

RECREATION CENTERS OF SUN CITY, INC.

CORPORATE BYLAWS

Amended ~~February 27, 2025~~ November 10, 2025

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

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

The following definitions will apply:

A. “ANCA” means the Arizona Nonprofit Corporation Act, Arizona Revised Statutes §§ 10-3101 through 10-11702.

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

C. “Business Affairs of the Corporation” ~~is defined as all matters conducted by the Corporation, excluding amendment of Bylaws,~~ are defined as the governance, management, and operations of the Corporation conducted by or under the direction of the Board of Directors, which includes but is not limited to: financial management and budgeting; adoption and enforcement of policies, programs, and services; contracts, pricing, bids, and vendor selection; internal corporate matters, operational decisions, regulatory compliance and risk management (including insurance); employment, personnel, and compensation matters; litigation and claims; real property and capital projects; information security and privacy; communications and public relations; strategic planning of the Corporation; and any other matter not expressly reserved to the Members by the Articles of Incorporation or applicable law, that are not in violation of its Corporate Documents or the Arizona Nonprofit Corporation Act. ANCA statutes that are in effect at the time the matter is conducted.

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

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

F. “Company” is defined as a Corporation, LLC, Subchapter S Corporation, Partnership, LLP, or any other entity that represents non-individual ownership other than trusts which holds or owns the current ownership interest in a Property.

G. “Corporate Documents” are the Restated Articles of Incorporation, Corporate Bylaws, Board Policies and/or any rules and regulations of the Corporation.

H. “Directors of the Board” is defined as the nine elected or appointed Members of the Board of Directors of the RCSC hereafter referred to as Director(s).

- 39 I. **“Facilities Agreement”** is an agreement between the Corporation and the Property Owner(s)
40 which obligates each and every Owner to pay assessments and fees imposed by the
41 Corporation when due whether or not Owners occupy the Property or use RCSC Facilities.
- 42 J. **“Incident Report Forms”** are filed to report non-club related threats/verbal/physical abuse
43 of a staff or member, misuse or destruction of RCSC property, gross or malicious behavior,
44 or substantially similar incidents requiring documentation.
- 45 K. **“Medical Report Forms”** document injuries (trips, slips, falls), illness, or loss of
46 consciousness, or substantially similar events requiring documentation. destruction of RCSC
47 property, theft, verbal or physical abuse of staff or member, indecent exposure, threats made,
48 police interaction, and gross or malicious behavior. In general, any situation in which there
49 is an injury, perceived or actual harm to any individual, unacceptable behavior or destruction
50 of any RCSC property.
- 51 L. **“Member(s)”** or **“Membership”** is/are defined as property owner(s) who meet Member
52 qualifications as defined in Article II of these Bylaws. as defined in Article II, Section 1, is
53 an Owner(s) who meets Member qualifications. Once Member qualifications are verified by
54 the Cardholder Services Office, Member status will be established, and a Member Card with
55 Owner’s photo will be issued by the Corporation.
- 56 M. **“Member Card”** is defined as a card with Owner’s photo that is issued by the Corporation
57 after Member qualifications are verified by the Cardholder Services Office. Owners who
58 cannot meet the Member documentation requirements will not be issued a Member Card and
59 will not receive any Member Privileges.
- 60 N. **“Member(s) in good standing”** is/are defined as a Member whose assessments, fees and
61 any and all other charges are current for all Properties in which the Owner has an ownership
62 interest and whose Member Privileges are not suspended. Privileges for Members in good
63 standing are listed in Article II, Section 1.
- 64 O. **“Member Privileges”** are granted Member Cardholders in good standing who may vote,
65 serve on the Board or Committees, speak at Membership and Board meetings, join and
66 participate in Chartered Clubs, receive discounted rates for golf and bowling, attend free
67 RCSC events and entertainment, and use all available RCSC Facilities subject to the
68 Corporate Documents. Owners who cannot meet the Member documentation requirements
69 will not be issued a Member Card and will not receive any Member Privileges.
- 70 P. **“Owner(s)”** or **“the Owner(s)”** is/are defined as any individual or entity holding or owning
71 a current ownership interest in a Property and is named on the deed to the property except:
72 1. If a trust holds or owns the ownership interest in the Property, then the Owner(s) will be
73 no more than two of the Grantors, or if deceased, no more than two remainder
74 beneficiaries of the trust. Remainder, contingent or non-vested beneficiaries of a trust
75 will not be considered Owner(s) unless grantors are deceased.
- 76 2. If a Company holds or owns the current ownership interest in the Property, then the
77 Owner(s) will be no more than two individuals selected by the Company from its
78 shareholders, members or partners provided that said individuals have an ownership
79 interest in said Company.

80 3. If life estate and remainderman interests hold or own the current ownership interest in
81 the Property, then Owner(s) will be the life estate interest(s). The life estate is considered
82 the owner when dual ownership is life estate and remainderman.

83 4. "Unqualified "Owner(s)" is/are defined as "Owners(s)" who cannot meet Member
84 qualifications.

85 5. "Non-Owner(s)" is/are defined as renters, tenants, lessees, occupants, or those granted
86 lifetime use of Property who are not Owners and reside in a Property. Non-Owners must
87 meet the established criteria in these Bylaws to purchase a Privilege Card.

88 Q. "Petition(s)" by Members are defined as follows:

- 89 1. An initiative petition proposes an addition to the Articles of Incorporation or Bylaws.
90 2. A referendum petition proposes to amend the existing Articles of Incorporation or
91 Bylaws.
92 3. A removal petition proposes to remove sitting RCSC Board Director(s).
93 4. A demand for a special meeting proposes the consideration of a matter expressly reserved
94 to the Members by the Articles of Incorporation, Bylaws, or applicable law.

95 R. "Privilege Card" is defined as a Non-Owner Property or Unqualified Owner Property
96 resident card. Cardholder Services will issue the card after qualifications are verified, with
97 Cardholder's photo that is issued by the Corporation after qualifications for such are verified
98 by the Cardholder Services Office.

99 S. "Privilege Cardholder" is an Unqualified Owner or Non-Owner Property resident that has
100 been issued a Privilege Card. ~~is a non-owner property resident as defined in Article II~~
101 ~~Section 3 of these bylaws.~~

- 102 1. Privilege Cardholders may join and participate in Chartered Clubs, receive member rates
103 for golf and bowling, attend free RCSC events and entertainment, and use all available
104 RCSC facilities subject to the Corporate Documents.
105 2. Privilege Cardholders may not vote or sign a Petition, serve on committees or the Board,
106 or speak at Membership, Board Exchange, or Board meetings.

107 T. "Privilege Cardholder(s) in good standing" is defined as a Privilege Cardholder whose:
108 ~~privileges are not currently suspended and the property owner's assessments, fees and any~~
109 ~~and all other charges against the Property for which the Privilege Card is issued are current.~~
110 ~~Privilege Cardholders in good standing may join and participate in Chartered Clubs, receive~~
111 ~~discounted rates for golf and bowling, attend free RCSC events and entertainment, and use~~
112 ~~all available RCSC facilities subject to the Corporate Documents.~~

- 113 1. Privileges are not currently suspended; AND
114 2. The property owner's assessments, fees and any and all other charges against the
115 Property for which the Privilege Card is issued are current.

116 U. "Property(ies)" or "the Property(ies)" or "a Property" is defined as any land, building or
117 structure or portion of any building or structure which is, has been or is intended to be, for
118 use and occupancy as a dwelling unit that is real property in Sun City, Arizona located in the
119 area entitled "Sun City General Plan, Maricopa County, Arizona," as prepared by the Del E.

120 Webb Development Company and dated July 1972, November 1974, August 1975, and
121 September 1978 with subsequent amendments thereto.

122 V. “RCSC Facilities” is defined as any and all facilities in Sun City, Arizona owned and/or
123 operated by the Recreation Centers of Sun City.

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

128 X. “Senior Management” is defined as the employees designated by title by the General
129 Manager.

130 **ARTICLE I – CORPORATE OFFICE**

131 **SECTION 1: CORPORATE CATEGORIZATION**

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

135 **SECTION 2: PURPOSE**

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

139 A. To establish and conduct a general social, cultural, recreational and amusement enterprise
140 for the benefit of its Members and do anything lawfully necessary or convenient to
141 accomplish such purpose.

142 B. To contract, coordinate or operate, with other organizations, associations, corporations, or
143 individuals in carrying out and conducting the activities and endeavors for which this
144 Corporation is formed and in effecting the benefits and results sought to be gained.

145 **SECTION 3: PARLIAMENTARY AUTHORITY**

146 The rules contained in the current edition of *Robert’s Rules of Order, Newly Revised*, shall govern
147 the corporation in all cases to which they are applicable. By precedence, meetings of the Corporation
148 will be governed by:

- | |
|---|
| 149 A. The laws of the State of Arizona and the Corporate Documents |
| 150 B. RCSC Bylaws |
| 151 C. Special Rules of Order |
| 152 D. Robert's Rules of Order |

153 **SECTION 4: CORPORATE OFFICE**

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

156 **SECTION 5: FISCAL YEAR**

157 For all purposes, financial and otherwise, The calendar RCSC fiscal year runs January 1 through
158 December 31 for financial reporting and budgeting purposes only. All other governance actions are
159 not constrained by a fiscal or calendar year. will be synonymous with the term “fiscal year” of the
160 Recreation Centers of Sun City, Inc.

161 **SECTION 6: GENERAL PROVISIONS**

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

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

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

168 A. Members in good standing will be are considered as the Membership of the Corporation
169 which includes having paid their Annual Property Assessment. Members in good standing
170 may:

- 171 1. Vote;
- 172 2. Serve on the Board of Directors or Committees;
- 173 3. Speak at Membership, Board Exchange and Board meetings;
- 174 4. Join and participate in Chartered Clubs;
- 175 5. Receive discounted Member rates for golf and bowling;
- 176 6. Attend free RCSC events and entertainment; AND
- 177 7. Use all available RCSC facilities subject to the Corporate Documents

178 B. Members will be Owners who must meet the following qualifications:

- 179 1. A Member must be an Owner of property in Sun City and is be 55 years of age or older
180 who occupies a the Property as an his/her primary Arizona residence as documented by
181 the Maricopa County Assessors Office as other than a rental or non-resident category.
182 unless his/her other residence is farther than seventy five (75) miles from Sun City,
183 Arizona in which case the Owner(s) must provide proof that he/she occupies the Property
184 as well.
- 185 2. If a spousal Owner is under 55 years of age, he/she may be a Member, provided:
 - 186 a. He/she is not under 19 years of age;
 - 187 b. He/she occupies the Property as an his/her primary Arizona residence unless his/her
188 other residence is farther than seventy five (75) miles from Sun City, Arizona in
189 which case the Owner(s) must provide proof that he/she occupies the Property as
190 well; AND
 - 191 c. That one spousal Owner is 55 years of age or older and occupies the Property at the
192 same time.
 - 193 d. Continued Member status by an underage spousal Owner because of the death or long
194 term medical relocation of the Owner meeting the age requirement will continue so
195 long as the Owners and occupancy status of the Property does not change.

