

1
2 **RECREATION CENTERS OF SUN CITY, INC.**

3 **CORPORATE BYLAWS (Revised 10-27-25)**

4 Amended ~~February 2, 2025~~ **November 10, 2025**

5 WHEREAS Article VIII, Section 3 of the Restated Articles of Incorporation (“Articles”)
6 provides that the Board of Directors (“Board”) of the Recreation Centers of Sun City, Inc. (“RCSC”
7 or “Corporation”) may adopt Corporate Bylaws (“Bylaws”) not in conflict with the Articles.

8 NOW, THEREFORE, BE IT RESOLVED the Corporation must adhere to the following
9 Bylaws.

10 The following definitions will apply:

11 A. **“ANCA”** is defined as the Arizona Nonprofit Corporation Act, Arizona Revised Statutes
12 §§ 10-3101 through 10-11702, as amended.

13 B. **“Annual Property Assessment”** is defined as the annual fee that provides funding for the
14 RCSC’s operations and is required to be paid by all Property Owners subject to the Corporate
15 Documents and a recorded Facilities Agreement.

16 C. **“Business Affairs of the Corporation”** ~~is defined as all matters conducted by the~~
17 ~~Corporation, excluding amendment of Bylaws,~~ **are defined as the governance, management,**
18 **and operations of the Corporation conducted by or under the direction of the Board of**
19 **Directors, which includes but is not limited to:**

20 1. **Financial management and budgeting;**

21 2. **Adoption and enforcement of policies, programs, and services;**

22 3. **Contracts, pricing, bids, and vendor selection;**

23 4. **Internal corporate matters, operational decisions, regulatory compliance and risk**
24 **management (including insurance);**

25 5. **Employment, personnel, and compensation matters;**

26 6. **Litigation and claims;**

27 7. **Real property and capital projects;**

28 8. **Information security and privacy;**

29 9. **Communications and public relations;**

30 10. **Strategic planning of the Corporation; AND**

31 11. **Any other matter not expressly reserved to the Members by the Articles of**
32 **Incorporation or applicable law,** that are not in violation of its Corporate Documents or
33 the ~~Arizona Nonprofit Corporation Act~~ **ANCA statutes that are** in effect at the time the
34 matter is conducted.

35 D. **“Cardholder(s)”** is defined as a Member and/or Privilege Cardholder(s).

36 E. **“Chartered Club(s)”** or **“Club(s)”** is a group of Cardholders with a common interest formed
37 as a part of the Corporation’s group tax exemption as a subordinate Chartered Club under
38 section 501(c)(4) of the Internal Revenue Code. A Chartered Club qualifies as such as
39 outlined in **the** Board Policy Resolution ~~No.12~~ **titled** **addressing** Chartered Clubs.

- 40 F. **“Company”** is defined as a Corporation, LLC, **Subchapter S Corporation**, Partnership, LLP,
41 or any other entity that represents non-individual ownership other than trusts which holds or
42 owns the current ownership interest in a Property.
- 43 G. **“Corporate Documents”** are the Restated Articles of Incorporation, Corporate Bylaws,
44 Board Policies and/or any rules and regulations of the Corporation.
- 45 H. **“Directors of the Board”** is defined as the nine (9) elected or appointed members of the
46 Board of Directors of the RCSC (hereafter referred to as **“Director(s)”**).
- 47 I. **“Facilities Agreement”** is an agreement between the Corporation and the Property Owner(s)
48 which obligates each and every Owner to pay assessments and fees imposed by the
49 Corporation when due whether or not Owners occupy the Property or use RCSC Facilities.
- 50 J. **“Incident Report Forms”** are filed to report non-club related threats/verbal/physical abuse
51 of a staff or member, misuse or destruction of the RCSC’s property, gross or malicious
52 behavior, or substantially similar incidents requiring documentation that occur on the
53 RCSC’s property.
- 54 K. **“Medical Report Forms”** document injuries (trips, slips, falls), **illness,** or **loss of**
55 **consciousness, or substantially similar events requiring documentation.** ~~destruction of RCSC~~
56 ~~property, theft, verbal or physical abuse of staff or member, indecent exposure, threats made,~~
57 ~~police interaction, and gross or malicious behavior. In general, any situation in which there~~
58 ~~is an injury, perceived or actual harm to any individual, unacceptable behavior or destruction~~
59 ~~of any RCSC property.~~
- 60 L. **“Member(s)” or “Membership”** **is/are defined as Property Owner(s) who meet Member**
61 **qualifications as defined in Article II of these Bylaws.** ~~as defined in Article II, Section 1, is~~
62 ~~an Owner(s) who meets Member qualifications.~~ Once Member qualifications are verified by
63 the Cardholder Services Office, Member status will be established, and a Member Card with
64 Owner’s photo will be issued by the Corporation.
- 65 M. **“Member Card”** is defined as a card with Owner’s photo that is issued by the Corporation
66 after Member qualifications are verified by the Cardholder Services Office. Owners who
67 cannot meet the Member documentation requirements will not be issued a Member Card and
68 will not receive any Member Privileges.
- 69 N. **“Member(s) in good standing”** is **are** defined as a Member whose assessments, fees and
70 any and all other charges are current for all Properties in which the Owner has an ownership
71 interest and whose Member Privileges are not suspended. Privileges for Members in good
72 standing are listed in Article II, Section 1.
- 73 O. **“Member Privileges”** are granted to Member Cardholders in good standing who may vote,
74 serve on the Board or Committees, speak at Membership and Board meetings, join and
75 participate in Chartered Clubs, receive discounted rates for golf and bowling, attend the
76 **RCSC’s** free ~~RCSC~~ events and entertainment, and use all available RCSC Facilities subject
77 to the Corporate Documents. Owners who cannot meet the Member documentation
78 requirements will not be issued a Member Card and will not receive any Member Privileges.
- 79 P. **“Owner(s)” or “the Owner(s)”** is **are** defined as any individual or entity holding or owning
80 a current ownership interest in a Property **and is named on the deed to the property except:**

- 81 1. If a trust holds or owns the ownership interest in the Property, then the Owner(s) will be
82 no more than two of the Grantors, or if deceased, no more than two **vested** remainder
83 beneficiaries of the trust **whose interests are presently distributable**. Remainder,
84 contingent or non-vested beneficiaries of a trust will not be considered Owner(s). ~~unless~~
85 ~~grantors are deceased~~
- 86 2. If a Company holds or owns the current ownership interest in the Property, then the
87 Owner(s) will be no more than two individuals selected by the Company from its
88 shareholders, members or partners provided that said individuals have an ownership
89 interest in said Company.
- 90 3. If life estate and remainderman interests hold or own the current ownership interest in
91 the Property, then Owner(s) will be the life estate interest(s). The life estate is considered
92 the Owner when dual ownership is life estate and remainderman.

- 93 4. In the event of the death of the sole Owner on a Property deed, a spouse who was married
94 to the Property Owner prior to the Property purchase will be considered the Owner of
95 record and is not liable for PIF or CIF fees related to the change of ownership.
- 96 5. **“Non-Owner(s)”** is/are defined as renters, tenants, lessees, occupants, or those granted
97 lifetime use of Property who are not Owners and reside in a Property. Non-Owners must
98 meet the established criteria in these Bylaws to purchase a Privilege Card.
- 99 6. **“Unqualified “Owner(s)”** is/are defined as Owners(s) who cannot meet Member
100 qualifications.

101 Q. **“Petition(s)”** by Members are defined as follows:

- 102 1. An initiative petition proposes an addition to the Articles of Incorporation or Bylaws.
103 2. A referendum petition proposes to amend the existing Articles of Incorporation or
104 Bylaws.
105 3. A removal petition proposes to remove sitting Director(s).
106 4. A demand for a special meeting proposes the consideration of a matter expressly reserved
107 to the Members by the Articles of Incorporation, Bylaws, or applicable law.

108 R. **“Privilege Card”** is defined as a Non-Owner Property **or Unqualified Owner Property**
109 **resident card. Cardholder Services will issue the card after qualifications are verified.** ~~with~~
110 ~~Cardholder’s photo that is issued by the Corporation after qualifications for such are verified~~
111 ~~by the Cardholder Services Office.~~

112 S. **“Privilege Cardholder”** **is an Unqualified Owner or Non-Owner Property resident that has**
113 **been issued a Privilege Card.** ~~is a non-owner property resident as defined in Article II~~
114 ~~Section 3 of these bylaws.~~

- 115 1. Privilege Cardholders may join and participate in Chartered Clubs, receive member rates
116 for golf and bowling, attend the RCSC’s free events and entertainment, and use all
117 available RCSC Facilities subject to the Corporate Documents.
- 118 2. Privilege Cardholders may not vote or sign a Petition, serve on committees or the Board,
119 or speak at Membership, Board Exchange, or Board meetings.

120 T. **“Privilege Cardholder(s) in good standing”** is defined as a Privilege Cardholder **whose:**
121 ~~privileges are not currently suspended and the property owner’s assessments, fees and any~~
122 ~~and all other charges against the Property for which the Privilege Card is issued are current.~~

123 ~~Privilege Cardholders in good standing may join and participate in Chartered Clubs, receive~~
124 ~~discounted rates for golf and bowling, attend free RCSC events and entertainment, and use~~
125 ~~all available RCSC facilities subject to the Corporate Documents.~~

126 1. Privileges are not currently suspended; **AND**

127 2. The Property Owner's assessments, fees and any and all other charges against the
128 Property for which the Privilege Card is issued are current.

129 U. **"Property(ies)"** or **"the Property(ies)"** or **"a Property"** is defined as any land, building or
130 structure or portion of any building or structure which is, has been or is intended to be, for
131 use and occupancy as a dwelling unit that is real property in Sun City, Arizona located in the
132 area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E.
133 Webb Development Company and dated July 1972, November 1974, August 1975, and
134 September 1978 with subsequent amendments thereto.

135 V. **"RCSC Facilities"** is defined as any and all facilities in Sun City, Arizona owned and/or
136 operated by the ~~Recreation Centers of Sun City~~ RCSC.

137 W. **"RCSC Organization(s)"** is defined as an organization directly affiliated with the RCSC,
138 including but not limited to: Chartered Clubs, golf associations affiliated with the RCSC's
139 golf courses, Sun City Foundation, Inc., Sun City Property Holdings, Inc., and Viewpoint
140 Lake Management Board.

141 X. **"Senior Management"** is defined as the employees designated by title by the General
142 Manager.

143

144 **ARTICLE I – CORPORATE OFFICE**

145 **SECTION 1: CORPORATE CATEGORIZATION**

146 The Recreation Centers of Sun City, Inc., is categorized by the Internal Revenue Service as a private
147 non-profit 501(C)(4) corporation. The corporation is regulated by the ANCA. Arizona Revised
148 Statute Title 10 for non-profit corporations.

149 **SECTION 2: PURPOSE**

150 The purpose of the RCSC as stated in part in the Articles of Incorporation is to do anything and
151 everything lawfully necessary in the interest of the Members of the Corporation, including, without
152 limitation, the following:

- 153 A. To establish and conduct a general social, cultural, recreational and amusement enterprise
154 for the benefit of its Members and do anything lawfully necessary or convenient to
155 accomplish such purpose.
- 156 B. To contract, coordinate or operate, with other organizations, associations, corporations, or
157 individuals in carrying out and conducting the activities and endeavors for which this
158 Corporation is formed and in effecting the benefits and results sought to be gained.

159 **SECTION 3: PARLIAMENTARY AUTHORITY**

160 The rules contained in the current edition of *Robert's Rules of Order, Newly Revised*, shall govern
161 the corporation in all cases to which they are applicable. By precedence, meetings of the
162 Corporation, including meetings of the Membership, will be governed by:

- | |
|---|
| 163 A. The laws of the State of Arizona and the Corporate Documents |
| 164 B. The RCSC's Bylaws |
| 165 C. Special Rules of Order |
| 166 D. Robert's Rules of Order |

167 **SECTION 4: CORPORATE OFFICE**

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

170 **SECTION 5: FISCAL YEAR**

171 For all purposes, financial and otherwise, The calendar RCSC's fiscal year runs January 1 through
172 December 31 for financial reporting and budgeting purposes only. All other governance actions are
173 not constrained by a fiscal or calendar year. will be synonymous with the term "fiscal year" of the
174 Recreation Centers of Sun City, Inc.

175 **SECTION 6: GENERAL PROVISIONS**

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

180

ARTICLE II – MEMBERSHIP, CARDHOLDERS AND GUESTS

SECTION 1: MEMBERS, MEMBERSHIP, MEMBER CARD/CARDHOLDER

181
182
183 A. Members in good standing, **which includes having paid their Annual Property Assessment.**
184 ~~will be~~ **are** considered as the Membership of the Corporation. Members in good standing
185 may:

- 186 1. Vote;
- 187 2. Serve on the Board of Directors or Committees;
- 188 3. Speak at Membership, Board Exchange and Board meetings;
- 189 4. Join and participate in Chartered Clubs;
- 190 5. Receive ~~discounted~~ **Member** rates for golf and bowling;
- 191 6. Attend the RCSC's free events and entertainment; AND
- 192 7. Use all available RCSC Facilities subject to the Corporate Documents.

193 B. Members ~~will be Owners who~~ **must** meet the following qualifications:

- 194 1. A Member must be an Owner of property in Sun City and ~~is~~ **be** 55 years of age or older
195 who occupies ~~a~~ **the** Property as ~~an~~ **his/her primary** Arizona residence **as documented by**
196 **the Maricopa County Assessor's Office as other than a rental or non-resident category.**
197 ~~unless his/her other residence is farther than seventy five (75) miles from Sun City,~~
198 ~~Arizona in which case the Owner(s) must provide proof that he/she occupies the Property~~
199 ~~as well.~~
- 200 2. If a spousal Owner is under 55 years of age, he/she may be a Member, provided:
 - 201 a. He/she is not under 19 years of age;
 - 202 b. He/she occupies the Property ~~as an~~ **his/her primary** Arizona residence ~~unless his/her~~
203 ~~other residence is farther than seventy five (75) miles from Sun City, Arizona in~~
204 ~~which case the Owner(s) must provide proof that he/she occupies the Property as~~
205 ~~well; AND~~
 - 206 c. That one spousal Owner is 55 years of age or older and occupies the Property at the
207 same time.
 - 208 d. Continued Member status by an underage spousal Owner because of the death or
209 long-term medical relocation of the Owner meeting the age **requirement will** continue
210 so long as the Owners and occupancy status of the Property ~~does~~ not change.

211 C. If there are more than two Property Owners who meet the Member qualifications, such
212 Owners must decide which two concurrent Owners will be classified as Members. Additional
213 Owners who qualify may purchase a Privilege Card or Day Pass.

