.~~

G. A quarterly report will be submitted to the Board detailing activity of Capital Improvement Fee fund income and expenditures. A detailed list of Capital Improvement Fee fund investments will be provided quarterly to the Board.

SECTION 3: TRANSFER FEE

A Transfer Fee, as determined by the Board, shall be imposed on the purchase, acquisition, transfer, inheritance, gift or any change in ownership of legal or beneficial interest in the title to Property (collectively known as "Ownership Change") (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 said Transfer Fee no longer retains a majority (50% or more) ownership interest in the property; or (ii) following the death of the last original Grantor under a trust which holds title to the Property; or (iii) following the death of the last holder of a life estate.

At any time when an Ownership Change has occurred for the purposes of imposing the PIF ~~assessment~~, then a Transfer Fee shall also be incurred and collected at the same time that the PIF ~~assessment~~ is collected.

The Transfer Fee may be refunded if the heir sells Property to another Owner within one year of the inheritance and the related assessments, fees and all other charges are paid in full. There are no other refunds of Transfer Fees available.

SECTION 4: ACCESS FEE

A one-time Access Fee per Property, as determined by the Board, shall be paid by the builder, owner or developer desiring to have access to RCSC Facilities for 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 and 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.

Said builder/owner/developer must execute a Facilities Agreement with the Corporation. Purchasers of individual Properties are also required to execute a [Facilities Agreement](#) and pay a PIF **Fee, CIF Fee assessment**, Transfer Fee, annual property assessment and any other and all assessments, fees and charges as designated by the [Facilities Agreement](#) and [Corporate Documents](#). There are no refunds available for access fees.

SECTION 5: LATE AND LIEN FEES, INTEREST AND COLLECTIONS

Every Owner is responsible for the total of all assessments, fees and any other and all charges against the Property and Owners. All property assessments are due annually on the date escrow closed on the property and shall be considered in arrears following that date. Other assessments, fees and charges may be assessed from time to time, at the discretion of the Board, and shall be due and payable as outlined in the billing of such and shall be considered in arrears after the due date.

Late fees and penalties, as determined by the Board, may be imposed on all assessments, fees and any and all other charges which are in arrears. Legal action to secure payment may be taken including but not limited to additional fees, liens and the enforcement of the same. Any Owner whose assessments, fees or any and all other charges are in arrears is not considered a Member in good standing and all ~~their~~ Cardholder Privileges are suspended until all of the Owner's account **(s) is/are** current.

Owners are responsible for providing **and maintaining** current and accurate billing information to the Cardholder Services Offices; failure of an Owner to receive billing does not relieve the Owner of the obligation and liability to pay assessments or fees, nor does it eliminate the following collection process and fees:

- H. At thirty (30) days in arrears, Owners shall be charged a late fee, as determined by the Board and shall be sent a reminder notice regarding the unpaid balance on their account.
- I. At sixty (60) days in arrears, interest will begin to accrue on the unpaid balance on their account and a reminder notice regarding the unpaid balance on their account shall be sent. Interest equal to the interest rate charged by Maricopa County for delinquent taxes as set forth in Arizona Revised Statutes will be charged by the Corporation on any delinquent fees and/or assessments and interest shall accrue on a monthly basis until the account has been paid in full.
- J. At sixty (60) days in arrears, RCSC **reserves the right to** ~~shall~~ file a lien upon the Property with the office of the Maricopa County Recorder and a lien recording and release fee, as determined by the Board, shall be charged to the Owners.
- K. All accounts ninety (90) days in arrears may be reported to the Credit Bureau(s) as a delinquent account. If any assessment or fee is not paid within ninety (90) days after it becomes due, said lien may be foreclosed as set forth in the [Facilities Agreement](#). Said lien shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed on the Property.
- L. The Corporation may pursue all available legal processes or actions available to it in order to collect any unpaid assessments or fees owed to the Corporation. Owners shall be required to pay for all costs associated with such legal collection actions or processes.
- M. The Corporation may turn any unpaid accounts over to a third party for collections and Owners shall be required to pay for all costs associated with such collection processes.
- N. At such time that the account is paid in full, RCSC shall file a lien release with the office of the Maricopa County Recorder.

Owners shall not be considered Members in good standing until such time that all Properties in which the Owner has an ownership interest are current with all assessments, fees, and any and all other charges against the Properties and Owners.

If a Property has unpaid assessments or fees and the ownership changes, the new Owner(s) will not be allowed to use RCSC Facilities, obtain a Member Card or vote until such time that the unpaid assessments, fees and any and all other charges against the Property and Owner(s) have been paid in full. If any individual has unpaid assessments or fees relating to a Property that has been previously owned, that individual will not be allowed to use RCSC Facilities or vote until such time that the unpaid assessments, fees and any and all other charges have been paid in full.

BE IT FURTHER RESOLVED that a copy of this resolution shall be posted on the RCSC website for members and shall be made available to members upon request at no cost.

Adopted and signed this ~~29th~~ 30th day of ~~February~~ May, 2024 at a duly called Board meeting by a majority (5) of the Recreation Centers of Sun City, Inc. Board of Directors.

ATTEST:

Kat Fimmel, President

Connie Jo Richtmyer, Secretary