- 196 C. If there are more than two Property Owners who meet the Member qualifications, such
 197 Owners must decide which two concurrent Owners will be classified as Members. Additional
 198 Owners who qualify may purchase a Privilege Card or Day Pass.
- 199 D. If the Owner is a trust, no more than two of the Grantors, or if deceased, no more than two
 200 remainder beneficiaries of the trust may be deemed to be Members, provided that they
 201 individually meet the Member qualifications. Remainder, contingent or non-vested
 202 beneficiaries of a trust will not be considered Owner(s) and are not eligible to be Members,
 203 unless the Grantors are deceased. Those granted life estate use of a property are not eligible
 204 to be Members.
- 205 E. If the Owner is a Company, the Company may select two of its shareholders or partners to
 206 be Members, provided that they individually meet the Member qualifications and further
 207 provided that said individuals have an ownership interest in said Company.
- 208 F. If Owner interests are split between separate life estate and remainderman interests, only the
 209 life estate holders may be Members. Those holding remainderman interests will not be
 210 considered Owners and are not eligible to be Members until the termination of the separate
 211 life estate interests. No more than two life estate holders, or if the life estate is terminated,
 212 two remaindermen, may be deemed to be Members provided that they individually meet the
 213 Member qualifications.
- 214 G. Owners that own multiple properties are not considered to occupy more than one property at
 215 a time.

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

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

- 218 A. An Unqualified Owner who does not occupy the Property may be entitled to purchase a Day
 219 Pass through the Cardholder Services Office. The Day Pass gives the Unqualified Owner the
 220 privilege of using RCSC Facilities while temporarily (~~fourteen~~ 14) days or less per year) in
 221 Sun City, Arizona. The unqualified owner is not allowed to bring guests.
- 222 B. An Unqualified Owner under 55 years of age who occupies the Property may be issued an
 223 annual Privilege Card for a fee, as determined by the Board, provided the Owner, ~~who is~~
 224 ~~under 55 years of age:~~
- 225 1. Is not under 19 years of age; and
 - 226 2. Occupies the Property ~~as documented by the Maricopa County Assessors Office as other~~
 227 ~~than a rental or non-resident category and~~ ~~as his/her primary Arizona residence unless~~
 228 ~~his/her other residence is farther than seventy-five (75) miles from Sun City, Arizona in~~
 229 ~~which case the Underage Owner must provide proof that he/she occupies the Property;~~
 230 and
 - 231 3. Provided further that there is verifiable proof of at least one person 55 years of age or
 232 older occupying the Property at the same time.

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

234 Non-Owners ~~defined as renters, tenants, lessees, occupants, those granted lifetime use of Property~~
 235 ~~who are not Owners and reside in a Property and~~ that meet the following criteria may be entitled to

236 purchase a Privilege Card: A Non-Owner may be issued a 30-day, 60-day, 90-day or annual Privilege
237 Card for a fee, as determined by the Board, provided:

- 238 A. at least one Owner or Non-Owner who occupies the Property is 55 years of age or older;
239 **AND**
- 240 B. The Non-Owner occupies the Property for the period of time requested as his/her primary
241 Arizona residence, unless his/her other residence is farther than seventy five (75) miles from
242 Sun City, Arizona in which case the Non-Owner(s) must provide proof that he/she occupies
243 the Property as well; **AND**
- 244 C. The Non-Owner is not under 19 years of age, AND;
- 245 D. The assessments, fees and any and all other charges against **all of the Owner's Properties**
246 ~~where such Non-Owner resides~~, are current.

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

248 **A. Medical Report Forms must be completed and filed to document events occurring on RCSC**
249 **Property to include but not limited by:**

- 250 1. Illness
251 2. Loss of consciousness
252 3. Injuries (trips, slips, falls)
253 4. Substantially similar events requiring documentation

254 **B. Incident Report Forms must be completed and filed to document misconduct occurring on**
255 **RCSC Property to include but are not limited by:**

- 256 1. Threats or verbal/physical abuse of a staff person or member
257 2. Any situation in which there is perceived or actual harm to any individual
258 3. Gross or malicious behavior
259 4. Misuse or destruction of RCSC property
260 5. Theft
261 6. Unacceptable behavior
262 7. Substantially similar incidents requiring documentation

263 **C. The club member conduct process is addressed in the board policy governing clubs.**

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

272 All Incident Reports submitted against a Cardholder will result in the Cardholder being notified of
273 the reported incident via letter from Senior Management. The Cardholder will be asked to complete
274 an [Incident Report Form](#) describing their version of the incident. If after investigation the Cardholder

275 ~~is found to be in violation, the Cardholder will be sent another letter from Senior Management and~~
276 ~~asked to cease and desist any actions that are contrary to the Corporate Documents. Incident Reports~~
277 ~~will remain on record for three (3) years.~~
278 ~~If the current report is sufficiently egregious or an additional incident is reported against the~~
279 ~~Cardholder, the Cardholder may be notified by the Board of Directors to appear at a hearing.~~

280 **ARTICLE III – ASSESSMENTS AND FEES**

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

286 **SECTION 1: ANNUAL PROPERTY ASSESSMENTS**

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

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

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

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

- 315 1. Owners consistently maintain the Property as their primary Arizona residence unless
316 Owner's current residency requires long term medical relocation, and the occupancy
317 status of the Property has not changed;
- 318 2. Owners are in compliance with the Corporate Documents; AND
- 319 3. original Owners as of February 1, 2003 remain as majority (50% or more) Owners or
320 income beneficiaries of the Property.

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

323 basis will be changed to a Per Property basis and a new Facilities Agreement will be executed by all
324 Owners.

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

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

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

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

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

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

350 A. Pursuant to any deed, contract for sale, will or other instrument or document transferring an
351 interest in such property, so long as the original payor of the PIF no longer retains a majority
352 (50% or more) ownership interest in the Property; OR

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

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

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

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

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

361 A. Pursuant to any deed, contract for sale, will or other instrument or document transferring an
362 interest in such property, so long as the original payor of the CIF no longer retains a majority
363 (50% or more) ownership interest in the Property; OR

- 364 B. Following the death of the last payor of said CIF for the Property resulting in Owners who
365 have not paid said CIF for the Property owning a majority (50% or more) ownership interest;
366 OR
367 C. Following the death of the last original Grantor under a trust which holds title to the Property;
368 OR
369 D. Following the death of the last holder of a life estate.

370 ARTICLE IV – MEMBERSHIP MEETINGS

371 SECTION 1: ANNUAL MEMBERSHIP MEETING

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

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

- 380 1. Post the Membership meeting notice and agenda at all RCSC facilities
- 381 2. Post the Membership meeting notice and agenda via the RCSC website and other written
382 or electronic communication

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

- 384 1. Previous year accomplishments and challenges
- 385 2. Prior year Financial Report
- 386 3. Goals to accomplish in the current year
- 387 4. Results of Member or Board proposed motions
- 388 5. Other areas of interest

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

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

398 SECTION 2: MEMBERSHIP MEETING RULES AND REGULATIONS

- 399 A. Robert's Rules of Order will govern procedure at all meetings of the Corporation provided
400 they are consistent with the laws of the State of Arizona and the Corporate Documents. By
401 precedence, meetings of the Membership will be governed by:

- 402 1. The laws of the State of Arizona and the Corporate Documents

- 403 2. RCSC Bylaws
- 404 3. Special Rules of Order
- 405 4. Robert's Rules of Order

406 B. A Parliamentarian may be present at the discretion of the President.

407 C. The Bylaws may be amended, modified, revised or revoked by the Directors or by the
408 Members, as permitted by these Bylaws, the Articles of Incorporation, and the ANCA.

409 1. In the event of a conflict concerning the Bylaws as amended, modified, revised or
410 revoked by the directors, the action of the Members will prevail. between the Members
411 and the Board, the action of the Members will prevail only to the extent the conflict
412 concerns a Proper Member Subject. "Proper Member Subjects" include only those
413 provisions that directly govern Member rights, privileges, qualifications, Member
414 participation in corporate governance, Member governance and procedures and any
415 matter that must be approved by the Members under these Bylaws, the Articles of
416 Incorporation, and the ANCA. Proposals or matters relating to the conduct of the
417 business affairs of the Corporation, if brought before a Membership meeting, will be
418 referred to the Board for study. Such matters, being solely within the powers delegated
419 to the Board in accordance with the laws of the State of Arizona and Corporate
420 Documents, will be considered only as a recommendation to the Board.

421 2. The following proposed Bylaws changes shall be treated as nonbinding
422 recommendations to the Board. Proposed changes that:

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

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

428 4. The Board shall research to see if the recommendations are or are not in the best interest
429 of the Corporation and shall calendar such recommendations for consideration at a duly
430 noticed Board meeting.

431 D. Amendments to the restated Articles of Incorporation may be proposed by the Board of
432 Directors or, in the case of a Special Membership Meeting, by petition signed by at least ten
433 percent (10%) of the total Membership of the Corporation as of the 1st day of the preceding
434 July. The proposed amendment shall be submitted to a vote of the Members.

435 If the disposition of these proposals or matters is determined by the Board not to be in the best
436 interest of the Corporation, the Board will announce its decision, and such proposal or matter
437 will not be considered further. The Members may, by petition signed by at least ten percent
438 (10%) of the total Membership of the Corporation as of the first day of the preceding July, bring
439 the proposal or matter before the Membership for a majority vote of the Members present at a
440 duly called and noticed Annual or Special Membership meeting.

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

445 Member proposed amendments to the Articles of Incorporation and Bylaws, intended to be
446 considered at the next Annual Membership Meeting, may be submitted to the corporate office on
447 the first day after the annual meeting has been adjourned.

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

450 B. All proposed amendments will be referred to legal counsel to determine if the amendment
451 is proper or improper.

452 C. All proposed amendments, whether proper or improper, will continue through the
453 amendment process.

454 D. The Board of Directors may assemble an Ad Hoc Bylaws working group composed of
455 Directors and Members to evaluate the proposed amendments and make recommendations
456 to the amendment sponsors.

457 E. RCSC shall post the proposed amendments on the RCSC website.

458 1. Members may make suggestions to the amendment sponsor(s).

459 2. Amendment sponsor(s) may accept or reject these suggestions.

460 3. Amendment sponsor(s) may make changes to the proposed amendments until the last
461 business day in November.

462 F. After the last business day in November, all proposed amendments will be referred to legal
463 counsel to determine if the amendment continues to be proper or improper. Improper
464 amendments are nonbinding recommendations to the Board and will not be voted on.

465 G. RCSC shall publish the final proposed amendments in written communication by the last
466 business day in December.

467 H. Members will be able to vote for all proposed amendments starting the middle of January
468 through the last business day in February.

469 I. All votes cast for amendments will be tabulated prior to the annual meeting.

470 J. For a Member proposed amendment to pass, it must be approved by a two-thirds (2/3) vote
471 of the total votes cast or a majority of the total Members In Good Standing, whichever is
472 less.

473 K. For Initiative or Referendum Petitions, refer to the Board Policy.

474 **SECTION 4: SPECIAL MEMBERSHIP MEETINGS**

475 A. Special meetings of the Members may be called either by:

476 1. ~~a majority of the Board of Directors, President of the Corporation or by~~ Petition of the
477 ~~Members having at least one-tenth (1/10) of all RCSC Members in good standing~~ of the
478 ~~votes entitled to be cast according to the Corporation's records as of the~~ close of business
479 ~~on the thirtieth (30th) day before delivery of the demand for a special meeting,~~ preceding
480 July 1. The reason for the meeting will be stated in such call and petition. After receiving
481 the petition and validating the signatures thereon, the President will set a date for such

482 meeting, which will be held within sixty (60) days after validation of the signatures is
483 completed.

- 484 a. The Petition must include one or more written demands for the meeting describing
485 the purpose or purposes for which it is to be held.
486 b. Validation of petition signatures shall be completed within 60 days of receipt.
487 c. The Board President or, if not available, the next highest-ranking Board Officer must
488 schedule a special meeting of the Members.