214 D. If the Owner is a trust, no more than two of the Grantors, or if deceased, no more than two
215 **vested** remainder beneficiaries of the trust **whose interests are presently distributable** may
216 be deemed to be Members, provided that they individually meet the Member qualifications.
217 Remainder, contingent or non-vested beneficiaries of a trust will not be considered Owner(s)
218 and are not eligible to be Members, ~~unless the Grantors are deceased.~~ Those granted life
219 estate use of a property are not eligible to be Members.

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

231 **SECTION 2: ~~DEEDED OWNERS UNDER 55 YEARS OF AGE~~ UNQUALIFIED OWNERS**

232 Owners who cannot meet Member qualifications are considered Unqualified Owners.

- 233 A. An Unqualified Owner who does not occupy the Property may be entitled to purchase a Day
234 Pass through the Cardholder Services Office. The Day Pass gives the Unqualified Owner the
235 privilege of using RCSC Facilities while temporarily (~~thirty~~ (30) days or less per year) in
236 Sun City, Arizona. The Unqualified Owner is not allowed to bring guests.
- 237 B. An Unqualified Owner under 55 years of age who occupies the Property may be issued an
238 annual Privilege Card for a fee, as determined by the Board, provided the Owner, ~~who is~~
239 ~~under 55 years of age~~:
- 240 1. Is not under 19 years of age; and
 - 241 2. Occupies the Property as **an Arizona residence as documented by the Maricopa County**
242 **Assessor's Office as other than a rental or non-resident category,** ~~as his/her primary~~
243 ~~Arizona residence unless his/her other residence is farther than seventy five (75) miles~~
244 ~~from Sun City, Arizona in which case the Underage Owner must provide proof that~~
245 ~~he/she occupies the Property;~~ and
 - 246 3. Provided further that there is verifiable proof of at least one person 55 years of age or
247 older occupying the Property at the same time.

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

249 ~~Non-Owners defined as renters, tenants, lessees, occupants, those granted lifetime use of Property~~
250 ~~who are not Owners and reside in a Property and that meet the following criteria may be entitled to~~
251 ~~purchase a Privilege Card: A Non-Owner may be issued a 30-day, 60-day, 90-day or annual Privilege~~
252 ~~Card for a fee, as determined by the Board, provided:~~

- 253 A. At least one Owner or Non-Owner who occupies the Property is 55 years of age or older;
254 **AND**
- 255 B. The Non-Owner occupies the Property for the period of time requested as his/her ~~primary~~
256 ~~Arizona residence, unless his/her other residence is farther than seventy five (75) miles from~~
257 ~~Sun City, Arizona in which case the Non-Owner(s) must provide proof that he/she occupies~~
258 ~~the Property as well;~~ **AND**
- 259 C. The Non-Owner is not under 19 years of age, AND;

260 D. The assessments, fees and any and all other charges against all of the Owner's Properties
261 where such Non-Owner resides, are current.

262 **SECTION 4: INCIDENT AND MEDICAL REPORTS**

263 A. Medical Report Forms must be completed and filed to document events occurring on RCSC
264 Facilities, including, but not limited to:

- 265 1. Illness.
266 2. Loss of consciousness;
267 3. Injuries (trips, slips, falls); and
268 4. Substantially similar events requiring documentation.

269 B. Incident Report Forms must be completed and filed to document misconduct occurring on
270 RCSC Facilities, including, but not limited to:

- 271 1. Threats or verbal/physical abuse of a staff person or Member;
272 2. Any situation in which there is perceived or actual harm to any individual;
273 3. Gross or malicious behavior;
274 4. Misuse, damage, or destruction of the RCSC's property;
275 5. Theft;
276 6. Unacceptable behavior; and
277 7. Substantially similar incidents requiring documentation.

278 C. Incident reports must be filed within thirty (30) days of occurrence.

279 D. The club member conduct process is addressed in the Board policy governing clubs.

280 Incident Report Forms are used to report any and all incidents occurring on RCSC property within
281 thirty (30) days of the incident as defined in definitions of these Bylaws. Anyone can report a
282 person(s) failing to comply with the Corporate Documents by completing an Incident Report Form.
283 An Incident Report Form can be obtained at RCSC Facilities, on the RCSC website (www.suncityaz.org)
284 or at the Corporate Office. Completed Incident Reports remain confidential subject to the provisions
285 and requirements of federal, state and local laws. The maker of the Incident Report may be asked to
286 provide additional information. Incident Report Forms are sent or delivered to the Corporate Office
287 where they are reviewed for Cardholder notifications and processing.

288 All Incident Reports submitted against a Cardholder will result in the Cardholder being notified of
289 the reported incident via letter from Senior Management. The Cardholder will be asked to complete
290 an Incident Report Form describing their version of the incident. If after investigation the Cardholder
291 is found to be in violation, the Cardholder will be sent another letter from Senior Management and
292 asked to cease and desist any actions that are contrary to the Corporate Documents. Incident Reports
293 will remain on record for three (3) years.

294 If the current report is sufficiently egregious or an additional incident is reported against the
295 Cardholder, the Cardholder may be notified by the Board of Directors to appear at a hearing.

296 **ARTICLE III – ASSESSMENTS AND FEES**

297 Each and every Property Owner must execute a **Facilities Agreement** in the form required by the
298 Corporation. All Owners are obligated to pay assessments, fees and other charges when due whether
299 or not Owners occupy the Property or use RCSC Facilities. Assessments, fees and other charges will
300 be determined by the Board and will be payable by Owners pursuant to the Facilities Agreement and
301 Corporate Documents.

302 **SECTION 1: ANNUAL PROPERTY ASSESSMENTS**

303 The Corporation may levy an Annual Property Assessment against each Property and its Owner(s).
304 Each Owner of a Property, by accepting a deed or entering into a Facilities Agreement, is deemed
305 to covenant and agree to pay these Annual Property Assessments. All Annual Property Assessments,
306 together with interest due from the due date of such Annual Property Assessment, late charges, costs
307 (including lien fees and administrative costs) and reasonable attorneys' fees, will be a charge and
308 continuing lien upon each Property against which the Annual Property Assessment is levied until
309 paid and will be the obligation of the Owner(s) of such Property at the time the Annual Property
310 Assessment is imposed. Upon a transfer of title to a Property, the grantee(s) will be jointly and
311 severally liable with the grantor(s) for any assessments, fees and other charges due at the time of
312 conveyance. No first mortgagee or first deed of trust beneficiary who obtains title to a Property by
313 exercising the remedies provided in its mortgage or deed of trust, as the case may be, will be liable
314 for unpaid Annual Property Assessments which accrued prior to such acquisition of title. Annual
315 Property Assessments will be paid in such a manner and on such dates as the Board may establish.
316 No Owner may exempt himself, herself or itself from liability for Annual Property Assessments, by
317 non-use of RCSC Facilities, abandonment of his, her or its Property, or by any other means. The
318 obligation to pay Annual Property Assessments is a separate and independent covenant on the part
319 of each Owner. No diminution or abatement of Annual Property Assessments or setoff will be
320 claimed or allowed for any alleged failure by the Corporation, Board, or the RCSC's personnel to
321 take any action or perform such function required of it.

322 Annual Property Assessments are assessed on two methods, as follows:

323 A. Per Property Basis: Each Property and its Owner(s) is assessed, regardless of the number of
324 Owners, one annual assessment on a Per Property basis as determined by the Board. Any
325 Property which has any change in its legal or beneficial ownership after February 1, 2003
326 will be assessed on a Per Property basis.

327 B. Per Person Basis: Each Property and its Owner(s) is assessed for each and every Owner at
328 the rate of one-half (1/2) of the annual Per Property basis assessment as determined by the
329 Board. Property owned prior to February 1, 2003 will continue being assessed on a Per
330 Person basis as long as:

- 331 1. Owners consistently maintain the Property as their primary Arizona residence unless
332 Owner's current residency requires long term medical relocation, and the occupancy
333 status of the Property has not changed;
- 334 2. Owners are in compliance with the Corporate Documents; AND
- 335 3. Original Owners as of February 1, 2003 remain as majority (50% or more) Owners or
336 income beneficiaries of the Property.

337 If any purchase, acquisition, transfer, inheritance of a Property occurs after February 1, 2003, or if
338 any Owner or beneficial interest is added to the deed after February 1, 2003, then the assessment

339 basis will be changed to a Per Property basis, and a new Facilities Agreement will be executed by
340 all Owners.

341 All refunds for Annual Property Assessments must be applied for in writing through the Cardholder
342 Services Office. Eligible pro-rata refunds on estate properties are issued only upon the sale of the
343 Property. To receive a refund for Annual Property Assessments, the Member Card should be
344 returned if applicable. Pro-rata refunds for Annual Property Assessments may be available as
345 follows provided all Annual Property Assessments, fees, and any and all other charges against the
346 Property and Owners are paid in full:

347 A. UPON THE SALE OF PROPERTY, the Owner may be entitled to receive a pro-rata refund,
348 provided the Owner has met the obligations as described in the Facilities Agreement and
349 Corporate Documents including the execution of a Facilities Agreement by the new Owners.
350 To receive a refund an application must be filed with the Cardholder Services Office within
351 three (3) years from the close of escrow. Closing documents showing the sale of the Property
352 may be required at the time the application for a refund is submitted. Refunds will be
353 prorated from the date of the sale to the next annual assessment due date.

354 B. IN THE EVENT OF DEATH, the estate may be entitled to receive a pro-rata refund provided
355 the deceased Owner has met the obligations as described in the Facilities Agreement and
356 Corporate Documents and the estate Property has been sold. To receive a refund an
357 application must be filed with the Cardholder Services Office within three (3) years from the
358 date of death. A death certificate must be presented at the time the application for a refund
359 is submitted. Refunds will be prorated from the date of death to the next annual assessment
360 due date.

361 C. Excluding the aforementioned, no other refunds will be issued for any reason for Annual
362 Property Assessments.

363 **SECTION 2: PRESERVATION AND IMPROVEMENT FEE (PIF)**

364 The PIF as determined by the Board, must be imposed on the purchase, acquisition, transfer,
365 inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property:

366 A. Pursuant to any deed, contract for sale, will or other instrument or document transferring an
367 interest in such Property, so long as the original payor of the PIF no longer retains a majority
368 (50% or more) ownership interest in the Property; OR

369 B. Following the death of the last payor of said PIF for the Property resulting in Owners who have
370 not paid said PIF for the Property owning a majority (50% or more) ownership interest; OR

371 C. Following the death of the last original Grantor under a trust which holds title to the Property;
372 OR

373 D. Following the death of the last holder of a life estate.

374 **SECTION 3: CAPITAL IMPROVEMENT FEE (CIF)**

375 The CIF as determined by the Board, must be imposed on the purchase, acquisition, transfer,
376 inheritance, gift or any change in ownership of legal or beneficial interest in the title to a Property:

377 A. Pursuant to any deed, contract for sale, will or other instrument or document transferring an
378 interest in such Property, so long as the original payor of the CIF no longer retains a majority
379 (50% or more) ownership interest in the Property; OR

- 380 B. Following the death of the last payor of said CIF for the Property resulting in Owners who
381 have not paid said CIF for the Property owning a majority (50% or more) ownership interest;
382 OR
- 383 C. Following the death of the last original Grantor under a trust which holds title to the Property;
384 OR
- 385 D. Following the death of the last holder of a life estate.
- 386

387 **ARTICLE IV – MEMBERSHIP MEETINGS**

388 **SECTION 1: ANNUAL MEMBERSHIP MEETING**

389 An annual meeting of the Members will be held each year and will be conducted by the Board
390 President and/or other appropriate member of the Board. The meeting will be held in March unless
391 circumstances prevent.

392 A. Written Initial notice of the annual meeting shall be published stating the place, day and hour
393 of the annual meeting of the Members will be posted in RCSC Facilities and published in
394 RCSC printed and electronic communication as determined by the General Manager at least
395 sixty (60) days prior to before the date of the meeting. To publish the notice, the Board
396 President will direct the General Manager to:

- 397 1. Post the Membership meeting notice and agenda at all RCSC Facilities; and
398 2. Post the Membership meeting notice and agenda via the RCSC’s website and other
399 written or electronic communication.

400 B. The following areas will be covered at the annual meeting regardless of a quorum:

- 401 1. Previous year accomplishments and challenges;
402 2. Prior year Financial Report;
403 3. Goals to accomplish in the current year;
404 4. Results of Member or Board proposed motions; and
405 5. Other areas of interest.

406 B. With respect to amendments to the Bylaws, notice of any proposed amendment will be posted
407 in RCSC Facilities and published in RCSC printed and electronic communication as
408 determined by the General Manager at least ten (10) business days prior to a Membership
409 meeting at which these changes will be considered.

410 C. With respect to amendments to the Articles, notice of any proposed amendment will be posted
411 in RCSC Facilities and published in RCSC printed and electronic communication as
412 determined by the General Manager at least thirty (30) days prior to a Membership meeting at
413 which these changes will be considered. Such notice will include the proposed changes to the
414 Articles.

415 **SECTION 2: MEMBERSHIP MEETING RULES AND REGULATIONS**

416 Robert's Rules of Order will govern procedure at all meetings of the Corporation provided they
417 are consistent with the laws of the State of Arizona and the Corporate Documents.

418 A. A Parliamentarian may be present at the discretion of the President.

419 B. The Bylaws may be amended, modified, revised or revoked by the Directors or by the
420 Members, as permitted by these Bylaws, the Articles of Incorporation, and the ANCA.

421 In the event of a conflict concerning the Bylaws as amended, modified, revised or revoked
422 by the directors, the action of the Members will prevail. between the Members and the Board,
423 the decision of the Members will prevail only to the extent the conflict concerns a Proper
424 Member Subject.

425 1. “Proper Member Subjects” include only those provisions that directly govern:

- 426 a. Member rights, privileges, qualifications;

- 427 b. Member participation in corporate governance;
- 428 c. Member governance and procedures; and
- 429 d. Any matter that must be approved by the Members under these Bylaws, the Articles
- 430 of Incorporation, and the ANCA. Proposals or matters relating to the conduct of the
- 431 business affairs of the Corporation, if brought before a Membership meeting, will be
- 432 referred to the Board for study. Such matters, being solely within the powers
- 433 delegated to the Board in accordance with the laws of the State of Arizona and
- 434 Corporate Documents, will be considered only as a recommendation to the Board.

435 2. The following proposed Bylaws changes shall be treated as nonbinding

436 recommendations to the Board. Proposed changes that:

- 437 a. Are not within the Proper Member Subjects; OR
- 438 b. Conflict with the Articles of Incorporation or the ANCA; OR
- 439 c. Intrude on powers reserved to the Board including, but not limited to, management
- 440 of the Corporation's Business Affairs and operational governance.