489 2. Vote of a majority of the Board of Directors.

490 B. The purpose of the special meeting shall be stated in the notice with no other business to be
491 conducted at the meeting.

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

- 494 1. Post the notice at all RCSC facilities.
495 2. Electronically post the notice on the RCSC website.
496 3. Publish the notice in written communication.

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

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

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

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

512 SECTION 5: MEMBERSHIP MEETING QUORUMS

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

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

518 C. Proxies

- 519 1. The maximum number of proxies for any one Member is ten (10) ~~twenty-five (25)~~.
520 2. Each proxy must be executed on RCSC's official proxy appointment form, signed by the
521 Member or the Member's duly authorized attorney in fact, and delivered to the Secretary
522 of RCSC (or such officer or agent as the Board designates to tabulate votes) before or at

- 523 the meeting at which the motion is presented for a vote. A separate proxy form is required
524 for each motion.
- 525 3. Proxy appointment forms may be delivered by hand, mail, or electronic transmission,
526 provided the transmission contains sufficient information to show that the Member
527 authorized the proxy.
- 528 4. Each proxy shall be valid for the single motion identified on the appointment form and
529 shall automatically expire at the conclusion of the vote on the specified motion. The
530 proxy shall not extend to any other matters.
- 531 5. For the election of Directors, a proxy vote may be exercised by electronic voting, polling
532 place voting, or absentee vote, provided that proxy voting does not conflict with the
533 Articles of Incorporation.

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

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

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

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

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

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

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

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SECTION 6: VOTING PROCEDURES AT FOR MEMBERSHIP MEETINGS

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

1. Properly authenticated (the identity of the voter must be confirmed)
2. Retained as part of the official record.
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 RCSC 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 7: MEETING MINUTES

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

607 **ARTICLE V - BOARD OF DIRECTORS**

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

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

610 **SECTION 2: CONFLICT OF INTEREST**

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

613 A. Violation of this policy could provide grounds for removal as a Director.

614 B. A conflict of interest is a situation in which someone in a position of trust has competing
615 professional or personal interests. Such competing interests can make it difficult to fulfill
616 his/her duties impartially. A conflict of interest can exist even if no unethical or improper
617 act results from it.

618 **SECTION 3: INSTALLATION OF DIRECTORS**

619 At the first Board meeting after a the Director(s) has/have been newly elected or newly appointed,
620 the President of the Corporation will formally install the new Director(s) and specify when their
621 term of office commences.

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

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

624 A. The term of office for an elected Director will be up to a three (3), two (2) or one (1) year
625 term.

626 B. ~~One (1), two (2) or three (3) year elected terms enter into~~ All terms count toward the six (6)
627 year limit set forth in the Articles of Incorporation.

628 C. At the annual election, three (3) Directors will be elected for three (3) year terms unless a
629 candidate has only one (1) or two (2) years remaining on the maximum ~~six (6)~~ maximum
630 available years elected per the Articles of Incorporation. ~~In the event more than three (3)~~
631 ~~vacancies exist as of the deadline for turning in the petitions, those vacancies will also be~~
632 ~~filled at the annual election as follows:~~

633 D. A candidate receiving less than must receive at least one hundred (100) votes will not to be
634 eligible to fill a vacancy any vacancies.

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

637 1. A majority vote of the Board five (5) is required for said appointment. An
638 appointment ends on December 31 of the year appointed.

639 2. An appointed term does not enter into the six (6) year limit set forth in the Articles.

640 F. Director positions will be filled as follows:

641 1. Candidates will fill available positions based on the highest to lowest vote count.

642 2. The candidate receiving the highest number of votes, after will fill the three (3) three-
643 year terms. are filled, will fill the next longest vacant term unless one of the three (3) year
644 term candidates has only one (1) or two (2) years remaining of the maximum six (6) years
645 then they will take the shorter term.

646 3. Candidates receiving the highest number of votes but with less than three (3) years
647 remaining will take the shorter term of one (1) or two (2) years remaining based on the
648 maximum six (6) years available to serve.

649 4. The candidates receiving the next highest number of votes will fill the remaining two (2)
650 and one (1) year terms.

651 G. If a candidate is elected to the Board and prior to the beginning date of the term for which
652 he/she/they have been elected, declines or is unable to assume the office, then the term of the
653 declining candidate will be filled with the unsuccessful candidate receiving the next highest
654 number of votes, based on the vote totals of the candidates in the last annual Board election.

655 H. The Election Committee will determine the order of placement in the event of a tie vote. The
656 candidate elected will be determined based on the majority vote of the Election Committee.
657 If the committee's vote is tied, the Chair of the Election Committee can vote to break the tie.
658 The method will be a simple drawing of the names of the candidates involved in the tie vote.

659 I. Vacancies occurring on the Board during the year (January 1 through December 31) may be
660 filled by appointment by the Board.

661 1. A majority vote of the Board five (5) is required for said appointment. An appointment
662 ends on December 31 of the year appointed.

663 2. An appointed term does not enter into the six (6) year limit set forth in the Articles.

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

665 A. All meetings of the Board and the Exchanges will be open, and video recorded, excluding:

666 1. Executive Sessions

667 2. Informational Meetings

668 3. ~~and~~ Gatherings involving any number of Directors for solely social, informational, or
669 educational purposes that:

670 a. Clearly do not have a formal meeting format: AND

671 b. Do not allow for any form of decision making, action, or business transaction to take
672 place.

673 B. Member comments at Board Meetings will be limited to posted motions, the Treasurer's
674 Report, and the Management Report within the established time limit. Questions pertaining
675 to the Treasurer's and Management Report may be answered at the next Exchange.

676 C. The Board of Directors' may adopt Bylaws amendments that are not submitted to the
677 Members as permissible by the ANCA, as amended. Board procedures to adopt amendments
678 are:

679 1. Board proposed amendments to the Bylaws may be submitted at monthly Board
680 meetings.

681 2. To change the Bylaws, the amendment needs to pass at two (2) Board Meetings.

682 3. A two-thirds (2/3) vote of the total votes cast will be required at each meeting to pass
683 the amendment.

- 684 **4. Second readings of Board proposed amendments to the Bylaws cannot be waived.**
- 685 D. Directors can attend all duly called regular Governing Board Meetings, **Executive Sessions,**
686 Informational Meetings, Planning Sessions, and Special Sessions of the Board either in
687 person, by telephone conference call, video conferencing or other communication methods
688 by which all participants can simultaneously hear and talk to each other.
- 689 E. At least seven (7) days prior to all Board Meetings, ~~excluding Executive Sessions,~~ Special
690 Sessions, ~~Informational Meetings,~~ Planning Sessions, and the Exchanges:
- 691 1. An agenda, subject to amendment, will be posted in RCSC Facilities and/or on the
692 RCSC website (www.suncityaz.org).
- 693 2. Motions made in Board Meetings, ~~excluding Executive Session,~~ will be read and
694 passed a minimum of two times before **they can be finalized** and acted upon unless
695 readings are waived by two-thirds (2/3) majority of the Board six (6).
- 696 a. This rule, however, does not preclude the consideration of privileged motions, or of
697 any subsidiary, incidental, or other motions that may arise in connection with the
698 transaction of such business or the conduct of the meeting.
- 699 b. For purposes of clarity, no motions will be made at Informational Meetings or
700 Planning Sessions. ~~As soon as practicable, a brief summary of the preceding Board~~
701 ~~Meeting will be posted on the RCSC website (www.suncityaz.org).~~ After approved
702 by the Board, minutes of Board Meetings, ~~excluding Executive Sessions,~~
703 ~~Informational meetings or the Exchanges will be available on the RCSC website~~
704 ~~(www.suncityaz.org).~~
- 705 F. After approved **ed** by the Board, minutes of Board Meetings: ~~excluding Executive~~
706 ~~Sessions, Informational meetings or the Exchanges~~
- 707 1. Will be available on the RCSC website (www.suncityaz.org) **within seven (7) business**
708 **days: AND**
- 709 2. ~~After approved by the Board, minutes of Board Meetings will be available~~ **Printed**
710 **copies may be supplied at no cost** to Members in good standing ~~at no cost upon request~~
711 at the Corporate Office, subject to the requirements of **the ANCA,** ~~Arizona Revised~~
712 ~~Statutes 10-11602, as amended.~~
- 713 G. The Exchange is an opportunity for Members to speak on items of concern. No formal
714 business is conducted at The Exchange **and no minutes will be published.**
- 715 H. Informal Informational Meetings of the Board (closed meetings) are held after the
716 Exchange:
- 717 1. To identify and resolve issues brought forth at the Exchange by the Membership or as
718 needed to discuss complex issues and/or review educational materials.
- 719 2. Only Directors and RCSC Management may attend except when additional information
720 is needed from other individuals.
- 721 **3. No minutes will be published from Informational Meetings.**
- 722 I. The RCSC Board of Directors may hold ~~a~~ Planning Sessions **s** quarterly or as needed to
723 discuss issues or to garner information from the General Manager. ~~and requires a five (5)~~
724 ~~day notice to members.~~ These sessions will be
- 725 1. Open to attendance by Members who will not be allowed to comment.

- 726 2. ~~These sessions will be~~ Video recorded and the agenda posted on the RCSC website
727 prior to the meeting.
- 728 J. The Board may meet in an Executive Session (closed meeting) to discuss confidential
729 matters such as litigation, matters relating to the formation of contracts with third parties,
730 Cardholder discipline and personnel matters.

731 1. A quorum the Board five (5) is required to enter into Executive Session.

- 732 2. All matters discussed in an Executive Session will remain confidential indefinitely.
- 733 3. Executive Sessions may be called separately or during any meeting of the Board or
734 Membership.
- 735 4. The Board has the authority to take final action in Executive Sessions and is not
736 required to reveal those decisions or approve the action two (2) times.
- 737 5. Minutes of Executive Sessions are retained as a part of the confidential records of the
738 Corporation, subject to the requirements of the ANCA. Arizona Revised Statutes 10-
739 11602, as amended.
- 740 K. Special Sessions are business meetings of the Board called by the President or upon the
741 written request of three (3) or more Directors.

- 742 1. The purpose of the meeting must be stated in the call and posted on the RCSC website
743 www.suncityaz.org.

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

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

746 **SECTION 6: BOARD AUTHORITY/DUTIES, COMMISSIONS AND SENIOR**
747 **MANAGEMENT**

748 A. Board Authority/Duties:

- 749 1. The Board will have the authority and responsibility to:
- 750 a. Employ the General Manager
- 751 b. ~~to~~ Hold and administer assets
- 752 c. ~~and~~ Direct, control, manage, and supervise the business and financial affairs of
753 the Corporation without limitation except as set forth in the Corporate
754 Documents.
- 755 2. The General Manager will report to the Board.
- 756 a. The President, or a designated representative in his/her absence, will provide
757 direction and guidance to the General Manager.
- 758 b. A job performance review will be conducted by the Officers/President with input
759 from the Board.
- 760 c. Any successful candidate for General Manager must be approved by a majority
761 two-thirds (2/3) of the Board (§6).
- 762 d. The General Manager cannot only be terminated without a two-thirds (2/3)
763 majority approval of the current Board members (§6).

- 764 B. The Board Coordinator will report to the President. Duties include administrative support
765 for Board Meetings, Corporate Document maintenance and all other Board functions as
766 assigned.

- 767 C. The Board ~~does have~~ **has the** authority to establish, amend, and/or delete any and/or all
768 individual parts of these Bylaws, Board Policies, committees and any rules and regulations
769 **of the Corporation as deemed necessary and within the authority of the ANCA and** ~~as~~
770 ~~outlined in~~ the Corporate Documents.
- 771 D. The Board's fiduciary duty requires **the Board** ~~Directors~~ to act in the best interests and for
772 the benefit of the Corporation. This duty requires **the Board** ~~Directors~~ to:
- 773 1. Avoid conflicts of interest and acting out of self-interest; AND
774 2. To act as reasonable people in conducting the affairs of the Corporation.
- 775 E. ~~Except for Directors who are also Officers and who are required by the Corporate Documents~~
776 ~~to perform certain operational functions in their official capacities,~~ The Board's duty and
777 responsibility is to establish policy and to ensure the implementation of that policy by Senior
778 Management.
- 779 1. It is the role of the Board to establish objectives and approve budgets for the Corporation.
780 2. The Board can delegate the implementation of Board decisions to the General Manager.
781 ~~The Board can direct and empower the General Manager to take action on behalf of the~~
782 ~~Corporation.~~
- 783 a. The Board **only** has ~~no~~ direct supervisory authority over ~~RCSC personnel, excluding~~
784 ~~the General Manager and Board Coordinator.~~ **The Board has no direct supervisory**
785 **authority over any other RCSC personnel. However,** the Board ~~can~~ **will** make ~~any~~
786 requests for reports, information, repairs, maintenance or any other requests to Senior
787 Management only.
- 788 b. Any Director will have the right to attend, as a guest, all meetings of Committees or
789 RCSC team meetings. Directors attending such meetings may not participate during
790 the meeting unless invited to do so by the Committee Chair, Committee ~~Co-~~ **Vice-**
791 Chair or Senior Management. ~~In no instance will a guest Director have the right to~~
792 ~~vote on any issue before the Committee.~~
- 793 ~~B. Commissions:~~
- 794 F. Commissions may be established by the Board and are made up of Directors only.
- 795 1. The purpose of a Commission is to carry out specific business of the Corporation, with
796 written guidelines (i.e. Bid Commission, Investment Commission) as assigned to that
797 Commission by the Board.
- 798 2. The Board may empower Commissions to act on behalf of the Corporation to fulfill such
799 duties.

800 ARTICLE VI – OFFICERS

801 SECTION 1: OFFICERS OF THE CORPORATION

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

803 SECTION 2: ELECTION OF OFFICERS

804 The Board ~~shall~~ **will** meet in a closed Executive Session **prior to the January Exchange Meeting to**
805 **elect the Board Officers and Sun City Foundation Directors.** ~~on the first business day after January~~
806 ~~1 to elect Officers. The Board will select from their own number, by majority ballot vote of the~~
807 ~~Board (5), the Officers who will serve for the term of one year to end at the election of Officers in~~

808 the following year. A Director may be re-elected to consecutive terms as an Officer if he/she/they
809 receives the majority vote of the Board (5).

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

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

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

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

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

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

819 2. The appointment of Sun City Foundation Directors will comply with the Sun City
820 Foundation Corporate Documents

821 **SECTION 3: PRESIDENT**

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

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

831 The President shall:

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

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

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

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

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

841 **SECTION 4: VICE-PRESIDENT**

842 The Vice-President will perform such duties as assigned by the President and, in the absence or
843 incapacity of the President, will perform the duties of the President.

844 The Vice President shall:

845 A. Perform duties as assigned by the President.

846 B. Assume the duties of the President in their absence or incapacity.

847 C. Conduct and execute all other duties and responsibilities as outlined in Board Policies.

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849 **SECTION 5: SECRETARY**

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

852 The Secretary shall:

- 853 A. Conduct and execute all duties and responsibilities as outlined in Board Policies and the
854 Corporate documents.
- 855 B. Ensure the proper maintenance and organization of the Corporation's records.

856 **SECTION 6: TREASURER**

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

863 The Treasurer shall:

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

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

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

- 880 A. The Board Officers shall ensure that the Corporation maintains an Employee Dishonesty
881 Insurance Policy, as determined by the Board, to protect against losses arising from theft or
882 mishandling of assets by Employees, Directors, or Agents.
- 883 B. The Corporation shall also provide Directors and Officers Liability Insurance for all
884 Directors, Officers, and their spouses.

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

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

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

- 891 A. An Officer desiring to resign from their Officer position but remain on the Board as a
892 Director must notify both the President and Vice President.
- 893 B. A new Officer to replace the resigning Officer shall be elected by the Board within fifteen
894 (15) days of resignation.
- 895 C. In the event of a vacancy in the office of President, the Vice President shall assume the duties
896 of President until a new President is elected.

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

898 **SECTION 1: PRESENTATION OF CANDIDATES**

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

901 **SECTION 2: RECRUITMENT OF CANDIDATES**

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

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

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

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

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

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

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

- 923 D. Candidates must be available for a photograph to be taken by RCSC staff for official use.
- 924 E. The Candidate packets will be reviewed and certified by the Board Coordinator in
925 preparation for the presentation of the candidates to the Board.
- 926 F. The RCSC Board shall present a list of candidates for open Board positions at a Board
927 meeting held no later than October 31 of each year.

928 **G. These candidates will be included in the ballot for the upcoming annual election.**

929 **SECTION 42: CANDIDATE REQUIREMENTS**

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

- 933 A. ~~Must~~ Be at least fifty-five (55) years of age;
- 934 B. ~~Must~~ Be Member in good standing;
- 935 C. Must not reside with or be related by marriage or birth to any other Director, Board candidate,
936 or **member of** Senior Management;
- 937 D. ~~Must~~ Reside in Sun City, Arizona and be **physically in residence** ~~available~~ at least ten (10)
938 months of the year;
- 939 E. ~~Must meet the requirement to hold an Arizona liquor license;~~
- 940 F. ~~Must~~ Be **willing** eligible and available to serve a **full** three (3) year term; AND
- 941 G. ~~Must Attend~~ **in person or electronically the required** Board Candidate Orientation **session(s)**
942 **(not required for appointment to the Board).**

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

945 **ARTICLE VIII - ELECTION OF DIRECTORS**

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

- 947 A. Election of the Board will be held on the second Tuesday in December each year.
- 948 B. The ~~Board~~ **Election Committee** may schedule earlier voting dates.
- 949 C. The ~~Board~~ **Election Committee** may select the number of polling places, their locations and
950 times of operation for voting within Sun City, Maricopa County, Arizona.
- 951 D. The ~~Board~~ **Election Committee** will select the number of days for online voting through the
952 Web Portal.

953 **SECTION 2: VOTES**

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

956 **SECTION 3: RECALL ELECTION**

- 957 A. In a recall election, a Director will be deemed recalled if a majority of the votes cast by
958 Membership ballots are for his/her/their removal, ~~provided further that the total number of~~
959 ~~votes received for the recall is not less than one hundred (100).~~
- 960 B. Subsequent to **a successful recall vote of a Director,** ~~to recall,~~ an election will be held to elect
961 a replacement Board member.
- 962 1. The person receiving the highest number of votes cast by Membership ballots to replace
963 the recalled Director will be deemed elected to fill the unexpired term of said Director.
- 964 **2. The Director recalled is not eligible to run in the subsequent recall election.**

- 965 C. The Board, or its designated representative, may use the services of a neutral entity and adopt
966 their procedures, as desired, to ensure a fair election process.
- 967 D. The Board, or its designated representative, may exercise the flexibility to negotiate technical
968 and routine matters with the neutral entity conducting the election at the Board's request and
969 to make any necessary arrangements or revisions as the need arises.

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

971 **ARTICLE IX INITIATIVE, REFERENDUM AND REMOVAL PETITIONS**

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

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

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

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

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

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

990 ~~A. Consider alternatives before beginning the petition process:~~

991 ~~1. Bring the issue to the attention of the Board at Board meetings or in other direct~~
992 ~~communication with the Board.~~

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

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

997 ~~1. Submit:~~

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

999 ~~b. The organization, if any, supporting the petition.~~

1000 ~~c. The text of the proposed petition on the official petition form as required.~~

1001 ~~2. The Secretary of the Corporation will provide:~~

1002 ~~a. Written notice of receipt of petition as submitted will be within fifteen (15)~~
1003 ~~business days.~~

1004 b. Official petition with control number for use by all Circulators within fifteen
1005 (15) business days.

1006 c. Petition regulations.

1007 d. Petition start and completion dates will not exceed ninety (90) days.

1008 C. Copy official, numbered petitions.

1009 1. Copy as many copies of the official, numbered petition, as needed to circulate your
1010 petition. No other petition form is acceptable. Number each page. Each page should
1011 have:

1012 a. The exact wording of the petition as approved by the Board.

1013 b. The control number as assigned by the Corporation.

1014 c. The Certification on the back of each page.

1015 D. Select and orient Circulators to the regulations and procedures to follow in circulating
1016 petitions.

1017 **SECTION 2: ACCEPTABLE PRACTICES DURING THE PETITION'S CIRCULATION**

1018 A. All Circulators:

1019 1. Must be Members in good standing.

1020 2. May not use intimidation, misleading statements or payments in securing signatures.

1021 3. Obtain signatures of current Members only. Privilege Cardholders are not eligible to
1022 vote or sign a petition.

1023 4. Must certify, as their legal obligation requires, that he/she witnessed the signatures
1024 of each individual signing.

1025 B. Petitions regarding RCSC matters may be circulated within or at all RCSC
1026 facilities/properties while not disrupting or interfering with RCSC Member activities or
1027 blocking ingress or egress at any facility.

1028 C. Signers of the petition, in addition to being current Members, must:

1029 1. Be the actual person, a wife may not sign for husband or vice versa.

1030 2. Legibly sign in ink. A printed "signature" is not acceptable unless that is the usual
1031 way the person signs.

1032 3. Indicate date on which they signed; otherwise, signature is voided.

1033 4. Write legibly their Property address and Member Card number.

1034 5. Legibly print their name below their signature.

1035 D. Signers of the petition may withdraw their signatures at any time during the validation
1036 process by written notice to the Corporate Office.

1037 **SECTION 3: POST-PETITION CIRCULATION PROCEDURES**

1038 When petition circulation is complete:

1039 A. File completed petitions with the Secretary of the Corporation in book form including:

1040 1. A cover page specifying the quantity of individual official petition forms filed, the
1041 total number of signatures claimed, and the date submitted.

1042 2. Number each signed official petition submitted.

- 1043 3. ~~A cover page to verify each group of petitions submitted and certified by each~~
1044 ~~Circulator.~~
- 1045 B. ~~The Corporation will:~~
- 1046 1. ~~Provide a dated receipt for submitted petitions.~~
1047 2. ~~Initiate the petition verification process.~~
- 1048 C. ~~The petition verification process will include, but is not limited to, the following:~~
- 1049 1. ~~Investigation of Circulators:~~
- 1050 a. ~~Circulator must be a current Member in good standing.~~
1051 b. ~~Circulator must witness every signature.~~
1052 c. ~~Circulator must sign the affidavit of Circulator on the reverse side of the last~~
1053 ~~official petition form submitted in a group.~~
1054 d. ~~Irregularities, including false or misleading statements by the Circulator, in~~
1055 ~~obtaining, verifying and certifying signatures will result in rejection of all~~
1056 ~~petitions of the Circulator.~~
- 1057 2. ~~Inspection of signatures for:~~
- 1058 a. ~~Legibility.~~
1059 b. ~~Printing instead of signing.~~
1060 c. ~~Absence of dated signature, Property address, and Member Card number.~~
1061 d. ~~Duplication.~~
- 1062 D. ~~Time required for petition verification:~~
- 1063 1. ~~Once the completed petition is filed with the Corporation, the Corporation will have~~
1064 ~~thirty (30) days from the filing to determine and announce whether or not the required~~
1065 ~~number of signers has been obtained.~~
- 1066 E. ~~Upon completion of the verification process:~~
- 1067 1. ~~If the number of verified signers is insufficient, the petition is declared invalid.~~
1068 2. ~~If the number of verified signers is sufficient, the Board will set the date to present~~
1069 ~~the petition to the Members for their vote which will be conducted by the Election~~
1070 ~~Committee within sixty (60) days of the validation announcement.~~

1071 **ARTICLE XII IS BEING MOVED TO THIS AREA AND IS RETITLED AS**
1072 **ARTICLE IX**

1073 **ARTICLE ~~IX~~ ~~XII~~ - COMMITTEES**

1074
1075 **SECTION 1: COMMITTEES**

1076 A committee is a small group of Members, subordinate to the Board, which is organized to assist
1077 the Board in specific areas.