441 3. Nonbinding recommendations to the Board shall not be submitted to a Member vote.

442 4. The Board shall research to see if the recommendations are or are not in the best interest

443 of the Corporation and shall calendar such recommendations for consideration at a duly

444 noticed Board meeting.

445 D. Amendments to the restated Bylaws or Articles of Incorporation may be proposed by the

446 Board of Directors or, in the case of a Special Membership Meeting, by petition signed by at

447 least ten percent (10%) of the total Membership of the Corporation as of the 1st day of the

448 preceding July, or pursuant to Section 3 of this Article IV. The proposed amendment to the

449 Bylaws shall be treated according to the procedures set forth in these Bylaws, the Articles,

450 and the ANCA. The proposed amendment to the Articles shall be submitted to a vote of the

451 Members.

452 If the disposition of these proposals or matters is determined by the Board not to be in the best

453 interest of the Corporation, the Board will announce its decision, and such proposal or matter

454 will not be considered further. The Members may, by petition signed by at least ten percent

455 (10%) of the total Membership of the Corporation as of the first day of the preceding July, bring

456 the proposal or matter before the Membership for a majority vote of the Members present at a

457 duly called and noticed Annual or Special Membership meeting.

458 **SECTION 3: PROPOSED AMENDMENTS & PETITIONS**

459 Each year, the Board may, by resolution, set the specific calendar dates for this Section and publish

460 the calendar on the RCSC's website. If no resolution is adopted, the default dates in this Section 3

461 shall apply.

462 Member proposed amendments to the Articles of Incorporation and Bylaws, intended to be

463 considered at the next Annual Membership Meeting, may be submitted to the corporate office on

464 the first day after the annual meeting has been adjourned.

465 A. Proposed amendments must be submitted to the corporate office by the last business day of

466 September.

467 B. All proposed amendments will be referred to legal counsel to determine if the amendment is

468 proper or improper.

- 469 C. All proposed amendments, whether proper or improper, will continue through the
470 amendment process.
- 471 D. The Board of Directors may assemble an Ad Hoc Bylaws working group composed of
472 Directors and Members to evaluate the proposed amendments and make recommendations
473 to the amendment sponsors.
- 474 E. RCSC shall post the proposed amendments on the RCSC website.
- 475 1. Members may make suggestions to the amendment sponsor(s) via online or town hall
476 meeting.
 - 477 2. Amendment sponsor(s) may accept or reject these suggestions.
 - 478 3. Amendment sponsor(s) may make changes to the proposed amendments until the last
479 business day in November.
- 480 F. After the last business day in November, all proposed amendments will be referred to legal
481 counsel to determine if the amendment continues to be proper or improper. Improper
482 amendments are nonbinding recommendations to the Board and will not be voted on.
- 483 G. RCSC shall publish the final proposed amendments in written communication by the last
484 business day in December.
- 485 H. Members will be able to vote for all proposed amendments starting the middle of January
486 through the last business day in February.
- 487 I. All votes cast for amendments will be tabulated prior to the annual meeting.
- 488 J. For a Member proposed amendment to pass, it must be approved by a two-thirds (2/3) vote
489 of the total votes cast or a majority of the total Members In Good Standing, whichever is
490 less.
- 491 K. For Initiative or Referendum Petitions, refer to the Board Policy.

492 **SECTION 4: SPECIAL MEMBERSHIP MEETINGS**

- 493 A. Special meetings of the Members may be called either by:
- 494 1. Vote of a majority of the Board of Directors; or
 - 495 2. ~~a majority of the Board of Directors, President of the Corporation or by~~ Petition of the
496 Members having at least one-tenth (1/10) of all RCSC Members in good standing of the
497 votes entitled to be cast according to the Corporation's records as of the close of business
498 on the thirtieth (30th) day before delivery of the demand for a special meeting, preceding
499 July 1. The reason for the meeting will be stated in such call and petition. After receiving
500 the petition and validating the signatures thereon, the President will set a date for such
501 meeting, which will be held within sixty (60) days after validation of the signatures is
502 completed.
 - 503 a. The Petition must include one or more written demands for the meeting describing
504 the purpose or purposes for which it is to be held.
 - 505 b. Validation of petition signatures shall be completed within sixty (60) days of receipt.
 - 506 c. The Board President or, if not available, the next highest-ranking Board Officer must
507 schedule a special meeting of the Members.
- 508 B. The purpose of the special meeting shall be stated in the notice with no other business to be
509 conducted at the meeting.

510 C. Notice of the special meeting shall be published no more than ten (10) business days after
511 validation of signatures. The Board President will direct the RCSC General Manager to:

- 512 1. Post the notice at all RCSC Facilities;
513 2. Electronically post the notice on the RCSC's website; and
514 3. Publish the notice in written communication.

515 D. The special meeting must be held within sixty (60) days after the meeting notice is published.

516 E. Once a quorum has been established for the Special Membership Meeting, the quorum must
517 be maintained to conduct business. If, however, such quorum will not be present or
518 represented at the meeting, the Members entitled to vote at the meeting will have the power
519 to adjourn the meeting without notice other than announcement at the meeting.

520 ~~F. With respect to a special meeting called by petition of the Members for the purpose of~~
521 ~~amending the Articles or Bylaws, the Board, after validation of the petition, will set a special~~
522 ~~meeting. A written notice will be posted in RCSC Facilities and published in RCSC printed~~
523 ~~and electronic communication as determined by the General Manager at least ten (10)~~
524 ~~business days, nor more than sixty (60) days before the date of the meeting.~~

525 ~~G. With respect to a special meeting of the Members called by the Board of Directors or the~~
526 ~~President of the Corporation, a written notice will be posted in RCSC facilities and published~~
527 ~~in RCSC printed and electronic communication as determined by the General Manager at~~
528 ~~least ten (10) business days, nor more than sixty (60) days before the date of the meeting.~~
529 ~~Notice will include information concerning the purpose for the special meeting.~~

530 **SECTION 5: MEMBERSHIP MEETING QUORUMS**

531 A. The quorum for an Annual Membership Meeting shall consist of not less than five hundred
532 (500) Members in good standing. The quorum is established by the total number of Members
533 voting on motions prior to the meeting.

534 B. The quorum for a Special Membership Meeting shall consist of not less than five hundred
535 (500) Members in good standing present at the meeting or represented by proxy.

536 C. Proxies

537 1. The maximum number of proxies for any one Member is ten (10). ~~twenty five (25).~~

538 2. Each proxy must be executed on the RCSC's official proxy appointment form, signed by
539 the Member or the Member's duly authorized attorney in fact, and delivered to the
540 RCSC's Secretary (or such officer or agent as the Board designates to tabulate votes)
541 before or at the meeting at which the motion is presented for a vote. A separate proxy
542 form is required for each motion.

543 3. Proxy appointment forms may be delivered by hand, mail, or electronic transmission,
544 provided the transmission contains sufficient information to show that the Member
545 authorized the proxy.

546 4. Each proxy shall be valid for the single motion identified on the appointment form and
547 shall automatically expire at the conclusion of the vote on the specified motion. The
548 proxy shall not extend to any other matters.

549 5. For the election of Directors, a proxy vote may be exercised by electronic voting, polling
550 place voting, or absentee vote, provided that proxy voting does not conflict with the
551 Articles of Incorporation.

552 6. A Member may withdraw their proxy for any and all motions by (i) attending the meeting
553 and voting on the motion in person, or (ii) providing the RCSC's Secretary (or such
554 officer or agent as the Board designates to tabulate votes) written notice of their decision
555 or a subsequent appointment form.

556 D. Once a quorum has been established for any meeting, unless otherwise stated in the Bylaws
557 or Articles of Incorporation, appropriate business may be conducted and decided by a
558 majority vote of Members present unless otherwise required by the laws of the State of
559 Arizona or the Articles of Incorporation.

560
561 A quorum for any Membership meeting must consist of not less than five hundred (500) Members
562 in good standing represented at the meeting in person or by proxy. The maximum number of proxies
563 for any one member is twenty five (25). Once a quorum has been established for any meeting, the
564 quorum must be maintained to conduct business. If, however, such quorum will not be present or
565 represented at any meeting of the Members, the Members entitled to vote at such meeting will have
566 the power to adjourn the meeting without notice other than announcement at the meeting.

567 Once a quorum has been established for any meeting, appropriate business may be conducted and
568 decided by a majority vote of Members present unless otherwise required by the laws of the State of
569 Arizona or Articles.

570 **SECTION 4: MEMBERSHIP MEETING RULES AND REGULATIONS**

571 Robert's Rules of Order will govern procedure at all meetings of the Corporation provided they are
572 consistent with the laws of the State of Arizona and the Corporate Documents. A Parliamentarian
573 may be present at the discretion of the President.

574 The Bylaws may be amended, modified, revised or revoked by the Directors or by the Members. In
575 the event of conflict concerning the Bylaws as amended, modified, revised or revoked by the
576 directors, the action of the Members will prevail. Proposals or matters relating to the conduct of the
577 business affairs of the Corporation, if brought before a Membership meeting, will be referred to the
578 Board for study. Such matters, being solely within the powers delegated to the Board in accordance
579 with the laws of the State of Arizona and Corporate Documents, will be considered only as a
580 recommendation to the Board.

581 If the disposition of these proposals or matters is determined by the Board not to be in the best
582 interest of the Corporation, the Board will announce its decision, and such proposal or matter will
583 not be considered further. The Members may, by petition signed by at least ten percent (10%) of the
584 total Membership of the Corporation as of the first day of the preceding July, bring the proposal or
585 matter before the Membership for a majority vote of the Members present at a duly called and
586 noticed Annual or Special Membership meeting.

587 **SECTION 6: VOTING PROCEDURES AT FOR MEMBERSHIP MEETINGS**

588 A. Voting will be by Members in good standing present at any meeting of the Members.
589 Members in good standing will vote for Annual Membership Meeting motions prior to the
590 meeting. All ballots, whether electronic, paper, in person, or absentee, shall be:

- 591 1. Properly authenticated (the identity of the voter must be confirmed);
592 2. Retained as part of the official record; and
593 3. Only counted for agenda items listed on the ballot.

B. Members in good standing will vote for Special Membership Meeting motions at the meeting.

1. The initial vote of Members present at the meeting, including proxies, may be a floor vote indicated by raising of hands or standing.
2. The following procedures will apply for ballot voting, if necessary:
 - a. Voting will proceed under supervision of the Election Committee.
 - b. At least two (2) members of the Election Committee will be in attendance at all times during voting and they, along with their assigns, will issue all official ballots, and witness the casting of the ballots.
 - c. Ballot boxes will remain sealed until all votes are cast. Votes will be tabulated in the presence of at least three (3) members of the Election Committee. Any Member may be present as an observer at the tabulation of the votes. Upon completion of the tabulation of ballots, the results will be certified by the Election Committee Chair to the Board and posted and published in the RCSC's printed and electronic communication. as determined by the General Manager.

SECTION 7: LIMITATION PERIOD

- A. No Membership election or vote, initiated by petition of the Members, will be held on an issue which is the same as, or substantially similar to, any issue which has been voted upon by the Membership within the current calendar year or any of the past three (3) calendar years (collectively known as the "Limitation Period").
- B. The Board will 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.
- C. In the event a Membership election or vote is not required to be held due to the provisions of this section, then the Board will 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.
- D. This section will not apply to the election or removal of any Director.

SECTION 8: MEETING MINUTES

The meeting minutes of the Annual Membership or any Special Membership meeting will be approved by three (3) current Officers of the Board within two weeks after the adjournment of such meeting and posted on the RCSC's website (www.suncityaz.org)

627 **ARTICLE V - BOARD OF DIRECTORS**

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

629 Directors will receive no compensation of any kind for their service as a ~~Board~~ Director.

630 **SECTION 2: CONFLICT OF INTEREST**

631 Directors must disclose in writing to the Corporation's President or Vice-President any material
632 interest or relationship on their part which is or may be considered a conflict of interest.

- 633 A. Violation of this policy could provide grounds for removal as a Director.
634 B. A conflict of interest is a situation in which someone in a position of trust has competing
635 professional or personal interests. Such competing interests can make it difficult to fulfill
636 his/her duties impartially. A conflict of interest can exist even if no unethical or improper
637 act results from it.

638 **SECTION 3: INSTALLATION OF DIRECTORS**

639 At the first Board Meeting after a ~~the~~ Director(s) has ~~have~~ been newly elected or newly appointed,
640 the President of the Corporation will formally install the new Director(s) and specify when their
641 term of office commences.

642 **SECTION 4: LENGTH OF TERMS AND VACANCIES**

643 There will be nine (9) elected or appointed members of the Board as Directors.

- 644 A. The term of office for an elected Director will be ~~up to a~~ three (3), two (2) or one (1) year
645 ~~term~~.
646 B. ~~One (1), two (2) or three (3) year elected terms enter into~~ ~~All terms count toward~~ the six (6)
647 year limit set forth in the Articles of Incorporation.
648 C. At the annual election, three (3) Directors will be elected for three (3) year terms unless a
649 candidate has only one (1) or two (2) years remaining on the maximum ~~six (6)~~ ~~available~~
650 years elected per the Articles of Incorporation. ~~In the event more than three (3) vacancies~~
651 ~~exist as of the deadline for turning in the petitions, those vacancies will also be filled at the~~
652 ~~annual election as follows:~~
653 D. A candidate ~~receiving less than~~ ~~must receive at least~~ one hundred (100) votes ~~will not~~ ~~to~~ be
654 eligible to fill ~~a vacancy~~ any vacancies.

655 E. If there are not sufficient candidates to fill vacancies, the succeeding Board will appoint them
656 after January 1.

- 657 1. A majority vote of the Board five (5) is required for said appointment. An appointment
658 ends on December 31 of the year appointed.
659 2. An appointed term does not enter into the six (6) year limit set forth in the Articles.