- 1078 A. Committees have no decision-making authority and are limited to presenting ideas and
1079 recommendations to the **Board** Directors and Management unless otherwise authorized.
1080 Special (Ad Hoc) committees shall be established by the Board. Method of appointments
1081 will be as specified and determined by the Board. Special committees are formed for a
1082 specific task or objective and dissolved after the completion of the task or achievement of

1083 the objective. Committees generally do not meet in the months of July and August.
1084 Meetings can be determined by each committee individually or by the direction of the
1085 Board. RCSC members in good standing may attend meetings, except during Executive
1086 Session or Informational meetings, but may not speak without approval by the Chair or
1087 other person in charge of the meeting.

1088 B. At least seven (7) days prior to all committee meetings, an agenda, subject to amendment,
1089 will be posted on the RCSC website (www.suncityaz.org).

1090 C. Special committee meetings may be called by the committee Chair or Vice Chair. A
1091 majority of committee members may request a special meeting by submitting a written
1092 request to the Chair or Vice Chair. Except in cases of emergency, special committee
1093 meetings require at least three (3) business days prior notice to all RCSC members. Only a
1094 committee Chair or Vice Chair may call a special committee meeting for emergency
1095 purposes.

1096 D. All committee meetings require a summary that should be submitted to the Board
1097 Coordinator within three (3) business days. Meeting summaries will be published on the
1098 RCSC website.

1099 E. The Committee Chair or designated representative can only vote to break a tie. Otherwise,
1100 the Chair and Vice Chair cannot vote at committee meetings.

1101 F. Committees will establish a meeting schedule to discharge their responsibilities or by the
1102 direction of the Board.

1103 1. Committee members are expected to attend all committee meetings. Members must
1104 notify the Chair or Vice Chair if unable to attend any meeting

1105 2. Committees may meet in the months of July and August.

1106 3. RCSC Members in good standing may attend committee meetings, except
1107 during Executive Sessions

1108 a. Committees may meet in Executive Session (closed meeting) to discuss confidential
1109 matters such as Cardholder discipline, contracts, and personnel matters. All matters
1110 discussed in an Executive Session will remain confidential indefinitely. Executive
1111 Sessions may be called separately or during any committee meeting.

1112 b. Minutes of Executive Sessions are retained as a part of the confidential records of the
1113 Corporation, subject to the requirements of the ANCA, as amended.

1114 4. RCSC Members that are guests at committee meetings may not speak without approval
1115 from the Chair or other person in charge of the meeting.

1116 G. Committees shall select a Secretary annually.

1117 1. The Secretary will prepare a meeting summary and submit it to the Corporate Office
1118 within three (3) business days after the committee meeting.

1119 2. If the Secretary is not present, the Chair or Vice Chair will appoint a Secretary for the
1120 meeting.

1121 H. Special (Ad Hoc) committees or working groups shall be established by the Board for a
1122 specific task or objective.

1123 1. The Board will establish a method to appoint members.

1124 2. Special committees and working groups will dissolve after the completion of the task or
1125 objective.

1126 3. Special committees are open to Members in good standing. Working groups may be
1127 closed to outside attendance.

1128 **SECTION 2: COMMITTEE CHAIR AND CO-VICE CHAIR**

1129 All committees will have a RCSC Director as Chair and Co-Vice Chair. who will be proposed for
1130 those positions by the President and approved by the Board. If a Chair or Co-Chair is unwilling or
1131 incapable of satisfactorily performing the responsibilities, they may be removed from his/her
1132 position as Chair or Co-Chair by a ballot vote of a majority vote of the Board (5). The Committee
1133 Chair and Co-Chair will conduct committee meetings unless unavailable, then another Director may
1134 do so. The Committee Chair, or Co-Chair in the absence of the Chair, will be responsible for
1135 presenting committee recommendations to the Board.

1136 A. After election of officers, the Board President shall propose Chairs and Vice Chairs for
1137 each committee which shall be approved by a simple majority vote of the Board five (5).

1138 B. The Committee Chair and Vice Co-Chair will conduct committee meetings unless
1139 unavailable, then another Director may do so.

1140 C. The Committee Chair or Vice Chair will be responsible for presenting committee
1141 recommendations to the Board.

1142 D. If a Chair or Vice-Chair is unwilling or incapable of satisfactorily performing the
1143 responsibilities, they may be removed from his/her position as Chair or Vice Chair by a
1144 ballot vote of a majority vote of the Board five (5).

1145 **SECTION 3: MEMBERS OF COMMITTEES**

1146 All committees must attempt to have no less than five (5) members in addition to the Chair and Vice
1147 Chair. Members of committees will be selected from the Membership at large. who must meet the
1148 following requirements:

1149 A. Must be a Member in good standing;

1150 B. Must not reside with or be related to any other member of the committee by marriage or birth
1151 unless committee members are selected by election or appointment to another position; i.e.,
1152 greens committee members may be on the Golf Advisory Committee, Sun City Mens Golf
1153 Association (SCMGA) and Sun City Womans Golf Association (SCWGA) officers, and/or
1154 Chartered Club Presidents; and

1155 C. Must agree to adhere to the Corporate Documents.

1156 D. The Board President, Committee Chair or Co-Chair appoint or remove committee members.
1157 Committees may establish internal processes for selection of members nominated for
1158 appointment.

1159 E. Members of the committees may attend meetings either in person, by telephone conference
1160 call, video conferencing or other communication methods by which all participants can
1161 simultaneously hear and talk to each other.

1162 A. Committees may establish a process to nominate new members for appointment.

1163 B. The Committee Chair is the final deciding authority to approve all new members to a
1164 committee.

- 1165 C. Committee members must meet the following requirements:
- 1166 1. Must be a Member in good standing AND
- 1167 2. Must agree to adhere to the Corporate Documents.
- 1168 D. Committee members may be required to sign a confidentiality agreement.
- 1169 E. The Board President, Committee Chair or Vice Co-Chair will may establish a process to
- 1170 appoint members to newly established committees.
- 1171 F. Members of the committees may attend meetings either in person, by telephone conference
- 1172 call, video conferencing or other communication methods by which all participants can
- 1173 simultaneously hear and talk to each other.

1174 **SECTION 4: COMMITTEES**

1175 The standing RCSC committees are:

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

1182 A. Committee Duties:

- 1183 1. The Bowling Committee shall: The purpose of the Bowling Committee is to
- 1184 a. Assist in the promotion and interest in the game of bowling.
- 1185 b. Encourage fellowship amongst bowlers.
- 1186 c. Gather input from Cardholders.
- 1187 d. Recommend changes to the Board in bowling policies, fees, operations and facilities.
- 1188 as a result.
- 1189 2. The Club Organization Committee (also known as the COC) shall: The purpose of the
- 1190 Club Organization Committee is to
- 1191 a. Support Chartered Clubs as needed.
- 1192 b. Make recommendations for Chartered Club policy changes to the Board.
- 1193 c. Promote and encourage participation in Chartered Clubs.
- 1194 3. The Election Committee shall: The purpose of the Election Committee is to
- 1195 a. Review, and recommend, and develop election procedures and guidelines, changes
- 1196 b. Recruit a sufficient number of Board candidates for directorship.
- 1197 c. Conduct the candidate forums.
- 1198 d. Ensure that elections and recall elections of the Board are conducted pursuant to the
- 1199 Corporate Documents, and announce the results. the integrity and veracity of the
- 1200 voting process for Directors and at Membership meetings.
- 1201 4. The Finance, Budget and Audit Committee shall: The purpose of the Finance, Budget
- 1202 and Audit Committee is to

- 1203 a. Recommend ~~to the Board for its approval~~ an annual financial budget ~~and Capital~~
1204 ~~Project List intended to apply to the upcoming year to the Board for approval by the~~
1205 ~~Boards October Board meeting.~~
- 1206 b. Review monthly, quarterly and year-to-date financial statements to:
- 1207 1) Determine the ~~Corporation's~~ financial performance ~~of the operation in~~
1208 ~~comparison to compared to the~~ Board approved annual budget.
- 1209 2) ~~and the~~ ~~Determine the Corporation's~~ financial performance compared to the
1210 previous ~~years.] year~~
- 1211 3) Advise the Board of any concerns regarding the ~~RCSC's~~ financial operations.
1212 ~~and to make recommendations to the Board regarding the annual capital project~~
1213 ~~list. The annual budget and annual capital project list will be presented to the~~
1214 ~~Finance, Budget and Audit Committee by Management. The committee will~~
1215 ~~recommend an annual budget and capital project list to the Board for approval.~~
1216 ~~In addition, the Finance, Budget and Audit Committee will~~
- 1217 4) Review Management's proposed five (5) year operating plan.
- 1218 5) ~~Finally, the committee will Recommend to the Board,~~ auditors for the Chartered
1219 Clubs ~~to the Board.~~
- 1220 5. ~~The~~ Golf Advisory Committee ~~shall:~~ ~~The purpose of the Golf Advisory Committee is to~~
1221 a. Assist in the promotion and interest in the game of golf. ~~encourage fellowship~~
1222 ~~amongst golfers, gather input from Cardholders and~~
- 1223 b. Recommend changes to the Board in golf policies, fees, operations, ~~courses,~~ and
1224 facilities.
- 1225 c. ~~The Golf Advisory Committee will direct~~ ~~Receive recommendations from~~ each golf
1226 course's Greens Committee.
- 1227 d. ~~Receive input on golf issues from Members.~~
- 1228 6. ~~The~~ Insurance Committee ~~shall~~ ~~The purpose of the Insurance Committee is to~~ review
1229 and recommend ~~changes or additions~~ to the Board ~~for:~~
- 1230 a. Insurance requirements and adequate coverage.
- 1231 b. ~~and~~ Selection of insurance brokers/agents/carriers.
- 1232 c. ~~which will be~~ ~~Conduct~~ reviews ~~at least annually~~ based upon ~~premium~~ renewals,
1233 service, ~~and quotes,~~ bid proposals and recommendations for any changes or
1234 additions.
- 1235 7. ~~The~~ Lawn Bowling Advisory Committee ~~shall:~~ ~~The purpose of the Lawn Bowling~~
1236 ~~Advisory Committee is~~
- 1237 a. Assist in the promotion and interest in lawn bowling. ~~encourage fellowship amongst~~
1238 ~~lawn bowlers,~~
- 1239 b. Gather input from Cardholders.
- 1240 c. ~~and~~ Recommend changes to the Board in lawn bowling policies, fees, operations and
1241 facilities. ~~as a result.~~
- 1242 8. ~~The~~ Long Range Planning Committee ~~shall:~~ ~~The purpose of the Long Range Planning~~
1243 ~~Committee is to~~
- 1244 a. Provide the Board with reports, recommendations, and suggestions regarding the
1245 ~~future~~ needs of Members ~~at least five (5) years in the future and beyond.~~