660 F. Director positions will be filled as follows:

- 661 1. Candidates will fill available positions based on the highest to lowest vote count.
662 2. The candidate receiving the highest number of votes, ~~after~~ ~~will fill~~ the three (3) three-
663 year terms. ~~are filled, will fill the next longest vacant term unless one of the three (3) year~~
664 ~~term candidates has only one (1) or two (2) years remaining of the maximum six (6) years~~
665 ~~then they will take the shorter term.~~

- 666 3. Candidates receiving the highest number of votes but with less than three (3) years
667 remaining will take the shorter term of one (1) or two (2) years remaining based on the
668 maximum six (6) years available to serve.
- 669 4. The candidates receiving the next highest number of votes will fill the remaining two (2)
670 and one (1) year terms.
- 671 G. If a candidate is elected to the Board and ~~prior to the beginning date of the term for which~~
672 ~~he/she/they have been elected~~, declines or is unable to assume the office, then the term of the
673 declining candidate will be filled with the unsuccessful candidate receiving the next highest
674 number of votes, based on the vote totals of the candidates in the last annual Board election.
- 675 H. The Election Committee will determine the order of placement in the event of a tie vote. ~~The~~
676 ~~candidate elected will be determined based on the majority vote of the Election Committee.~~
677 ~~If the committee's vote is tied, the Chair of the Election Committee can vote to break the tie.~~
678 ~~The method will be a simple drawing of the names of the candidates involved in the tie vote.~~
- 679 I. Vacancies occurring on the Board during the year (January 1 through December 31) may be
680 filled by appointment by the Board.
- 681 1. A majority vote of the Board (five (5) Directors) is required for said appointment.
682 2. An appointment ends on December 31 of the year appointed.
683 3. An appointed term does not enter into the six (6) year limit set forth in the Articles.

684 **SECTION 5: MEETINGS OF THE BOARD**

- 685 A. All meetings of the Board and the Exchanges will be open, and video recorded, excluding:
686 1. Executive Sessions
687 2. Informational Meetings
688 3. ~~and~~ Gatherings involving any number of Directors for solely social, informational, or
689 educational purposes that:
690 a. Clearly do not have a formal meeting format: AND
691 b. Do not allow for any form of decision making, action, or business transaction to take
692 place.

693 B. Member comments at Board Meetings will be limited to posted motions, the Treasurer's
694 Report, and the Management Report within the established time limit. If answers to
695 questions pertaining to the Treasurer's and Management Report are not readily available
696 during the Board Meeting, they may be answered at the next Exchange.

697 C. Unless otherwise restricted by the ANCA, Articles of Incorporation, or these Bylaws,
698 motions at Board meetings must be passed by a majority of the Directors at the meeting.

699 D. The Board of Directors may adopt amendments to these Bylaws that are not submitted to the
700 Members as permissible by the Corporate Documents and ANCA. The Board's procedures
701 for adopting such amendments include:

- 702 1. Board proposed amendments to the Bylaws may be submitted at monthly Board
703 meetings.
- 704 2. To change the Bylaws, the amendment needs to pass at two (2) Board Meetings.
- 705 3. A two-thirds (2/3) vote of the total votes cast will be required at each meeting to pass the
706 amendment, unless a greater vote, or Member vote, is required by the Corporate
707 Documents or ANCA.

4. Second readings of Board proposed amendments to the Bylaws cannot be waived.

- 708
- 709 E. Directors can attend all duly called regular Governing Board Meetings, **Executive Sessions,**
- 710 Informational Meetings, Planning Sessions, and Special Sessions of the Board either in
- 711 person, by telephone conference call, video conferencing or other communication methods
- 712 by which all participants can simultaneously hear and talk to each other.
- 713 F. At least seven (7) days prior to all Board Meetings, ~~excluding Executive Sessions,~~ Special
- 714 Sessions, ~~Informational Meetings,~~ Planning Sessions, and the Exchanges:
- 715 1. An agenda, subject to amendment, will be posted in RCSC Facilities and/or on the
- 716 RCSC's website (www.suncityaz.org).
- 717 2. Motions made in Board Meetings, ~~excluding Executive Session,~~ will be read and passed
- 718 a minimum of two times before **they can be finalized and** acted upon unless readings are
- 719 waived by two-thirds (2/3) ~~majority~~ **vote** of the Board (~~six (6)~~ **Directors**).
- 720 a. This rule, however, does not preclude the consideration of privileged motions, or of
- 721 any subsidiary, incidental, or other motions that may arise in connection with the
- 722 transaction of such business or the conduct of the meeting.
- 723 b. For purposes of clarity, no motions will be made at Informational Meetings or
- 724 Planning Sessions. ~~As soon as practicable, a brief summary of the preceding Board~~
- 725 ~~Meeting will be posted on the RCSC website (www.suncityaz.org).~~ After approved
- 726 by the Board, minutes of Board Meetings, ~~excluding Executive Sessions,~~
- 727 ~~Informational meetings or the Exchanges~~ will be available on the RCSC website
- 728 (www.suncityaz.org).
- 729 G. After approved by the Board, minutes of Board Meetings: ~~, excluding Executive Sessions,~~
- 730 ~~Informational meetings or the Exchanges~~
- 731 1. Will be available on the RCSC's website (www.suncityaz.org) **within seven (7) business**
- 732 **days: AND**
- 733 2. ~~After approved by the Board, minutes of Board Meetings will be available~~ **Printed copies**
- 734 **may be supplied at no cost** to Members in good standing ~~at no cost upon request~~ at the
- 735 Corporate Office, subject to the requirements of **the ANCA,** Arizona Revised Statutes
- 736 ~~10-11602, as amended.~~
- 737 H. The Exchange is an opportunity for Members to speak on items of concern. No formal
- 738 business is conducted at The Exchange **and no minutes will be published.**
- 739 I. Informal Informational Meetings of the Board (closed meetings) are held after the Exchange:
- 740 1. To identify and resolve issues brought forth at the Exchange by the Membership or as
- 741 needed to discuss complex issues and/or review educational materials.
- 742 2. Only Directors and RCSC Management may attend except when additional information
- 743 is needed from other individuals.

3. No minutes will be published from Informational Meetings.

- 744
- 745 J. The RCSC Board of Directors may hold ~~a~~ **a** Planning Session quarterly or as needed to
- 746 discuss issues or to garner information from the General Manager. ~~and requires a five (5)~~
- 747 ~~day notice to members.~~ These sessions will be:
- 748 1. Open to attendance by Members who will not be allowed to comment;
- 749 2. ~~These sessions will be~~ Video recorded, and the agenda posted on the RCSC's website
- 750 prior to the meeting.

751 K. The Board may meet in an Executive Session (closed meeting) to discuss confidential matters
 752 such as litigation, matters relating to the formation of contracts with third parties, Cardholder
 753 discipline, and personnel matters.

754 **1. A quorum of the Board (five (5) Directors) is required to enter into Executive Session.**

755 2. All matters discussed in an Executive Session will remain confidential indefinitely.

756 3. Executive Sessions may be called separately or during any meeting of the Board or
 757 Membership.

758 4. The Board has the authority to take final action in Executive Sessions and is not required
 759 to reveal those decisions **or approve the action two (2) times.**

760 5. Minutes of Executive Sessions are retained as a part of the confidential records of the
 761 Corporation, subject to the requirements of **the ANCA.** ~~Arizona Revised Statutes 10-~~
 762 ~~11602, as amended.~~

763 L. Special Sessions are business meetings of the Board called by the President or upon the
 764 written request of three (3) or more Directors.

765 1. The purpose of the meeting must be stated in the call and posted on the RCSC's website
 766 www.suncityaz.org.

767 **2. Discussions during Special Sessions will be limited to the purpose for the session.**

768 3. Except in cases of emergency, at least seventy-two (72) hours' notice must be given.

769 **SECTION 6: BOARD AUTHORITY/DUTIES, COMMISSIONS AND SENIOR**
 770 **MANAGEMENT**

771 A. Board Authority/Duties:

772 1. The Board will have the authority and responsibility to:

773 a. Employ the General Manager;

774 b. ~~to~~ Hold and administer assets; and

775 c. ~~and~~ Direct, control, manage, and supervise the business and financial affairs of the
 776 Corporation without limitation except as set forth in the Corporate Documents **and**
 777 **the ANCA.**

778 2. The General Manager will report to the Board.

779 a. **After consultation with the other Board Officers,** the President, **or a designated**
 780 **representative in his/her absence,** will provide direction and guidance to the General
 781 Manager.

782 b. A job performance review will be conducted by the **Officers** ~~President~~ with input from
 783 the Board.

784 c. Any successful candidate for General Manager must be approved by ~~a majority~~ two-
 785 thirds (2/3) of the **current** Board (~~Six~~ **(6) Directors**).

786 d. The General Manager cannot **only** be terminated without a **two-thirds (2/3)** majority
 787 approval of the **current** Board (~~Six~~ **(6) Directors**).

788 B. The Board Coordinator will report to the President. Duties include administrative support
 789 for Board Meetings, Corporate Document maintenance and all other Board functions as
 790 assigned.

791 C. The Board ~~does have~~ **has the** authority to establish, amend, and/or delete any and/or all
 792 individual parts of these Bylaws, Board Policies, committees and any rules and regulations

793 of the Corporation as deemed necessary and within the authority of the ANCA and as
794 outlined in the Corporate Documents.

795 D. The Board's fiduciary duty requires the Board Directors to act in the best interests and for
796 the benefit of the Corporation. This duty requires the Board Directors to:

- 797 1. Avoid conflicts of interest and acting out of self-interest; AND
798 2. To act as reasonable people in conducting the affairs of the Corporation.

799 E. Except for Directors who are also Officers and who are required by the Corporate Documents
800 to perform certain operational functions in their official capacities, The Board's duty and
801 responsibility is to establish policy and to ensure the implementation of that policy by Senior
802 Management.

- 803 1. It is the role of the Board to establish objectives and approve budgets for the Corporation.
804 2. The Board can delegate the implementation of Board decisions to the General Manager.
805 The Board can direct and empower the General Manager to take action on behalf of the
806 Corporation.

807 a. The Board only has no direct supervisory authority over RCSC personnel, excluding
808 the General Manager and Board Coordinator. The Board has no direct supervisory
809 authority over any other RCSC personnel. However, the Board can will make any
810 requests for reports, information, repairs, maintenance or any other requests to Senior
811 Management only.

812 b. Any Director will have the right to attend, as a guest, all meetings of Committees or
813 RCSC team meetings. Directors attending such meetings may not participate during
814 the meeting unless invited to do so by the Committee Chair, Committee Co-Vice
815 Chair or Senior Management. In no instance will a guest Director have the right to
816 vote on any issue before the Committee.

817 ~~B. Commissions:~~

818 F. Commissions may be established by the Board and are made up of Directors only.

- 819 1. The purpose of a Commission is to carry out specific business of the Corporation, with
820 written guidelines (i.e. Bid Commission, Investment Commission) as assigned to that
821 Commission by the Board.
822 2. The Board may empower Commissions to act on behalf of the Corporation to fulfill such
823 duties.

824

825 **ARTICLE VI – OFFICERS**

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

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

828 **SECTION 2: ELECTION OF OFFICERS**

829 The Board shall will meet in a closed Executive Session prior to the January Exchange Meeting to
830 elect the Board Officers and Sun City Foundation Directors. on the first business day after January
831 1 to elect Officers. The Board will select from their own number, by majority ballot vote of the
832 Board (5), the Officers who will serve for the term of one year to end at the election of Officers in
833 the following year. A Director may be re-elected to consecutive terms as an Officer if he/she/they
834 receives the majority vote of the Board (5).

835 The RCSC Board must appoint Directors for the Sun City Foundation at this meeting. All Sun City
836 Foundation Directors are appointed to a one year term.

837 A. Officers shall be elected from among the current Directors by a simple majority vote of the
838 Board.

839 1. Each Officer shall serve a one (1) year term that concludes at the next annual election of
840 Officers.

841 2. Directors may be re-elected to an Officer position.

842 B. The Board shall also appoint Sun City Foundation Board Directors.

843 1. These appointments shall be for one (1) year terms.

844 2. The appointment of Sun City Foundation Directors will comply with the Sun City
845 Foundation Corporate Documents

846 **SECTION 3: PRESIDENT**

847 The President will call, preside and conduct all meetings of the Corporation by a formal order of
848 business. The President will have general supervision and direction of the affairs of the Corporation
849 in accordance with the Corporate Documents. The President will have authority to administer all
850 matters not otherwise expressly delegated and may call special meetings of the Membership and/or
851 Board.

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

856 The President shall:

857 A. Call to order, preside over, and conduct all meetings of the Corporation following a formal
858 order of business.

859 B. Have general oversight and direction of the Corporation's affairs, in accordance with the
860 Corporate Documents.

861 C. May call special meetings of the Board and shall administer all matters not otherwise
862 expressly delegated.

863 D. Conduct and execute all other duties and responsibilities as outlined in Board Policies.

864 E. With Board approval, execute bonds, investments, debts, and other contracts under the
865 Corporation's seal except where law or Board delegation requires otherwise.

866 **SECTION 4: VICE PRESIDENT**

867 ~~The Vice President will perform such duties as assigned by the President and, in the absence or~~
868 ~~incapacity of the President, will perform the duties of the President.~~

869 **The Vice President shall:**

- 870 A. Perform duties as assigned by the President.
- 871 B. Assume the duties of the President in his/her absence or incapacity.
- 872 C. Conduct and execute all other duties and responsibilities as outlined in Board Policies.

873 **SECTION 5: SECRETARY**

874 ~~The Secretary will adhere to the duties of the Secretary as outlined in Robert's Rules of Order and~~
875 ~~will ensure that the records of the Corporation are maintained and in order.~~

876 **The Secretary shall:**

- 877 A. Conduct and execute all duties and responsibilities as outlined in Board Policies and the
- 878 Corporate Documents.
- 879 B. Ensure the proper maintenance and organization of the Corporation's records.

880 **SECTION 6: TREASURER**

881 ~~The Treasurer will ensure that financial records and cash/investment handling procedures are audited~~
882 ~~after the close of each fiscal year by a Certified Public Accountant, as selected by the Board. The~~
883 ~~Treasurer will make certain that annual income tax returns and other required filings have been filed~~
884 ~~as required. The Treasurer will require safeguards to protect assets. Any indebtedness issued in the~~
885 ~~name of the Corporation will be signed by the Treasurer or other Board Officer after such~~
886 ~~indebtedness is approved by a majority vote of the Board (5).~~

887 **The Treasurer shall:**

- 888 A. Ensure that the Corporation's financial records and cash/investment handling procedures are
- 889 audited annually, following the close of the fiscal year, by a Certified Public Accountant
- 890 selected by the Board.
- 891 B. Confirm that all required filings including annual income tax returns are completed as
- 892 required.
- 893 C. Implement safeguards to protect corporate assets.
- 894 D. Ensure that any indebtedness issued in the name of the Corporation is signed by the Treasurer
- 895 or another Board Officer, following a two-thirds (2/3) approval vote of the Board (six (6)
- 896 votes).
- 897 E. Be the Chair or Vice Chair of the Finance, Budget and Audit Committee.
- 898 F. Conduct and execute all other duties and responsibilities as outlined in Board Policies.

899 **SECTION 7: THEFT, DISHONESTY AND LIABILITY INSURANCE**

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

- 904 A. The Board Officers shall ensure that the Corporation maintains an Employee Dishonesty
- 905 Insurance Policy, as determined by the Board, to protect against losses arising from theft or
- 906 mishandling of assets by Employees, Directors, or Agents.

907 B. The Corporation shall also provide Directors and Officers Liability Insurance for all
908 Directors, Officers, and their spouses.

909 **SECTION 8: RESIGNATION OF OFFICER POSITIONS**

910 ~~An Officer who needs to resign their office but remain as a Director must notify the President and~~
911 ~~Vice President.~~

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

915 A. An Officer desiring to resign from their Officer position but remain on the Board as a
916 Director must notify both the President and Vice President.

917 B. A new Officer to replace the resigning Officer shall be elected by the Board within fifteen
918 (15) days of resignation.

919 C. In the event of a vacancy in the office of President, the Vice President shall assume the duties
920 of President until a new President is elected.

921

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

923 **SECTION 1: PRESENTATION OF CANDIDATES**

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

926 **SECTION 2: RECRUITMENT OF CANDIDATES**

927 On or before the first Monday in June, Board Candidate Packets will be available. In the event
928 additional candidates are needed, the Election Committee will begin recruiting to provide the
929 required number.

930 If a member of the Election Committee desires to become a Board candidate, he/she must resign
931 from the Committee prior to doing so.

932 **SECTION 3¹: PETITION AND APPLICATION OF CANDIDATES**

933 A Member who is eligible to become a candidate for election to the Board will provide to the Chair
934 of the Election Committee on the scheduled date in the candidate packet, the following:

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

- 939 A. Board Candidate Packets shall be made available on or before the first Monday in June.
- 940 B. Any member of the Election Committee who wishes to become a candidate for the Board
941 must resign from the Committee prior to declaring their candidacy.
- 942 C. To qualify as a candidate for election to the Board, a Member must submit the following
943 documents to the Corporate Office by the date specified in the Candidate Packet:

- 944 1. A completed official petition form containing at least one hundred (100) valid signatures
945 from Members in good standing.
- 946 2. A completed application on the required official form that must include a résumé and a
947 list of candidate goals.

- 948 D. Candidates must be available for a photograph to be taken by RCSC staff for official use.
- 949 E. The Candidate packets will be reviewed and certified by the Board Coordinator in
950 preparation for the presentation of the candidates to the Board.
- 951 F. The RCSC Board shall present a list of candidates for open Board positions at a Board
952 meeting held no later than October 31 of each year.
- 953 G. These candidates will be included in the ballot for the upcoming annual election.

954 **SECTION 4²: CANDIDATE REQUIREMENTS**

955 An **To be** eligible **a** candidate for election **or appointment** to the Board, will satisfy all the following
956 requirements and a candidate **must meet all of the following criteria:** for appointment to the Board
957 will satisfy all except Section G. below:

- 958 A. **Must** Be at least fifty-five (55) years of age;
- 959 B. **Must** Be a Member in good standing;

- 960 C. Must not reside with or be related by marriage or birth to any other Director, Board candidate,
961 or member of Senior Management who will also be in office during the elected or appointed
962 term;
- 963 D. Must Reside in Sun City, Arizona and be physically in residence available at least ten (10)
964 months of the year;
- 965 E. Must meet the requirement to hold an Arizona liquor license;
- 966 F. Must Be willing eligible and available to serve a full three (3) year term; AND
- 967 G. Must Attend in person or electronically the required Board Candidate Orientation session(s)
968 (not required for appointment to the Board).
- 969 ~~A Board Candidate that withdraws from his/her candidacy for any or no reason may not elect to~~
970 ~~reestablish candidacy in the same election year.~~
- 971

972 **ARTICLE VIII - ELECTION OF DIRECTORS**

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

- 974 A. Election of the Board will be held on the second Tuesday in December each year.
- 975 B. The Board Election Committee may schedule earlier voting dates.
- 976 C. The Board Election Committee may select the number of polling places, their locations and
977 times of operation for voting within Sun City, Maricopa County, Arizona.
- 978 D. The Board Election Committee will select the number of days for online voting through the
979 Web Portal.

980 **SECTION 2: VOTES**

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

983 **SECTION 3: RECALL ELECTION**

- 984 A. In a recall election, a Director will be deemed recalled if a majority of the votes cast by
985 Membership ballots are for his/her/their removal, provided further that the total number of
986 votes received for the recall is not less than one hundred (100).
- 987 B. Subsequent to a successful recall vote of a Director, to recall, an election will be held to elect
988 a replacement Board member.
- 989 1. The person receiving the highest number of votes cast by Membership ballots to replace
990 the recalled Director will be deemed elected to fill the unexpired term of said Director.
- 991 2. The Director recalled is not eligible to run in the subsequent recall election.
- 992 C. The Board, or its designated representative, may use the services of a neutral entity and adopt
993 their procedures, as desired, to ensure a fair election process.
- 994 D. The Board, or its designated representative, may exercise the flexibility to negotiate technical
995 and routine matters with the neutral entity conducting the election at the Board's request and
996 to make any necessary arrangements or revisions as the need arises.

997

998 **ALL OF ARTICLE IX IS BEING MOVED TO A NEW BOARD POLICY**

999 **ARTICLE IX— INITIATIVE, REFERENDUM AND REMOVAL PETITIONS**

1000 Any initiative, referendum, or removal petition must have a total number of signers not less than ten
1001 percent (10%) of the voting Members of the Corporation as of the preceding July 1. All signers must
1002 have signed in person, and they must provide their Property address and Member Card number. The
1003 completed petition will be filed with the Secretary of the Corporation.

1004 A removal petition will set forth the name of the Director whose removal is desired and the reasons
1005 for the recall and must follow the procedures in Article IX of the Articles of Incorporation.

1006 An referendum petition must set forth the existing Bylaws, Article, Section or Articles of
1007 Incorporation that is being challenged in clear and precise language that will allow the challenge to
1008 be determined by a "YES" or "NO" vote. Any petition will be subject to the requirements and
1009 limitations of the Corporate Documents.

1010 Before an initiative petition to create a new Bylaw, Article, Section or Articles of Incorporation is
1011 filed, the party or parties intending to circulate and file such a petition will submit to the Board the
1012 proposal in the exact language that the initiative will contain. The Board will have fourteen (14)
1013 days from the date of submission to assign a petition control number by the Secretary of the
1014 Corporation.

1015 If issues can be resolved without the petition process, the Board and the Members will achieve
1016 savings in terms of cost and time while avoiding disharmony and divisiveness in Sun City, Arizona.

1017 **SECTION 1: STEPS TO TAKE BEFORE CIRCULATING A PETITION**

1018 A. Consider alternatives before beginning the petition process:

1019 1. Bring the issue to the attention of the Board at Board meetings or in other direct
1020 communication with the Board.

1021 2. The Board will consider the issue and provide in writing their consensus regarding
1022 such. If the Board approves, action will be taken accordingly. If the Board
1023 disapproves, proponents may initiate the petition process.

1024 B. File request to circulate your petition with the Secretary of the Corporation.

1025 1. Submit:

1026 a. The names, addresses, and telephone numbers of the petition organizers.

1027 b. The organization, if any, supporting the petition.

1028 c. The text of the proposed petition on the official petition form as required.

1029 2. The Secretary of the Corporation will provide:

1030 a. Written notice of receipt of petition as submitted will be within fifteen (15)
1031 business days.

1032 b. Official petition with control number for use by all Circulators within fifteen
1033 (15) business days.

1034 c. Petition regulations.

1035 d. Petition start and completion dates will not exceed ninety (90) days.

1036 C. Copy official, numbered petitions.

- 1037 1. Copy as many copies of the official, numbered petition, as needed to circulate your
1038 petition. No other petition form is acceptable. Number each page. Each page should
1039 have:
- 1040 a. The exact wording of the petition as approved by the Board.
 - 1041 b. The control number as assigned by the Corporation.
 - 1042 c. The Certification on the back of each page.
- 1043 D. Select and orient Circulators to the regulations and procedures to follow in circulating
1044 petitions.

1045 **SECTION 2: ACCEPTABLE PRACTICES DURING THE PETITION'S CIRCULATION**

1046 A. All Circulators:

- 1047 1. Must be Members in good standing.
- 1048 2. May not use intimidation, misleading statements or payments in securing signatures.
- 1049 3. Obtain signatures of current Members only. Privilege Cardholders are not eligible to
1050 vote or sign a petition.
- 1051 4. Must certify, as their legal obligation requires, that he/she witnessed the signatures
1052 of each individual signing.

1053 B. Petitions regarding RCSC matters may be circulated within or at all RCSC
1054 facilities/properties while not disrupting or interfering with RCSC Member activities or
1055 blocking ingress or egress at any facility.

1056 C. Signers of the petition, in addition to being current Members, must:

- 1057 1. Be the actual person, a wife may not sign for husband or vice versa.
- 1058 2. Legibly sign in ink. A printed "signature" is not acceptable unless that is the usual
1059 way the person signs.
- 1060 3. Indicate date on which they signed; otherwise, signature is voided.
- 1061 4. Write legibly their Property address and Member Card number.
- 1062 5. Legibly print their name below their signature.

1063 D. Signers of the petition may withdraw their signatures at any time during the validation
1064 process by written notice to the Corporate Office.

1065 **SECTION 3: POST-PETITION CIRCULATION PROCEDURES**

1066 When petition circulation is complete:

1067 A. File completed petitions with the Secretary of the Corporation in book form including:

- 1068 1. A cover page specifying the quantity of individual official petition forms filed, the
1069 total number of signatures claimed, and the date submitted.
- 1070 2. Number each signed official petition submitted.
- 1071 3. A cover page to verify each group of petitions submitted and certified by each
1072 Circulator.

1073 B. The Corporation will:

- 1074 1. Provide a dated receipt for submitted petitions.
- 1075 2. Initiate the petition verification process.

1076 C. The petition verification process will include, but is not limited to, the following:

- 1077 1. Investigation of Circulators:

- 1078 a. ~~Circulator must be a current Member in good standing.~~
- 1079 b. ~~Circulator must witness every signature.~~
- 1080 c. ~~Circulator must sign the affidavit of Circulator on the reverse side of the last~~
- 1081 ~~official petition form submitted in a group.~~
- 1082 d. ~~Irregularities, including false or misleading statements by the Circulator, in~~
- 1083 ~~obtaining, verifying and certifying signatures will result in rejection of all~~
- 1084 ~~petitions of the Circulator.~~
- 1085 2. ~~Inspection of signatures for:~~
- 1086 a. ~~Legibility. —~~
- 1087 b. ~~Printing instead of signing.~~
- 1088 c. ~~Absence of dated signature, Property address, and Member Card number.~~
- 1089 d. ~~Duplication.~~
- 1090 D. ~~Time required for petition verification:~~
- 1091 1. ~~Once the completed petition is filed with the Corporation, the Corporation will have~~
- 1092 ~~thirty (30) days from the filing to determine and announce whether or not the required~~
- 1093 ~~number of signers has been obtained.~~
- 1094 E. ~~Upon completion of the verification process:~~
- 1095 1. ~~If the number of verified signers is insufficient, the petition is declared invalid.~~
- 1096 2. ~~If the number of verified signers is sufficient, the Board will set the date to present~~
- 1097 ~~the petition to the Members for their vote which will be conducted by the Election~~
- 1098 ~~Committee within sixty (60) days of the validation announcement.~~
- 1099

1100 **ARTICLE XII IS BEING MOVED TO THIS AREA AND IS RETITLED AS**
1101 **ARTICLE IX**

1102 **ARTICLE IX - COMMITTEES**

1103
1104 **SECTION 1: COMMITTEES**

1105 A committee is a small group of Members, subordinate to the Board, which is organized to assist
1106 the Board in specific areas.

1107 A. Committees have no decision-making authority and are limited to presenting ideas and
1108 recommendations to the Board Directors and Management unless otherwise authorized.
1109 Special (Ad Hoc) committees shall be established by the Board. Method of appointments
1110 will be as specified and determined by the Board. Special committees are formed for a
1111 specific task or objective and dissolved after the completion of the task or achievement of
1112 the objective. Committees generally do not meet in the months of July and August. Meetings
1113 can be determined by each committee individually or by the direction of the Board. RCSC
1114 members in good standing may attend meetings, except during Executive Session or
1115 Informational meetings, but may not speak without approval by the Chair or other person in
1116 charge of the meeting.

1117 B. At least seven (7) days prior to all committee meetings, an agenda, subject to amendment,
1118 will be posted on the RCSC's website (www.suncityaz.org).

1119 C. Special committee meetings may be called by the committee Chair or Vice Chair. A
1120 majority of committee members may request a special meeting by submitting a written
1121 request to the Chair or Vice Chair. Except in cases of emergency, special committee
1122 meetings require at least three (3) business days prior notice to all RCSC Members. Only a
1123 committee Chair or Vice Chair may call a special committee meeting for emergency
1124 purposes.

1125 D. All committee meetings require a summary that should be submitted to the Board
1126 Coordinator within three (3) business days. Meeting summaries will be published on the
1127 RCSC's website.

1128 E. The Committee Chair or designated representative can only vote to break a tie. Otherwise,
1129 the Chair and Vice Chair cannot vote at committee meetings.

1130 F. Committees will establish a meeting schedule to discharge their responsibilities or by the
1131 direction of the Board.

1132 1. Committee members are expected to attend all committee meetings. Members must
1133 notify the Chair or Vice Chair if unable to attend any meeting.

1134 2. Committees may meet in the months of July and August.

1135 3. RCSC Members in good standing may attend committee meetings, except
1136 during Executive Sessions.

1137 a. Committees may meet in Executive Session (closed meeting) to discuss confidential
1138 matters such as Cardholder discipline, contracts, and personnel matters. All matters
1139 discussed in an Executive Session will remain confidential indefinitely. Executive
1140 Sessions may be called separately or during any committee meeting.

1141 b. Minutes of Executive Sessions are retained as a part of the confidential records of the
1142 Corporation, subject to the requirements of the ANCA.

1143 4. RCSC Members that are guests at committee meetings may not speak without approval
1144 from the Chair or other person in charge of the meeting.

1145 G. Committees shall select a Secretary annually.

1146 1. The Secretary will prepare a meeting summary and submit it to the Corporate Office
1147 within three (3) business days after the committee meeting.

1148 2. If the Secretary is not present, the Chair or Vice Chair will appoint a Secretary for the
1149 meeting.

1150 H. Special (Ad Hoc) committees or working groups shall be established by the Board for a
1151 specific task or objective.