- 1246 b. ~~The committee will~~ Annually ~~present~~ **recommend** a ~~Ten-~~**ten (10)** year PIF Forecast
1247 to the Board for approval.
- 1248 c. All **Recommend where new** requests for ~~changes to the PIF~~ **projects** ~~Project Forecast~~
1249 ~~will be presented to the Committee which will recommend~~ **fit in the** ~~Ten-~~**ten (10)**
1250 year **PIF Forecast.** ~~approval/non-approval to the Board.~~
- 1251 9. **The** Outreach & Communications Committee **shall:** ~~The purpose of the Outreach and~~
1252 ~~Communication Committee is to ensure that we~~
- 1253 a. **Communicate with RCSC members to:**
- 1254 1) Increase ~~our~~ **community** visibility. ~~help re-establish a sense of community,~~
1255 2) Identify key messages.
1256 3) Connect with ~~our~~ Members, Board of Directors and ~~our~~ **the** RCSC Staff.
- 1257 b. **Collaborate with other community organizations.**
- 1258 c. ~~;~~ ~~while~~ ~~Recommending~~ avenues for an exchange of information.
- 1259 d. Encourage ~~ing~~ active participation **of Members in RCSC and Sun City activities.** ~~and~~
1260 ~~and~~ ~~serve~~ ~~as a link with our community partners to promote quality messages as we all~~
1261 ~~serve the same people.~~
- 1262 10. **The** Properties Committee **shall:** ~~The purpose of the Properties Committee is to~~
1263 a. Conduct at least three **(3)** inspections annually of RCSC Facilities; ~~specifically, the~~
1264 ~~buildings, equipment, and grounds surrounding the buildings to determine if they are~~
1265 ~~safe, properly cared for and in good condition. The Properties Committee will~~
1266 b. Meet with Senior Management to report ~~the~~ **facility** status.
1267 c. ~~and~~ Make recommendations to the Board and/or Senior Management for **facility**
1268 ~~preservation and care of the facilities.~~
- 1269 11. **The** Technology Committee **shall:** ~~The purpose of the Technology Committee is to~~
1270 a. Research, identify and determine the impact of current and future technology
1271 requirements. ~~needed to~~
- 1272 b. Support ~~the~~ RCSC Board, Management and Members, ~~while simultaneously~~ **to**
1273 ~~enhance~~ ~~ing~~ both current and future facilities.
- 1274 c. ~~Consideration will also be given as to which technologies best support the mission of~~
1275 ~~the RCSC Board and Management in terms of~~ **to** ~~providing~~ accurate and accessible
1276 data and programs ~~designed to meet the day-to-day needs of the~~ **Members.**
1277 ~~community.~~
- 1278 d. Special attention will be given by the Committee to **Research and analyze** cutting
1279 edge technologies, future trends, and innovations that will place the RCSC ~~Board,~~
1280 ~~Management, and the community~~ in the best competitive position to **attract** ~~entire~~
1281 future Members.

AD-HOC COMMITTEES

1283 Ad hoc committees are formed for a specific task or objective and dissolved after the completion of
1284 the task or achievement of the objective. An ad hoc committee is a group of Members subordinate
1285 to the Board.

SECTION 5: MEMBERS OF COMMITTEES RESPONSIBILITIES

1287 Committee members are expected to attend all committee meetings, review materials in advance of
1288 the meetings, participate in meetings, and meet as frequently as necessary to discharge properly the
1289 committee's responsibilities. All Committees will select a Secretary annually who will prepare a

1290 summary of the committee meeting and submit it to the Corporate Office within three (3) days after
1291 the committee meeting. If the Secretary is not present, the Chair or Co-Chair will appoint a Secretary
1292 for the meeting.

1293 **SECTION 5: MEMBERS OF COMMITTEES SUSPENDED OR EXPELLED**

1294 Committee members may be suspended or removed by the unanimous vote of the Board President,
1295 Committee Chair and Co-Vice-Chair or by two-thirds (2/3) committee member vote for the following
1296 reasons:

- 1297 A. Failure to adhere to the Corporate Documents, OR
1298 B. For any good and sufficient cause which is contrary to the highest moral or professional
1299 principles;
1300 B. For being unwilling or incapable of satisfactorily performing the responsibilities of a member
1301 of a committee, OR
1302 C. Failure to attend three (3) committee meetings in a row without reasonable circumstances
1303 for absence.

1304 **ARTICLE XIII IS BEING MOVED TO THIS AREA AND IS RETITLED AS**
1305 **ARTICLE X**

1306 **ARTICLE XIII DISCIPLINE PROCEEDINGS**

1307 **SECTION 1:**

1308 If a Director or Member is accused of a serious offense, the Director may be given the opportunity
1309 to resign; and, a Member, may waive their right to a hearing when it's in the best interest of all
1310 parties concerned.

1311 **SECTION 12: BOARD OF DIRECTORS**

1312 Hearings for Directors will be conducted in Executive Session. Directors The Board may be
1313 removed Directors found to have violated from the Board or as an Officer of the Board by the Board
1314 or by the Members as specified in the Articles of Incorporation. Directors may be removed for
1315 violating the Corporate Documents Bylaws and/or Policies.

1316 A. An Officer who is unwilling or incapable of satisfactorily performing the responsibilities of
1317 his/her office may be removed from his/her office or membership on the Board by a ballot
1318 vote of two-thirds (2/3) cast by the Directors following the report of the findings and
1319 recommendations of an appointed Board Hearing Commission consisting of three (3)
1320 Director members appointed by the Board President to gather and present facts.

1321 B. The Director may be given the opportunity to resign or waive their right to a hearing when
1322 it's in the best interest of all parties concerned.

1323 C. Hearings for Directors will be conducted in Executive Session.

1324 D. The Hearing Commission will send a notice to the accused no later than ten (10) business
1325 days prior to the meeting date at which time a hearing will occur regarding proof of charges
1326 and discipline recommended and voted upon.

1327 E. The Notice will inform the accused of the date, time and place of the Hearing and of each
1328 charge against the accused.

1329 **SECTION 23: MEMBERS AND PRIVILEGE CARDHOLDERS**

1330 Members and Privilege Cardholders who fail to comply with the Corporate Documents, are the
1331 subject of more than one (1) conduct report, or that are accused of egregious behavior may be subject

1332 to suspension of privileges as determined by a Board Hearing Commission and may no longer be
1333 considered a Member or Privilege Cardholder in good standing. A Member, Privilege Cardholder or
1334 group of Members and/or Privilege Cardholders, or any other person(s), must not behave in a
1335 manner which jeopardizes the rights or privileges of RCSC Employees, other Members and Privilege
1336 Cardholders, their guests or any other person(s). A cease-and-desist order may be issued by the
1337 Board or Senior Management against Members and/or Privilege Cardholders for such behavior and
1338 upon failure of Members and Privilege Cardholders to comply; a Board Hearing will be set.

1339 A. In the case of imminent danger to any person(s) or property and/or assault charges filed as a
1340 result of an alleged act committed on or at RCSC Facilities, The President and/or General
1341 Manager has the authority to immediately and temporarily suspend their Cardholder
1342 Privileges for thirty (30) days in the case of imminent danger to any person(s) or property
1343 and/or assault charges filed as a result of an alleged act committed at RCSC Facilities.

- 1344 1. A temporary suspension must be reported to the Board and a Board Hearing must be set.
1345 2. During a period of expulsion or suspension or expulsion of any privileges or use of RCSC
1346 Facilities, Cardholders will not be entitled to/nor receive:
1347 a. Any reimbursement of any assessments or fees or
1348 b. Member or Privilege Cardholder privileges

1349 B. A Member, Privilege Cardholder, or any other person(s), must not behave in a manner which
1350 jeopardizes the rights or privileges of RCSC Employees, other Members, Privilege
1351 Cardholders, their guests, or any other person(s).

- 1352 1. A cease-and-desist order may be issued by the Board or Senior Management against
1353 Members and/or Privilege Cardholders for such behavior as outlined in Board Policies.
1354 2. A Board Hearing will be set if Members or Privilege Cardholders fail to comply as
1355 outlined in Board Policies.

1356 C. In the event the Member/Privilege Cardholder is an employee of RCSC, the employee will
1357 be provided leave with-pay to attend the Board Hearing.

1358 D. The Member/Privilege Cardholder may submit a written request to the Corporate Office to
1359 waive the hearing at least twenty-four (24) hours prior to commencement of the hearing.

1360 E. The failure by a Member/Privilege Cardholder to appear at the time and place of the hearing
1361 will result in a waiver of the Member/Privilege Cardholder's right to a hearing.

- 1362 1. Refusal or failure by the Member/Privilege Cardholder to attend the hearing will require
1363 the Board Hearing Commission to use the information available to arrive at a decision.
1364 2. The Board Hearing Commission may grant a continuance in the event of illness or
1365 extenuating circumstances.

1366 F. The President will appoint a Hearing Commission made up of no fewer than three (3)
1367 Directors to gather and present facts and make a recommendation(s) regarding charges to be
1368 brought and discipline to be enforced.

1369 G. The Board Coordinator will provide notice of a scheduled Board Hearing in writing at least
1370 fourteen (14) days prior to the hearing. The notice will inform Member/Cardholders why and
1371 where the hearing will be conducted and will include the following:

- 1372 1. Reported violation(s);
1373 2. Board hearing procedure;
1374 3. Date, time and place of hearing; and

1375 4. Notice that all witnesses have the right to attend the hearing. If witnesses are unable
1376 to attend, they may provide written comments that will be read at the hearing and
1377 submitted to the Hearing Commission.

1378 H. The Member/Cardholder may submit a written request to the Corporate Office to waive the
1379 hearing at least twenty-four (24) hours prior to commencement of the hearing. The failure
1380 by a Member/Cardholder to appear at the time and place of the hearing will result in a waiver
1381 of the Member/Cardholder's right to a hearing. Refusal or failure by the Member/Cardholder
1382 to attend the hearing will require the Hearing Commission to use the information available
1383 to arrive at a decision. In the event the Member/Cardholder is an employee of RCSC, the
1384 employee will be provided leave without pay to attend the Board Hearing.

1385 **SECTION 34: HEARING PROCEDURES, SUSPENSION OR REMOVAL OF MEMBERS,**
1386 **PRIVILEGE CARDHOLDERS AND DIRECTORS**

1387 The RCSC Board President will appoint a Board Hearing Commission made up of no fewer than
1388 three (3) Directors to review evidence, determine if it has merit, and rule whether discipline is
1389 appropriate.

1390 A. Hearing Procedure:

1391 1. The Board Coordinator will provide notice to both parties of a scheduled commission
1392 hearing in writing at least fifteen (15) days prior to the hearing. If the hearing notice is
1393 mailed, RCSC will send the notice to person's last address available in RCSC records.
1394 The notice will inform Director/Member/Privilege Cardholder why and where the
1395 hearing will be conducted and will include the following:

- 1396 a. Reported violation(s);
1397 b. Board hearing procedure;
1398 c. Date, time and place of hearing;
1399 d. Notice that the involved parties may have an assistant present;
1400 e. Notice that all witnesses have the right to speak to the Board Hearing Commission;
1401 f. If witnesses are unable to attend in person they may attend virtually;
1402 g. A redacted copy of all reports related to the reason for the hearing. The redacted
1403 copy will remove or obscure the name and address of the person that submitted the
1404 report.