1152 1. The Board will establish a method to appoint members.

1153 2. Special committees and working groups will dissolve after the completion of the task or
1154 objective.

1155 3. Special committees are open to Members in good standing. Working groups may be
1156 closed to outside attendance.

1157 **SECTION 2: COMMITTEE CHAIR AND ~~CO~~VICE CHAIR**

1158 All committees will have a RCSC Director as Chair, who will be proposed for those positions by
1159 the President and approved by the Board. If a Chair or Co-Chair is unwilling or incapable of
1160 satisfactorily performing the responsibilities, they may be removed from his/her position as Chair
1161 or Co-Chair by a ballot vote of a majority vote of the Board (5). The Committee Chair and Co-Chair
1162 will conduct committee meetings unless unavailable, then another Director may do so. The
1163 Committee Chair, or Co-Chair in the absence of the Chair, will be responsible for presenting
1164 committee recommendations to the Board.

1165 A. After election of Officers, the Board President shall propose Chairs for each committee
1166 which shall be approved by a simple majority vote of the Board (five (5) Directors). The
1167 Board President and the committee Chair shall decide whether the Vice Chair will be a
1168 Director or committee member and will provide the name to the Board for majority approval.

1169 B. The Committee Chair and Vice ~~Co~~-Chair will conduct committee meetings unless
1170 unavailable, then another Director may do so.

1171 C. The Committee Chair or Vice Chair will be responsible for presenting committee
1172 recommendations to the Board.

1173 D. If a Chair or Vice Chair is unwilling or incapable of satisfactorily performing the
1174 responsibilities, he/she may be removed from his/her position as Chair or Vice Chair by a
1175 ballot vote of a majority vote of the Board (five (5) Directors).

1176

1177 **SECTION 3: MEMBERS OF COMMITTEES**

1178 All committees must attempt to have no less than five (5) members in addition to the Chair and Vice
1179 Chair. Members of committees will be selected from the Membership at large. who must meet the
1180 following requirements:

- 1181 A. Must be a Member in good standing;
- 1182 B. Must not reside with or be related to any other member of the committee by marriage or birth
1183 unless committee members are selected by election or appointment to another position; i.e.,
1184 greens committee members may be on the Golf Advisory Committee, Sun City Mens Golf
1185 Association (SCMGA) and Sun City Womans Golf Association (SCWGA) officers, and/or
1186 Chartered Club Presidents; and
- 1187 C. Must agree to adhere to the Corporate Documents.
- 1188 D. The Board President, Committee Chair or Co-Chair appoint or remove committee members.
1189 Committees may establish internal processes for selection of members nominated for
1190 appointment.
- 1191 E. Members of the committees may attend meetings either in person, by telephone conference
1192 call, video conferencing or other communication methods by which all participants can
1193 simultaneously hear and talk to each other.

- 1194 A. Committees may establish a process to nominate new members for appointment.
- 1195 B. The Committee Chair is the final deciding authority to approve all new members to a
1196 committee.
- 1197 C. Committee members must meet the following requirements:

- 1198 1. Must be a Member in good standing; AND
- 1199 2. Must agree to adhere to the Corporate Documents.

1200 D. Committee members may be required to sign a confidentiality agreement.

- 1201 E. The Board President, Committee Chair or Vice Co-Chair will may establish a process to
1202 appoint members to newly established committees.
- 1203 F. Members of the committees may attend meetings either in person, by telephone conference
1204 call, video conferencing or other communication methods by which all participants can
1205 simultaneously hear and talk to each other.

1206 **SECTION 4: COMMITTEES**

1207 The standing RCSC committees are:

Bowling	Lawn Bowling
Club Organization	Long-Range Planning
Election	Outreach & Communications
Finance, Budget & Audit	Properties
Golf Advisory	Technology
Insurance	

1214 A. Committee Duties:

- 1215 1. The Bowling Committee shall: The purpose of the Bowling Committee is to
1216 a. Assist in the promotion and interest in the game of bowling;
1217 b. Encourage fellowship amongst bowlers;

- 1218 c. Gather input from Cardholders; and
1219 d. Recommend changes to the Board in bowling policies, fees, operations and facilities.
1220 as a result.
- 1221 2. **The** Club Organization Committee (also known as the COC) **shall**: ~~The purpose of the~~
1222 ~~Club Organization Committee is to~~
1223 a. Support Chartered Clubs as needed;
1224 b. Make recommendations for Chartered Club policy changes to the Board; and
1225 c. Promote and encourage participation in Chartered Clubs.
- 1226 3. **The** Election Committee **shall**: ~~The purpose of the Election Committee is to~~
1227 ~~Review, and recommend, and develop~~ election procedures ~~and guidelines;~~ ~~changes~~
1228 b. Recruit a sufficient number of Board candidates ~~for directorship;~~
1229 c. Conduct the candidate forums.
1230 d. ~~Ensure that elections and recall elections of the Board are conducted pursuant to the~~
1231 ~~Corporate Documents, and announce the results;~~ ~~the integrity and veracity of the~~
1232 ~~voting process for Directors and at Membership meetings.~~
- 1233 4. **The** Finance, Budget and Audit Committee **shall**: ~~The purpose of the Finance, Budget~~
1234 ~~and Audit Committee is to~~
1235 a. ~~Recommend to the Board for its approval~~ an annual financial budget ~~and Capital~~
1236 ~~Project List intended to apply to the upcoming year to the Board for approval by the~~
1237 ~~Boards October Board meeting;~~
1238 b. Review monthly, quarterly and year-to-date financial statements to:
1239 1) Determine the ~~Corporation's~~ financial performance ~~of the operation in~~
1240 ~~comparison to~~ ~~compared to the~~ Board approved annual budget; and
1241 2) ~~and the~~ ~~Determine the Corporation's~~ financial performance compared to the
1242 previous ~~years;~~ year
1243 3) Advise the Board of any concerns regarding the ~~RCSC's~~ financial operations;
1244 ~~and to make recommendations to the Board regarding the annual capital project~~
1245 ~~list. The annual budget and annual capital project list will be presented to the~~
1246 ~~Finance, Budget and Audit Committee by Management. The committee will~~
1247 ~~recommend an annual budget and capital project list to the Board for approval.~~
1248 ~~In addition, the Finance, Budget and Audit Committee will~~
1249 4) Review Management's proposed five (5) year operating plan.
1250 5) ~~Finally, the committee will~~ Recommend ~~to the Board,~~ auditors for the Chartered
1251 Clubs ~~to the Board.~~
- 1252 5. **The** Golf Advisory Committee **shall**: ~~The purpose of the Golf Advisory Committee is to~~
1253 a. Assist in the promotion and interest in the game of golf. ~~encourage fellowship~~
1254 ~~amongst golfers, gather input from Cardholders and~~
1255 b. Recommend changes to the Board in golf policies, fees, operations, ~~courses,~~ and
1256 facilities.
1257 c. ~~The Golf Advisory Committee will direct~~ ~~Receive recommendations from~~ each golf
1258 course's Greens Committee.
1259 d. ~~Receive input on golf issues from Members.~~
- 1260 6. **The** Insurance Committee **shall**: ~~The purpose of the Insurance Committee is to~~ review
1261 and recommend ~~changes or additions~~ to the Board ~~for:~~
1262 a. Insurance requirements and adequate coverage;

- 1263 b. ~~and~~ Selection of insurance brokers/agents/carriers; ~~and~~
- 1264 c. ~~which will be~~ Conduct reviews ~~s~~ at least annually based upon premium renewals,
- 1265 service, ~~and quotes,~~ bid proposals and recommendations for any changes or
- 1266 additions.
- 1267 7. ~~The~~ Lawn Bowling Advisory Committee shall: ~~The purpose of the Lawn Bowling~~
- 1268 Advisory Committee is
- 1269 a. Assist in the promotion and interest in lawn bowling; ~~encourage fellowship amongst~~
- 1270 lawn bowlers;
- 1271 b. Gather input from Cardholders; and
- 1272 c. ~~and~~ Recommend changes to the Board in lawn bowling policies, fees, operations and
- 1273 facilities. ~~as a result.~~
- 1274 8. ~~The~~ Long Range Planning Committee shall: ~~The purpose of the Long Range Planning~~
- 1275 Committee is to
- 1276 a. Provide the Board with reports, recommendations, and suggestions regarding the
- 1277 future needs of Members ~~at least five (5) years in the future and beyond except as~~
- 1278 necessary to adjust the PIF Forecast;
- 1279 b. ~~The committee will~~ Annually present ~~recommend~~ a ~~Ten-ten (10)~~ year PIF Forecast
- 1280 to the Board for approval; ~~and~~
- 1281 c. All ~~Recommend where new~~ requests for changes to the PIF ~~projects~~ Project Forecast
- 1282 will be presented to the Committee which will recommend ~~fit in the~~ ~~Ten-ten (10)~~
- 1283 year ~~PIF Forecast.~~ approval/non approval to the Board.
- 1284 9. ~~The~~ Outreach & Communications Committee shall: ~~The purpose of the Outreach and~~
- 1285 Communication Committee is to ensure that we
- 1286 a. Communicate with RCSC members to:
- 1287 1) Increase our ~~community~~ visibility; ~~help re-establish a sense of community;~~
- 1288 2) Identify key messages;
- 1289 3) Connect with our Members, Board of Directors and our ~~the~~ RCSC Staff.
- 1290 b. Collaborate with other community organizations;
- 1291 c. ~~;~~ while Recommending avenues for an exchange of information; ~~and~~
- 1292 d. Encourage ~~ing~~ active participation ~~of Members in RCSC and Sun City activities.~~ ~~and~~
- 1293 serving as a link with our community partners to promote quality messages as we all
- 1294 serve the same people.
- 1295 10. ~~The~~ Properties Committee shall: ~~The purpose of the Properties Committee is to~~
- 1296 a. Conduct at least three ~~(3)~~ inspections annually of RCSC Facilities; ~~specifically, the~~
- 1297 buildings, equipment, and grounds; ~~surrounding the buildings to determine if they~~
- 1298 are safe, properly cared for and in good condition. ~~The Properties Committee will~~
- 1299 b. Meet with Senior Management to report the ~~facility~~ status; and
- 1300 c. Make recommendations to the Board and/or Senior Management for ~~facility~~
- 1301 preservation and care ~~of the facilities.~~
- 1302 11. ~~The~~ Technology Committee shall: ~~The purpose of the Technology Committee is to~~
- 1303 a. Research, identify and determine the impact of current and future technology
- 1304 requirements; ~~needed to~~
- 1305 b. Support the RCSC Board, Management and Members, ~~while simultaneously~~ ~~to~~
- 1306 enhance ~~ing both~~ current and future facilities;

- 1307 c. Consideration will also be given as to which technologies **that** best support the
1308 mission of the RCSC Board and Management in terms of **to** providing accurate and
1309 accessible data and programs designed to meet the day-to-day needs of the **Members;**
1310 **and** community.
1311 d. Special attention will be given by the Committee to **Research and analyze** cutting
1312 edge technologies, future trends, and innovations that will place the RCSC Board,
1313 Management, and the community in the best competitive position to **attract** entire
1314 future Members.

1315 **AD HOC COMMITTEES**

1316 Ad hoc committees are formed for a specific task or objective and dissolved after the completion of
1317 the task or achievement of the objective. An ad hoc committee is a group of Members subordinate
1318 to the Board.

1319 **SECTION 5: MEMBERS OF COMMITTEES RESPONSIBILITIES**

1320 Committee members are expected to attend all committee meetings, review materials in advance of
1321 the meetings, participate in meetings, and meet as frequently as necessary to discharge properly the
1322 committee's responsibilities. All Committees will select a Secretary annually who will prepare a
1323 summary of the committee meeting and submit it to the Corporate Office within three (3) days after
1324 the committee meeting. If the Secretary is not present, the Chair or Co-Chair will appoint a Secretary
1325 for the meeting.

1326 **SECTION 5: MEMBERS OF COMMITTEES SUSPENDED OR EXPELLED**

1327 Committee members may be suspended or removed by the unanimous vote of the Board President,
1328 Committee Chair and Co **Vice** Chair, **or by two-thirds (2/3) committee member vote** for the
1329 following reasons:

- 1330 A. Failure to adhere to the Corporate Documents; **OR**
1331 B. ~~For any good and sufficient cause which is contrary to the highest moral or professional~~
1332 ~~principles;~~
1333 B. For being unwilling or incapable of satisfactorily performing the responsibilities of a member
1334 of a committee; **OR**
1335 C. Failure to attend three (3) committee meetings in a row **without reasonable circumstances**
1336 **for absence.**

1337

1338 **ARTICLE XIII IS BEING MOVED TO THIS AREA AND IS RETITLED AS**
1339 **ARTICLE X**

1340 **ARTICLE XIII DISCIPLINE PROCEEDINGS**

1341 **SECTION 1:**

1342 If a Director or Member is accused of a serious offense, the Director may be given the opportunity
1343 to resign; and, a Member, may waive their right to a hearing when it's in the best interest of all
1344 parties concerned.

1345 **SECTION 12: BOARD OF DIRECTORS**

1346 Hearings for Directors will be conducted in Executive Session. Directors The Board may be
1347 removed Directors found to have violated from the Board or as an Officer of the Board by the Board
1348 or by the Members as specified in the Articles of Incorporation. Directors may also be removed for
1349 violating the Corporation Documents Bylaws and/or Policies.

1350 A. An Officer who is unwilling or incapable of satisfactorily performing the responsibilities of
1351 his/her office may be removed from his/her office or membership on the Board by a ballot
1352 vote of two-thirds (2/3) cast by the Directors following the report of the findings and
1353 recommendations of an appointed Board Hearing Commission consisting of three (3)
1354 Director members appointed by the Board President to gather and present facts.

1355 B. The Director may be given the opportunity to resign or waive their right to a hearing when
1356 it's in the best interest of all parties concerned.

1357 C. Hearings for Directors will be conducted in Executive Session.

1358 D. The Hearing Commission will send a notice to the accused no later than ten (10) business
1359 days prior to the meeting date at which time a hearing will occur regarding proof of charges
1360 and discipline recommended and voted upon.

1361 E. The Notice will inform the accused of the date, time and place of the Hearing and of each
1362 charge against the accused.

1363 **SECTION 23: MEMBERS AND PRIVILEGE CARDHOLDERS**

1364 Members and Privilege Cardholders who fail to comply with the Corporate Documents, are the
1365 subject of more than one (1) conduct report, or that are accused of egregious behavior may be
1366 required to appear before a Board Hearing Commission. Cardholders may be subject to suspension
1367 of privileges as determined by a Board Hearing Commission and may no longer be considered a
1368 Member or Privilege Cardholder in good standing. A Member, Privilege Cardholder or group of
1369 Members and/or Privilege Cardholders, or any other person(s), must not behave in a manner which
1370 jeopardizes the rights or privileges of RCSC Employees, other Members and Privilege Cardholders,
1371 their guests or any other person(s). A cease and desist order may be issued by the Board or Senior
1372 Management against Members and/or Privilege Cardholders for such behavior and upon failure of
1373 Members and Privilege Cardholders to comply; a Board Hearing will be set.

1374 A. In the case of imminent danger to any person(s) or property and/or assault charges filed as a
1375 result of an alleged act committed on or at RCSC Facilities, The President and/or General
1376 Manager has the authority to immediately and temporarily suspend their Cardholder
1377 Privileges for thirty (30) days in the case of imminent danger to any person(s) or property
1378 and/or assault charges filed as a result of an alleged act committed at RCSC Facilities.

1379 1. A temporary suspension must be reported to the Board and a Board Hearing must be set.

1380 2. During a period of expulsion or suspension or expulsion of any privileges or use of RCSC
1381 Facilities, Cardholders will not be entitled to/nor receive:
1382

1383 a. Any reimbursement of any assessments or fees, or
1384 b. Member or Privilege Cardholder privileges.

1385 B. A Member, Privilege Cardholder, or any other person(s), must not behave in a manner which
1386 jeopardizes the rights or privileges of RCSC Employees, other Members, Privilege
1387 Cardholders, their guests, or any other person(s).

- 1388 1. A cease-and-desist order may be issued by the Board or Senior Management against
1389 Members and/or Privilege Cardholders for such behavior as outlined in Board Policies.
1390 2. A Board Hearing will be set if Members or Privilege Cardholders fail to comply as
1391 outlined in Board Policies.

1392 C. In the event the Member/Privilege Cardholder is an employee of RCSC, the employee will
1393 be provided leave with-pay to attend the Board Hearing.

1394 D. The Member/Privilege Cardholder may submit a written request to the Corporate Office to
1395 waive the hearing at least twenty-four (24) hours prior to commencement of the hearing.

1396 E. The Member/Privilege Cardholder is not required to appear at the time and place of the
1397 hearing. However, failure to appear at the hearing will result in a waiver of the
1398 Member/Privilege Cardholder's right to a hearing.

- 1399 1. Refusal or failure by the Member/Privilege Cardholder to attend the hearing will require
1400 the Board Hearing Commission to use the information available to arrive at a decision.
1401 2. The Board Hearing Commission may grant a continuance in the event of illness or
1402 extenuating circumstances.

1403 F. The President will appoint a Hearing Commission made up of no fewer than three (3)
1404 Directors to gather and present facts and make a recommendation(s) regarding charges to be
1405 brought and discipline to be enforced.

1406 G. The Board Coordinator will provide notice of a scheduled Board Hearing in writing at least
1407 fourteen (14) days prior to the hearing. The notice will inform Member/Cardholders why and
1408 where the hearing will be conducted and will include the following:

- 1409 1. Reported violation(s);
1410 2. Board hearing procedure;
1411 3. Date, time and place of hearing; and
1412 4. Notice that all witnesses have the right to attend the hearing. If witnesses are unable
1413 to attend, they may provide written comments that will be read at the hearing and
1414 submitted to the Hearing Commission.

1415 H. The Member/Cardholder may submit a written request to the Corporate Office to waive the
1416 hearing at least twenty-four (24) hours prior to commencement of the hearing. The failure
1417 by a Member/Cardholder to appear at the time and place of the hearing will result in a waiver
1418 of the Member/Cardholder's right to a hearing. Refusal or failure by the Member/Cardholder
1419 to attend the hearing will require the Hearing Commission to use the information available
1420 to arrive at a decision. In the event the Member/Cardholder is an employee of RCSC, the
1421 employee will be provided leave without pay to attend the Board Hearing.

1422 **SECTION 34: HEARING PROCEDURES, SUSPENSION OR REMOVAL OF MEMBERS,**
1423 **PRIVILEGE CARDHOLDERS AND DIRECTORS**

1424 The RCSC Board President will appoint a Board Hearing Commission made up of no fewer than
1425 three (3) Directors to review evidence, determine if it has merit, and rule whether discipline is
1426 appropriate.

1427 A. Hearing Procedure:

1428 1. The Board Coordinator will provide notice to both parties of a scheduled commission
1429 hearing in writing at least fifteen (15) days prior to the hearing. If the hearing notice is
1430 mailed, RCSC will send the notice to person's last address available in RCSC records.
1431 The notice will inform Director/Member/Privilege Cardholder why and where the
1432 hearing will be conducted and will include the following:

- 1433 a. Reported violation(s);
1434 b. Board hearing procedure;
1435 c. Date, time and place of hearing;
1436 d. Notice that the involved parties may have an assistant present;
1437 e. Notice that all witnesses have the right to speak to the Board Hearing Commission;
1438 f. If witnesses are unable to attend in person they may attend virtually; and
1439 g. A redacted copy of all reports related to the reason for the hearing. The redacted
1440 copy will remove or obscure all identifiable information of the person that submitted
1441 the report.

1442 2. Incident reports are confidential, internal documents. They can be provided to the subject
1443 of the report to prepare for the hearing but must be redacted to protect the identity of the
1444 report issuer.

1445 3. The Chair of the Board Hearing Commission ~~must~~will preside over and conduct the
1446 hearing.

1447 4. The Chair ~~of the Hearing Commission~~ will make an opening statement detailing the
1448 reported violation(s) and outlining the Board Hearing procedure to be followed and
1449 providing information as to when a decision can be expected.

1450 5. Neither the Board Hearing Commission nor the Director/Member/Privilege ~~or~~
1451 Cardholder is bound by technical rules of evidence and/or court procedure in conducting
1452 the hearing.

1453 6. All discussions and testimony must be conducted in a polite and respectful manner
1454 without harassment or intimidation.

1455 ~~7. The Chair of the Hearing Commission will preside over and conduct the hearing. The
1456 Hearing Commission Chair details the reported violation(s) by the Director or
1457 Cardholder(s), outlining the Board Hearing procedure to be followed and providing
1458 information as to when the decision can be expected.~~

1459 7. The Director/Member/Privilege or Cardholder will not speak or provide comment until
1460 such time as they are recognized by the Chair ~~of the Hearing Commission~~. The accused
1461 Director /Member/Privilege Cardholder will be given ample opportunity to respond and
1462 present his/her case and make comments which specifically relate to the violation(s)
1463 under review.

1464 8. ~~The responsibility to secure witnesses rests solely with the Director or Cardholder.~~ The
1465 Board Hearing Commission does not subpoena witnesses or compel testimony from
1466 either party or their witnesses.

- 1467 a. Both parties involved in the dispute may separately address the Board Hearing
1468 Commission and may call witnesses.
1469 b. The responsibility to secure witnesses rests solely with the parties involved in the
1470 dispute.
1471 c. If both parties wish to appear at the hearing, the Board Hearing Commission will
1472 schedule separate hearing times/dates for each party.
1473 d. ~~Witnesses may be presented by both the Hearing Commission and the accused.~~
1474 Witnesses will remain outside the hearing room and will be called in one at a time to
1475 give testimony.
1476 e. Information provided by all witnesses, whether in person or in writing, will be
1477 reviewed and heard by the Board Hearing Commission.
1478 f. If a witness is reluctant to make their comments in the presence of either party, the
1479 ~~accused~~, they will be allowed to do so in front of the Board Hearing Commission
1480 only.
- 1481 9. ~~If the incident involves~~ If RCSC personnel submit the report, ~~then any federal, state and~~
1482 ~~local laws and regulations applicable to employees will apply.~~ the General Manager or
1483 an appointee may attend the hearing and provide evidence at the discretion of the Board
1484 Hearing Commission.
- 1485 10. If the Incident Report is filed against RCSC personnel, it will be referred to Human
1486 Resources.
- 1487 11. All federal, state and local laws and regulations applicable to employees will apply to
1488 any incident involving RCSC personnel. RCSC personnel are not required to appear at
1489 the hearing.
- 1490 12. ~~The Director or Cardholder may address the Hearing Commission and may call and~~
1491 ~~question witnesses. The Board Hearing Commission may ask questions and/or address~~
1492 ~~both parties the accused and all witnesses and provide the details of any witness that~~
1493 ~~addresses the Commission without the accused either party being present.~~
- 1494 13. ~~The accused is~~ When testimony, questions, and answers are complete, both parties will
1495 be asked to leave.
- 1496 10. ~~If the accused is found in violation by the Hearing Commission of any specification or~~
1497 ~~charge, the Commission will determine the discipline to be assigned to each specification~~
1498 ~~and/or charge resulting in a finding of "in violation".~~

1499 B. Board Hearing Decision:

- 1500 1. The Board Hearing Commission will notify both parties the Director or
1501 Member/Cardholder in writing of the results of the hearing. To the best of its ability, the
1502 decision of the Board Hearing Commission will be fair and reasonable in light of all
1503 relevant facts and circumstances.
- 1504 a. The party that filed the report will be informed if their complaint was upheld or not.
1505 b. The party that the report was filed against will be informed of the hearing decision
1506 and disciplinary action, if applicable.
- 1507 2. For hearings concerning Directors, the Board Hearing Commission will report findings
1508 and recommendations to the entire Board of Directors for review and possible
1509 disciplinary action.

- 1510 3. The Board Hearing Commission has full authority to suspend the
1511 Owner/Member/Privilege Cardholders if the commission finds the complaint is upheld.
1512 a. The suspension can be for any length of time up to and including permanently and
1513 on any basis. The minimum suspensions for the following offenses are:
1514 1) Owners who misrepresent their or other's occupancy of a Property six (6)
1515 months.
1516 2) Owners, Members or Privilege Cardholders who falsify documents six (126)
1517 months.
1518 3) Members or Privilege Cardholders who misrepresent the age or residency of a
1519 Guest six (6) months.
1520 4) Members or Privilege Cardholders or their guests who fail to comply with the
1521 Corporate Documents appeal process may provide additional information three
1522 (3) months.
1523 b. Should none of the above four options be pertinent to the offense, the Board Hearing
1524 Commission may determine the discipline as they deem appropriate.
1525 c. Any decision resulting in a termination or suspension of privileges will become
1526 effective no earlier than five (5) days after the hearing date.
- 1527 6. If a hearing involves two or more individuals from a club, both parties will receive a
1528 closing letter stating the decision made by the Board Hearing Commission.
- 1529 4. If the Board Hearing Commission finds there is no violation pertaining to the most
1530 current incident report, all records related to that incident will be removed from RCSC
1531 files and destroyed.

1532 C. **Board Hearing Appeal:**

- 1533 1. Any Director, Owner, Member or Privilege Cardholder may appeal the action taken
1534 by the Board Hearing Commission by submitting a written appeal request with the
1535 basis for the appeal to the Corporate Office. within ten (10) business days after the
1536 date of the Board Hearing decision.
- 1537 2. Any appeal challenging an expulsion, suspension, or termination of privileges must
1538 begin within six (6) months after the effective date of removal. Directors must file an
1539 appeal within ten (10) business days of removal from the Board or office.
- 1540 3. The Director, Owner, Member, or Privilege cardholder may provide new witnesses
1541 or evidence as part of the appeal.
- 1542 4. The Board President may deny or accept the appeal request and will notify the
1543 Director, Owner, Member or Privilege Cardholder in writing accordingly, and
1544 a. If the appeal is denied, the President will provide the reasons for denial. will be
1545 detailed.
1546 b. If the appeal request is accepted:
1547 1) The Director, Owner, Member or Privilege Cardholder may introduce new
1548 witnesses or evidence.
1549 2) The entire Board will review all evidence submitted and watch the recorded
1550 hearing conducted by the Board Hearing Commission, if available.
1551 3) The Board may sustain, modify, or overturn the findings of the Board Hearing
1552 Commission.

- 1553 4) The Board of Directors will notify the Director, **Owner, Member,** or **Privilege**
1554 Cardholder in writing of its final decision.
1555

1556 ARTICLE XI – INDEMNIFICATION AND RISK MANAGEMENT

1557 Recreation Centers of Sun City, Inc., its successors and assigns, hereby agree to protect, defend,
1558 indemnify and hold harmless its Directors and their spouses, Officers, Senior Management,
1559 Employees and Committee Members from and against any and all claims, demands, actions,
1560 damages, loss, and judgments arising out of or occurring in connection with any act or omission of
1561 such, including reasonable attorney fees and court costs. Such indemnification will exclude any
1562 such liability caused by gross negligence or willful misconduct.

1563

1564

1565 **ARTICLE XII – INVESTMENTS**

1566 ~~The Corporation has an unrestricted cash reserve and additional unrestricted operations funds, a~~
1567 ~~restricted Preservation and Improvement Fund and a restricted Capital Reserve Fund which will be~~
1568 ~~invested as follows:~~

1569 **The Corporation has four (4) types of funds that will be invested as detailed in a Board Policy.**

1570 **A. Unrestricted Operating Funds – A fund designated for use by management for the day-to-**
1571 **day operations of the Corporation. Unrestricted Operating Funds include the Balance Sheet**
1572 **Accounts of Petty Cash, Cash in Bank, and Cash – Money Market. All money for the RCSC**
1573 **annual budget comes from these funds.**

1574 **B. Restricted Operating Reserve Funds – A fund designated for emergency use that requires**
1575 **Board approval to release funds. Restricted Operating Reserve Funds refers to the Balance**
1576 **Sheet account entitled Operating Reserve.**

1577 **C. Restricted PIF Funds – A fund used for PIF projects that requires Board approval to release**
1578 **funds. Restricted PIF Funds refers to the Balance Sheet account entitled Preservation /**
1579 **Improvement Fund.**

1580 **D. Restricted Capital Improvement Funds – A fund used for projects on the capital project list**
1581 **that requires Board approval to release funds. Restricted Capital Improvement Funds refers**
1582 **to the Balance Sheet account entitled Capital Reserve.**

1583 **THE ENTIRE AREA BELOW IS BEING MOVED TO A NEW**
1584 **BOARD POLICY**

1585 **SECTION 1: GENERAL OBJECTIVES**

1586 ~~The primary objectives, in priority order, of investment activities will be safety, liquidity, and yield:~~

1587 ~~A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments~~
1588 ~~will be undertaken in a manner that seeks to ensure the preservation of capital in the overall~~
1589 ~~investment portfolio. The objective will be to mitigate credit risk and interest rate risk.~~

1590 ~~1. **Credit Risk:** RCSC will minimize credit risk, which is the risk of loss due to the~~
1591 ~~failure of the security issuer or backer by:~~

1592 ~~a. **Limiting investments to the types of securities per the Corporate Documents;**~~
1593 ~~and~~

1594 ~~b. **Diversifying the investment portfolio so that the impact of potential losses**~~
1595 ~~from any one type of security or from any one individual issuer will be~~
1596 ~~minimized.~~

1597 ~~2. **Interest Rate Risk:** RCSC will minimize interest rate risk, which is the risk that the~~
1598 ~~market value of securities in the investment portfolio will fall due to changes in~~
1599 ~~market interest rates by:~~

1600 ~~a. **Structuring the investment portfolio so that securities mature or are available**~~
1601 ~~to meet cash requirements for ongoing operations, thereby avoiding the need~~
1602 ~~to sell securities on the open market prior to the target duration strategy; and~~

1603 b. Investing operating funds primarily in shorter term securities, money market
1604 mutual funds, or similar investment pools and limiting the average maturity
1605 of the investment portfolio in accordance with the Corporate Documents.