1405 2. The Chair of the Board Hearing Commission ~~must~~ will preside over and conduct the
1406 hearing.

1407 3. The Chair ~~of the Hearing Commission~~ will make an opening statement detailing the
1408 reported violation(s) and outlining the Board Hearing procedure to be followed and
1409 providing information as to when a decision can be expected.

1410 4. Neither the Board Hearing Commission nor the Director/Member/Privilege ~~or~~
1411 Cardholder is bound by technical rules of evidence and/or court procedure in conducting
1412 the hearing.

1413 5. All discussions and testimony must be conducted in a polite and respectful manner
1414 without harassment or intimidation.

1415 6. ~~The Chair of the Hearing Commission will preside over and conduct the hearing.~~ The
1416 ~~Hearing Commission~~ Chair will details the reported violation(s) by the
1417 Director/Member/Privilege ~~or~~ Cardholder(s) and ~~outlining~~ the Board Hearing

- 1418 procedure to be followed ~~and providing information as to when the decision can be~~
1419 ~~expected.~~
- 1420 7. The Director ~~Member/Privilege~~ or Cardholder will not speak or provide comment until
1421 such time as they are recognized by the Chair ~~of the Hearing Commission.~~ The ~~accused~~
1422 ~~Director /Member/Privilege Cardholder~~ will be given ample opportunity to respond and
1423 present his/her case and make comments which specifically relate to the violation(s)
1424 under review.
- 1425 8. ~~The responsibility to secure witnesses rests solely with the Director or Cardholder.~~ The
1426 ~~Board~~ Hearing Commission does not subpoena witnesses or compel testimony from
1427 witnesses.
- 1428 a. Both parties involved in the dispute may address the Board Hearing Commission and
1429 may call witnesses.
- 1430 b. The responsibility to secure witnesses rests solely with the parties involved in the
1431 dispute.
- 1432 c. ~~Witnesses may be presented by both the Hearing Commission and the accused.~~
1433 ~~Witnesses will remain outside the hearing room and will be called in one at a time to~~
1434 ~~give testimony.~~
- 1435 d. Information provided by all witnesses, whether in person or in writing, will be
1436 reviewed and heard by the ~~Board~~ Hearing Commission.
- 1437 e. If a witness is reluctant to make their comments in the presence of ~~either party,~~ the
1438 ~~accused,~~ they will be allowed to do so in front of the ~~Board~~ Hearing Commission
1439 only.
- 1440 9. ~~If the incident involves~~ If RCSC personnel submit the report, ~~then any federal, state and~~
1441 ~~local laws and regulations applicable to employees will apply.~~ the General Manager or
1442 an appointee may attend the hearing ~~and provide evidence at the discretion of the Board~~
1443 ~~Hearing Commission.~~
- 1444 10. If the report is against RCSC personnel, it will be referred to Human Resources.
- 1445 11. All federal, state and local laws and regulations applicable to employees will apply to
1446 any incident involving RCSC personnel.
- 1447 12. ~~The Director or Cardholder may address the Hearing Commission and may call and~~
1448 ~~question witnesses.~~ The ~~Board~~ Hearing Commission may ask questions and/or address
1449 ~~both parties~~ the accused and all witnesses and ~~provide the details of any witness that~~
1450 ~~addresses the Commission without the accused~~ ~~either party~~ being present.
- 1451 13. ~~The accused is~~ ~~When testimony, questions, and answers are complete, both parties will~~
1452 ~~be~~ asked to leave.
- 1453 10. ~~If the accused is found in violation by the Hearing Commission of any specification or~~
1454 ~~charge, the Commission will determine the discipline to be assigned to each specification~~
1455 ~~and/or charge resulting in a finding of "in violation".~~
- 1456 B. Board Hearing Decision:
- 1457 1. The ~~Board~~ Hearing Commission will notify ~~both parties~~ the Director or
1458 ~~Member/Cardholder~~ in writing of the results of the hearing. ~~To best of its ability, the~~
1459 ~~decision of the Board Hearing Commission will be fair and reasonable in light of all~~
1460 ~~relevant facts and circumstances.~~

- 1461 a. The party that filed the report will be informed if their complaint was upheld or not.
1462 b. The party that the report was filed against will be informed of the hearing decision
1463 and disciplinary action, if applicable.
- 1464 2. For hearings concerning Directors, the Board Hearing Commission will report findings
1465 and recommendations to the entire Board of Directors for review and possible
1466 disciplinary action.
- 1467 3. The Board Hearing Commission has full authority to suspend the
1468 Owner/Member/Privilege Cardholders if the commission finds the complaint is upheld.
1469 a. The suspension can be for any length of time up to and including permanently and
1470 on any basis. The minimum suspensions for the following offenses are:
1471 1) Owners who misrepresent their or other's occupancy of a Property—six (6)
1472 months.
1473 2) Owners, members or Privilege Cardholders who falsify documents—twelve (12)
1474 months.
1475 3) Members or Privilege Cardholders who misrepresent the age or residency of a
1476 Guest—six (6) months.
1477 4) Members or Privilege Cardholders or their guests who fail to comply with the
1478 Corporate Documents—appeal process may provide additional information—three
1479 (3) months.
1480 b. Should none of the above four options be pertinent to the offense, the Board Hearing
1481 Commission may determine the discipline as they deem appropriate.
1482 c. Any decision resulting in a termination or suspension of privileges will become
1483 effective no earlier than five (5) days after the hearing date.
- 1484 6. If a hearing involves two or more individuals from a club, both parties will receive a
1485 closing letter stating the decision made by the Board Hearing Commission.
- 1486 4. If the Board Hearing Commission finds there is no violation, all records related to the
1487 incident will be removed from RCSC files and destroyed.

1488 C. **Board Hearing Appeal:**

- 1489 1. Any Director, Owner, Member or Privilege Cardholder may appeal the action taken
1490 by the Board Hearing Commission by submitting a written appeal request with the
1491 basis for the appeal to the Corporate Office. ~~within ten (10) business days after the~~
1492 ~~date of the Board Hearing decision.~~
- 1493 2. Any appeal challenging an expulsion, suspension, or termination of privileges must
1494 begin within ten (10) business days after the effective date of removal. Directors must
1495 file an appeal within ten (10) business days of removal from the Board or office.
- 1496 3. The Director, Owner, Member, or Privilege cardholder may provide new witnesses
1497 or evidence as part of the appeal.
- 1498 4. The Board President may deny or accept the appeal request and will notify the
1499 Director, Owner, Member or Privilege Cardholder in writing accordingly, and
1500 a. If the appeal is denied, the President will provide the reasons for denial. will be
1501 detailed.
1502 b. If the appeal request is accepted:

- 1503 1) The Director, **Owner**, Member or Privilege Cardholder may introduce new
1504 witnesses or evidence.
1505 2) The entire Board will review all evidence submitted and watch the recorded
1506 hearing conducted by the **Board** Hearing Commission, if available.
1507 3) **The Board may sustain, modify, or overturn the findings of the Board Hearing**
1508 **Commission.**
1509 4) The Board of Directors will notify the Director, **Owner, Member,** or **Privilege**
1510 **Cardholder** in writing of its final decision.

1511 **ARTICLE XI – INDEMNIFICATION AND RISK MANAGEMENT**

1512 Recreation Centers of Sun City, Inc., its successors and assigns, hereby agree to protect, defend,
1513 indemnify and hold harmless its Directors and their spouses, Officers, Senior Management,
1514 Employees and Committee Members from and against any and all claims, demands, actions,
1515 damages, loss, and judgments arising out of or occurring in connection with any act or omission of
1516 such, including reasonable attorney fees and court costs. Such indemnification will exclude any
1517 such liability caused by gross negligence or willful misconduct.

1518 **ARTICLE XII – INVESTMENTS**

1519 ~~The Corporation has an unrestricted cash reserve and additional unrestricted operations funds, a~~
1520 ~~restricted Preservation and Improvement Fund and a restricted Capital Reserve Fund which will be~~
1521 ~~invested as follows:~~

1522 **The Corporation has four (4) types of funds that will be invested as detailed in a Board Policy.**

- 1523 **A. Unrestricted Operating Funds – A fund designated for use by management for the day-to-**
1524 **day operations of the Corporation. Unrestricted Operating Funds include the Balance Sheet**
1525 **Accounts of Petty Cash, Cash in Bank, and Cash – Money Market.**
1526 **B. Restricted Operating Reserve Funds – A fund designated for emergency use that requires**
1527 **Board approval to release funds. Restricted Operating Reserve Funds refers to the Balance**
1528 **Sheet account entitled Operating Reserve.**
1529 **C. Restricted PIF Funds – A fund used for PIF projects that requires Board approval to release**
1530 **funds. Restricted PIF Funds refers to the Balance Sheet account entitled Preservation /**
1531 **Improvement Fund.**
1532 **D. Restricted Capital Improvement Funds – A fund used for projects on the capital project list**
1533 **that requires Board approval to release funds. Restricted Capital Improvement Funds refers**
1534 **to the Balance Sheet account entitled Capital Reserve.**

1535 **THE ENTIRE AREA BELOW IS BEING MOVED TO A NEW**
1536 **BOARD POLICY**

1537 **SECTION 1: GENERAL OBJECTIVES**

1538 ~~The primary objectives, in priority order, of investment activities will be safety, liquidity, and yield:~~
1539 ~~A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments~~
1540 ~~will be undertaken in a manner that seeks to ensure the preservation of capital in the overall~~
1541 ~~investment portfolio. The objective will be to mitigate credit risk and interest rate risk.~~

- 1542 1. ~~Credit Risk: RCSC will minimize credit risk, which is the risk of loss due to the~~
1543 ~~failure of the security issuer or backer by:~~
- 1544 a. ~~Limiting investments to the types of securities per the Corporate Documents;~~
1545 ~~and~~
- 1546 b. ~~Diversifying the investment portfolio so that the impact of potential losses~~
1547 ~~from any one type of security or from any one individual issuer will be~~
1548 ~~minimized.~~
- 1549 2. ~~Interest Rate Risk: RCSC will minimize interest rate risk, which is the risk that the~~
1550 ~~market value of securities in the investment portfolio will fall due to changes in~~
1551 ~~market interest rates by:~~
- 1552 a. ~~Structuring the investment portfolio so that securities mature or are available~~
1553 ~~to meet cash requirements for ongoing operations, thereby avoiding the need~~
1554 ~~to sell securities on the open market prior to the target duration strategy; and~~
- 1555 b. ~~Investing operating funds primarily in shorter term securities, money market~~
1556 ~~mutual funds, or similar investment pools and limiting the average maturity~~
1557 ~~of the investment portfolio in accordance with the Corporate Documents.~~
- 1558 B. ~~Liquidity: The investment portfolio will remain sufficiently liquid to meet all operating~~
1559 ~~requirements that may be reasonably anticipated. This is accomplished by structuring the~~
1560 ~~investment portfolio so that securities mature concurrent with cash needs to meet anticipated~~
1561 ~~demands (static liquidity). Furthermore, since all possible cash demands cannot be~~
1562 ~~anticipated, the investment portfolio should consist largely of securities with active~~
1563 ~~secondary or resale markets (dynamic liquidity). Alternatively, a portion of the investment~~
1564 ~~portfolio may be placed in money market mutual funds or local government investment pools~~
1565 ~~which offer same day liquidity for short term funds.~~
- 1566 C. ~~Yield: The investment portfolio will be designed with the objective of attaining a market rate~~
1567 ~~of return throughout budgetary and economic cycles, taking into account the investment risk~~
1568 ~~constraints and liquidity needs. Return on investment is of secondary importance compared~~
1569 ~~to the safety and liquidity objectives described above. The core of investments is limited to~~
1570 ~~relatively low risk securities in anticipation of earning a fair return relative to the risk being~~
1571 ~~assumed. Securities will generally be held until maturity with the following exceptions:~~
- 1572 1. ~~A security with declining credit may be sold early to minimize loss of principal.~~
- 1573 2. ~~Liquidity needs of the investment portfolio require that the security be sold.~~

1574 **SECTION 12: STANDARDS OF CARE INVESTMENT COMMISSION**

1575 Authority to manage the investment portfolio is granted to RCSC's Investment Commission made
1576 up of approved Directors of the Corporation. The President of the Corporation will serve as Chair
1577 of the Investment Commission each year. The President, in January of each year, will recommend
1578 to the Board three (3) fellow Directors to serve with him/her on said Commission for that calendar
1579 year. The Board will approve the Directors who will serve with the President on the Investment
1580 Commission by majority vote of the Board (5).