1606 B. ~~Liquidity:~~ The investment portfolio will remain sufficiently liquid to meet all operating
1607 requirements that may be reasonably anticipated. This is accomplished by structuring the
1608 investment portfolio so that securities mature concurrent with cash needs to meet anticipated
1609 demands (static liquidity). Furthermore, since all possible cash demands cannot be
1610 anticipated, the investment portfolio should consist largely of securities with active
1611 secondary or resale markets (dynamic liquidity). Alternatively, a portion of the investment
1612 portfolio may be placed in money market mutual funds or local government investment pools
1613 which offer same day liquidity for short term funds.

1614 C. ~~Yield:~~ The investment portfolio will be designed with the objective of attaining a market rate
1615 of return throughout budgetary and economic cycles, taking into account the investment risk
1616 constraints and liquidity needs. Return on investment is of secondary importance compared
1617 to the safety and liquidity objectives described above. The core of investments is limited to
1618 relatively low risk securities in anticipation of earning a fair return relative to the risk being
1619 assumed. Securities will generally be held until maturity with the following exceptions:

- 1620 1. A security with declining credit may be sold early to minimize loss of principal.
1621 2. Liquidity needs of the investment portfolio require that the security be sold.

1622 **SECTION 12: STANDARDS OF CARE INVESTMENT COMMISSION**

1623 Authority to manage the investment portfolio is granted to RCSC's Investment Commission made
1624 up of approved Directors of the Corporation. The President of the Corporation will serve as Chair
1625 of the Investment Commission each year. The President, in January of each year, will recommend
1626 to the Board three (3) fellow Directors to serve with him/her on said Commission for that calendar
1627 year. The Board will approve the Directors who will serve with the President on the Investment
1628 Commission by majority vote of the Board (5).

1629 Responsibility for the operation of the investment portfolio is hereby delegated to the
1630 Support/Finance Sr. Leader, who will act in accordance with established written procedures and
1631 internal controls for the operation of the investment program consistent with the Corporate
1632 Documents. The Support/Finance Sr. Leader will be responsible for all transactions undertaken and
1633 will establish a system of controls to regulate the activities of subordinate officials.

1634 The responsibility of the Investment Commission is to monitor the investment portfolio following
1635 guidance detailed in Board Policy.

- 1636 A. RCSC Board Officers serve on the Commission for that calendar year.
1637 B. The Investment Commission will ascertain whether investment activities during the
1638 reporting period have conformed to the Corporate Documents.
1639 C. The Investment Commission will review investment performance on a periodic basis but no
1640 less than two (2) times each year.

1641 **SECTION 2: PORTFOLIO MANAGEMENT**

1642 A. The Director of Finance will:

- 1643 1. Be responsible for the operation of the investment portfolio.

- 1644 2. Act in accordance with guidance detailed in Board Policy, established written
1645 procedures, and internal controls for the operation of the investment program consistent
1646 with the Corporate Documents.
1647 3. Be responsible for all transactions undertaken.
1648 4. Establish a system of controls to regulate the activities of subordinate officials.

1649 B. The Director of Finance and/or assigned employee will:

- 1650 1. At least quarterly, provide the Investment Commission with an investment report that
1651 includes an analysis of the status of the current investment portfolio and individual
1652 transactions executed over the last quarter. The report will also include:
1653 a. Listing of individual securities held at the end of the reporting period.
1654 b. Average weighted yield to maturity of portfolio on investments as compared to
1655 applicable benchmarks.
1656 c. Listing of investment by maturity date.
1657 d. Percentage of the total portfolio which each type of investment represents.
1658 2. At all Board meetings, provide the RCSC Membership with a summary investment report
1659 to be included in the Treasurer's report.

1660 C. Board Policy will define investment standards of care, authorized financial institutions, and
1661 all other investment related guidance.

1662 **D. THE ENTIRE AREA BELOW IS BEING MOVED TO A NEW**
1663 **BOARD POLICY**

1664 ~~A. Prudence: The standard of prudence to be used by the Investment Commission will be the~~
1665 ~~"prudent person" standard and the standard of care set forth in Arizona Revised Statutes for~~
1666 ~~directors and officers which will be applied in the context of managing the overall investment~~
1667 ~~portfolio. The Investment Commission, acting in accordance with Arizona Revised Statutes,~~
1668 ~~written procedures, the Corporate Documents and exercising due diligence, will be relieved~~
1669 ~~of personal responsibility for an individual security's credit risk or market price changes,~~
1670 ~~provided deviations from expectations are reported in a timely fashion and the liquidity and~~
1671 ~~the sale of securities are carried out in accordance with the terms of the Corporate~~
1672 ~~Documents.~~

1673 ~~1. The "prudent person" standard states: "Investments will be made with judgment and~~
1674 ~~care, under circumstances then prevailing, which persons of prudence, discretion and~~
1675 ~~intelligence exercise in the management of their own affairs, not for speculation, but~~
1676 ~~for investment, considering the probable safety of their capital as well as the probable~~
1677 ~~income to be derived."~~

1678 ~~2. Arizona Revised Statues states: "A director's duties, including duties as a member of~~
1679 ~~a committee, will be discharged: (i) in good faith, (ii) with the care an ordinary~~
1680 ~~prudent person in a like position would exercise under similar circumstances, and~~
1681 ~~(iii) in a manner the director reasonably believes to be in the best interest of the~~
1682 ~~corporation."~~

1683 ~~B. Ethics and Conflicts of Interest: Officers and employees involved in the investment portfolio~~
1684 ~~must refrain from personal business activity that could conflict with the proper execution and~~
1685 ~~management of the investment portfolio, or that could impair their ability to make impartial~~

1686 decisions. Officers and employees will disclose any material interests in financial institutions
1687 with which they conduct business. They will further disclose any personal
1688 financial/investment positions that could be related to the performance of the investment
1689 portfolio. Officers and employees will refrain from undertaking personal investment
1690 transactions with the same individual with whom business is conducted on behalf of RCSC.

1691 **SECTION 3: AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND**
1692 **BROKER/DEALERS**

1693 A. Authorized Financial Institutions, Depositories, and Broker/Dealers: A list will be
1694 maintained of financial institutions and depositories authorized to provide investment
1695 services. In addition, a list will be maintained of approved security broker/dealers selected
1696 by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five
1697 years of operation). These may include "primary" dealers or regional dealers that qualify
1698 under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

1699 1. All financial institutions and broker/dealers who desire to become qualified for
1700 investment transactions must supply the following as appropriate:

1701 a. Audited financial statements demonstrating compliance with state and federal
1702 capital adequacy guidelines;

1703 b. Proof of National Association of Securities Dealers (NASD) certification (not
1704 applicable to Certificate of Deposit counterparties);

1705 c. Proof of state registration; and

1706 d. Certification of having read and understood and agreeing to comply with
1707 RCSC's Corporate Documents.

1708 **SECTION 4: SAFEKEEPING AND CUSTODY**

1709 A. Internal Controls: The Support/Finance Sr. Leader will establish a system of internal
1710 controls, which will be documented in writing. The internal controls will be reviewed by the
1711 Investment Commission and with an independent auditor. The controls will be designed to
1712 prevent the loss of funds arising from fraud, employee error, misrepresentation by third
1713 parties, unanticipated changes in financial markets, or imprudent actions by Officers and
1714 employees of RCSC.

1715 **SECTION 5: SUITABLE AND AUTHORIZED INVESTMENTS**

1716 A. Investment Types:

1717 1. U.S. Treasury obligations which carry the full faith and credit guarantee of the United
1718 States government.

1719 2. U.S. government agency and instrumentality obligations that have a liquid market
1720 with a readily determinable market value.

1721 3. Certificates of deposit and other evidences of deposit at financial institutions.

1722 4. Bonds, debentures and notes that are issued by corporations organized and doing
1723 business in the United States and that are rated "A3" or better by Moody's Investor
1724 Service, "A" or better by Standard and Poor's and/or "A" by Fitch rating service or
1725 their successors. All bonds must have at least two of these ratings.

1726 5. Commercial paper of prime quality that is rated "A1" and/or better by Standard and
1727 Poor's, and/or "P1" or better by Moody's Investor Services and/or "F1" by Fitch
1728 rating service or their successors. All commercial paper must have at least two of

1729 ~~these ratings. All commercial paper must be dollar denominated and issued by~~
1730 ~~corporations organized and doing business in the United States.~~

1731 ~~6. Investment grade obligations of state, provincial and local governments and public~~
1732 ~~authorities.~~

1733 ~~7. Money market mutual funds regulated by the Securities and Exchange Commission~~
1734 ~~and whose portfolios consist only of dollar denominated securities.~~

1735 **SECTION 6: INVESTMENT PARAMETERS**

1736 ~~A. Diversification: It is the policy of RCSC to diversify its investment portfolio. To eliminate~~
1737 ~~risk of loss resulting from the over concentration of assets in a specific maturity, issuer, or~~
1738 ~~class of securities, all cash and cash equivalent assets in all RCSC funds will be diversified~~
1739 ~~by maturity, issuer, and class of security. Diversification strategies will be determined and~~
1740 ~~revised periodically by the Investment Commission for all funds.~~

1741 ~~1. In establishing specific diversification strategies, the following general policies and~~
1742 ~~constraints will apply:~~

1743 ~~a. Portfolio maturities will be staggered to avoid undue concentration of assets~~
1744 ~~in a specific maturity sector.~~

1745 ~~b. Maturities selected will provide for stability of income and reasonable~~
1746 ~~liquidity.~~

1747 ~~2. For cash management funds:~~

1748 ~~a. Positions in securities having potential default risk (e.g., commercial paper)~~
1749 ~~will be limited in size so that in case of default, the portfolio's annual~~
1750 ~~investment income will exceed a loss on a single issuer's securities.~~

1751 ~~b. Risks of market price volatility will be controlled through maturity~~
1752 ~~diversification such that aggregate price losses on instruments with maturities~~
1753 ~~exceeding one year will not be greater than coupon interest and investment~~
1754 ~~income received from the balance of the portfolio.~~

1755 ~~3. The following diversification limitations will be imposed on the portfolio:~~

1756 ~~a. Maturity: No more than 50% percent of the portfolio may be invested beyond~~
1757 ~~12 months, and the weighted average maturity of the portfolio will never~~
1758 ~~exceed 2.5 years.~~

1759 ~~b. Default risk: No more than 5 percent of the overall portfolio may be invested~~
1760 ~~in the securities of a single issuer, except for securities of the U.S. Treasury.~~

1761 ~~c. Liquidity risk: At least 25 percent of the portfolio will be invested in overnight~~
1762 ~~instruments or in marketable securities which can be sold to raise cash in one~~
1763 ~~day's notice.~~

1764 ~~B. Maximum Maturities: To the extent possible, RCSC will attempt to match its investments~~
1765 ~~with anticipated cash flow requirements. Unless matched to a specific cash flow, RCSC will~~
1766 ~~not directly invest in securities maturing more than five (5) years from the date of purchase.~~
1767 ~~RCSC will adopt weighted average maturity limitations (which often range from 90 days to~~
1768 ~~3 years), consistent with the investment objectives.~~

1769 ~~Reserve funds and other funds with longer term investment horizons may be invested in~~
1770 ~~securities exceeding five (5) years if the maturities of such investments are made to coincide~~
1771 ~~as nearly as practicable with the expected use of funds. The intent to invest in securities with~~
1772 ~~longer maturities will be disclosed in writing to the entire Board of Directors.~~

1773 Because of inherent difficulties in accurately forecasting cash flow requirements, a portion
1774 of the portfolio should be continuously invested in readily available funds such as money
1775 market funds and appropriate liquidity is maintained to meet ongoing obligations.

1776 **THE REPORTING SECTION WAS MOVED TO SECTION 2**

1777 **SECTION 7: REPORTING**

1778 ~~A. Investment Commission: The Support/Finance Sr. Leader and/or assigned employee~~
1779 ~~will prepare an investment report at least quarterly that provides an analysis of the status of~~
1780 ~~the current investment portfolio and the individual transactions executed over the last quarter.~~
1781 ~~This report will be prepared in a manner which will allow RCSC's Investment Commission~~
1782 ~~to ascertain whether investment activities during the reporting period have conformed to the~~
1783 ~~Corporate Documents.~~

1784 ~~1. The report will include the following:~~

- 1785 ~~a. Listing of individual securities held at the end of the reporting period.~~
1786 ~~b. Average weighted yield to maturity of portfolio on investments as compared~~
1787 ~~to applicable benchmarks.~~
1788 ~~c. Listing of investment by maturity date.~~
1789 ~~d. Percentage of the total portfolio which each type of investment represents.~~

1790 ~~B. RCSC Membership: A summary report will be updated quarterly and will be reported as a~~
1791 ~~part of the Treasurer's report in a Board meeting excluding the months of July and August.~~

1792

1793 **ARTICLE XIII – SEVERABILITY**
1794 If any provision of these Bylaws is held by a court of competent jurisdiction to be contrary to law,
1795 the provision will be deemed null and void, and the remaining provisions of these Bylaws will
1796 remain in effect.

1797 BE IT FURTHER RESOLVED that a copy of these Corporate Bylaws must be posted on the
1798 RCSC’s website (www.suncityaz.org) and must be made available to Members upon request at no cost.
1799 Adopted ~~and signed~~ this ~~27th day of February 2025~~ 10th day of November 2025 at a duly called
1800 Board meeting by a two-thirds (2/3) vote (six (6)) ~~majority (5)~~ Directors) of the Recreation Centers
1801 of Sun City, Inc. Board of Directors.

1802 ATTEST:

1803
1804 _____
1805 Tom Foster, President

Preston D. Kise, Secretary