1581 Responsibility for the operation of the investment portfolio is hereby delegated to the
1582 Support/Finance Sr. Leader, who will act in accordance with established written procedures and
1583 internal controls for the operation of the investment program consistent with the Corporate
1584 Documents. The Support/Finance Sr. Leader will be responsible for all transactions undertaken and
1585 will establish a system of controls to regulate the activities of subordinate officials.

1586 The responsibility of the Investment Commission is to monitor the investment portfolio following
1587 guidance detailed in Board Policy.

1588 A. RCSC Board Officers serve on the Commission for that calendar year.

1589 B. The Investment Commission will ascertain whether investment activities during the
1590 reporting period have conformed to the Corporate Documents.

1591 C. The Investment Commission will review investment performance on a periodic basis but no
1592 less than two (2) times each year.

1593 **SECTION 2: PORTFOLIO MANAGEMENT**

1594 A. The Director of Finance will:

1595 1. Be responsible for the operation of the investment portfolio.

1596 2. Act in accordance with guidance detailed in Board Policy, established written
1597 procedures, and internal controls for the operation of the investment program consistent
1598 with the Corporate Documents.

1599 3. Be responsible for all transactions undertaken.

1600 4. Establish a system of controls to regulate the activities of subordinate officials.

1601 B. The Director of Finance and/or assigned employee will:

1602 1. At least quarterly, provide the Investment Commission with an investment report that
1603 includes an analysis of the status of the current investment portfolio and individual
1604 transactions executed over the last quarter. The report will also include:

1605 a. Listing of individual securities held at the end of the reporting period.

1606 b. Average weighted yield to maturity of portfolio on investments as compared to
1607 applicable benchmarks.

1608 c. Listing of investment by maturity date.

1609 d. Percentage of the total portfolio which each type of investment represents.

1610 2. At all Board meetings, provide the RCSC Membership with a summary investment report
1611 to be included in the Treasurer's report.

1612 C. Board Policy will define investment standards of care, authorized financial institutions, and
1613 all other investment related guidance.

1614 **D. THE ENTIRE AREA BELOW IS BEING MOVED TO A NEW**
1615 **BOARD POLICY**

1616 ~~A. Prudence: The standard of prudence to be used by the Investment Commission will be the~~
1617 ~~"prudent person" standard and the standard of care set forth in Arizona Revised Statutes for~~
1618 ~~directors and officers which will be applied in the context of managing the overall investment~~
1619 ~~portfolio. The Investment Commission, acting in accordance with Arizona Revised Statutes,~~
1620 ~~written procedures, the Corporate Documents and exercising due diligence, will be relieved~~
1621 ~~of personal responsibility for an individual security's credit risk or market price changes,~~
1622 ~~provided deviations from expectations are reported in a timely fashion and the liquidity and~~
1623 ~~the sale of securities are carried out in accordance with the terms of the Corporate~~
1624 ~~Documents.~~

1625 1. The "prudent person" standard states: "Investments will be made with judgment and
1626 care, under circumstances then prevailing, which persons of prudence, discretion and
1627 intelligence exercise in the management of their own affairs, not for speculation, but
1628 for investment, considering the probable safety of their capital as well as the probable
1629 income to be derived."

1630 2. Arizona Revised Statutes states: "A director's duties, including duties as a member of
1631 a committee, will be discharged: (i) in good faith, (ii) with the care an ordinary
1632 prudent person in a like position would exercise under similar circumstances, and
1633 (iii) in a manner the director reasonably believes to be in the best interest of the
1634 corporation."

1635 B. ~~Ethics and Conflicts of Interest: Officers and employees involved in the investment portfolio~~
1636 ~~must refrain from personal business activity that could conflict with the proper execution and~~
1637 ~~management of the investment portfolio, or that could impair their ability to make impartial~~
1638 ~~decisions. Officers and employees will disclose any material interests in financial institutions~~
1639 ~~with which they conduct business. They will further disclose any personal~~
1640 ~~financial/investment positions that could be related to the performance of the investment~~
1641 ~~portfolio. Officers and employees will refrain from undertaking personal investment~~
1642 ~~transactions with the same individual with whom business is conducted on behalf of RCSC.~~

1643 **SECTION 3: AUTHORIZED FINANCIAL INSTITUTIONS, DEPOSITORIES, AND**
1644 **BROKER/DEALERS**

1645 A. ~~Authorized Financial Institutions, Depositories, and Broker/Dealers: A list will be~~
1646 ~~maintained of financial institutions and depositories authorized to provide investment~~
1647 ~~services. In addition, a list will be maintained of approved security broker/dealers selected~~
1648 ~~by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five~~
1649 ~~years of operation). These may include "primary" dealers or regional dealers that qualify~~
1650 ~~under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).~~

1651 1. ~~All financial institutions and broker/dealers who desire to become qualified for~~
1652 ~~investment transactions must supply the following as appropriate:~~

1653 a. ~~Audited financial statements demonstrating compliance with state and federal~~
1654 ~~capital adequacy guidelines;~~

1655 b. ~~Proof of National Association of Securities Dealers (NASD) certification (not~~
1656 ~~applicable to Certificate of Deposit counterparties);~~

1657 c. ~~Proof of state registration; and~~

1658 d. ~~Certification of having read and understood and agreeing to comply with~~
1659 ~~RCSC's Corporate Documents.~~

1660 **SECTION 4: SAFEKEEPING AND CUSTODY**

1661 A. ~~Internal Controls: The Support/Finance Sr. Leader will establish a system of internal~~
1662 ~~controls, which will be documented in writing. The internal controls will be reviewed by the~~
1663 ~~Investment Commission and with an independent auditor. The controls will be designed to~~
1664 ~~prevent the loss of funds arising from fraud, employee error, misrepresentation by third~~
1665 ~~parties, unanticipated changes in financial markets, or imprudent actions by Officers and~~
1666 ~~employees of RCSC.~~

1667 **SECTION 5: SUITABLE AND AUTHORIZED INVESTMENTS**

1668 A. ~~Investment Types:~~

- 1669 1. U.S. Treasury obligations which carry the full faith and credit guarantee of the United
1670 States government.
- 1671 2. U.S. government agency and instrumentality obligations that have a liquid market
1672 with a readily determinable market value.
- 1673 3. Certificates of deposit and other evidences of deposit at financial institutions.
- 1674 4. Bonds, debentures and notes that are issued by corporations organized and doing
1675 business in the United States and that are rated "A3" or better by Moody's Investor
1676 Service, "A" or better by Standard and Poor's and/or "A" by Fitch rating service or
1677 their successors. All bonds must have at least two of these ratings.
- 1678 5. Commercial paper of prime quality that is rated "A1" and/or better by Standard and
1679 Poor's, and/or "P1" or better by Moody's Investor Services and/or "F1" by Fitch
1680 rating service or their successors. All commercial paper must have at least two of
1681 these ratings. All commercial paper must be dollar denominated and issued by
1682 corporations organized and doing business in the United States.
- 1683 6. Investment grade obligations of state, provincial and local governments and public
1684 authorities.
- 1685 7. Money market mutual funds regulated by the Securities and Exchange Commission
1686 and whose portfolios consist only of dollar denominated securities.

1687 **SECTION 6: INVESTMENT PARAMETERS**

- 1688 A. Diversification: It is the policy of RCSC to diversify its investment portfolio. To eliminate
1689 risk of loss resulting from the over concentration of assets in a specific maturity, issuer, or
1690 class of securities, all cash and cash equivalent assets in all RCSC funds will be diversified
1691 by maturity, issuer, and class of security. Diversification strategies will be determined and
1692 revised periodically by the Investment Commission for all funds.
- 1693 1. In establishing specific diversification strategies, the following general policies and
1694 constraints will apply:
 - 1695 a. Portfolio maturities will be staggered to avoid undue concentration of assets
1696 in a specific maturity sector.
 - 1697 b. Maturities selected will provide for stability of income and reasonable
1698 liquidity.
 - 1699 2. For cash management funds:
 - 1700 a. Positions in securities having potential default risk (e.g., commercial paper)
1701 will be limited in size so that in case of default, the portfolio's annual
1702 investment income will exceed a loss on a single issuer's securities.
 - 1703 b. Risks of market price volatility will be controlled through maturity
1704 diversification such that aggregate price losses on instruments with maturities
1705 exceeding one year will not be greater than coupon interest and investment
1706 income received from the balance of the portfolio.
 - 1707 3. The following diversification limitations will be imposed on the portfolio:
 - 1708 a. Maturity: No more than 50% percent of the portfolio may be invested beyond
1709 12 months, and the weighted average maturity of the portfolio will never
1710 exceed 2.5 years.

- 1711 b. ~~Default risk: No more than 5 percent of the overall portfolio may be invested~~
1712 ~~in the securities of a single issuer, except for securities of the U.S. Treasury.~~
- 1713 c. ~~Liquidity risk: At least 25 percent of the portfolio will be invested in overnight~~
1714 ~~instruments or in marketable securities which can be sold to raise cash in one~~
1715 ~~day's notice.~~
- 1716 B. ~~Maximum Maturities: To the extent possible, RCSC will attempt to match its investments~~
1717 ~~with anticipated cash flow requirements. Unless matched to a specific cash flow, RCSC will~~
1718 ~~not directly invest in securities maturing more than five (5) years from the date of purchase.~~
1719 ~~RCSC will adopt weighted average maturity limitations (which often range from 90 days to~~
1720 ~~3 years), consistent with the investment objectives.~~
- 1721 ~~Reserve funds and other funds with longer term investment horizons may be invested in~~
1722 ~~securities exceeding five (5) years if the maturities of such investments are made to coincide~~
1723 ~~as nearly as practicable with the expected use of funds. The intent to invest in securities with~~
1724 ~~longer maturities will be disclosed in writing to the entire Board of Directors.~~
- 1725 ~~Because of inherent difficulties in accurately forecasting cash flow requirements, a portion~~
1726 ~~of the portfolio should be continuously invested in readily available funds such as money~~
1727 ~~market funds and appropriate liquidity is maintained to meet ongoing obligations.~~

1728 **THE REPORTING SECTION WAS MOVED TO SECTION 2**

1729 **SECTION 7: REPORTING**

- 1730 A. Investment Commission: The Support/Finance Sr. Leader and/or assigned employee
1731 will prepare an investment report at least quarterly that provides an analysis of the status of
1732 the current investment portfolio and the individual transactions executed over the last quarter.
1733 This report will be prepared in a manner which will allow RCSC's Investment Commission
1734 to ascertain whether investment activities during the reporting period have conformed to the
1735 Corporate Documents.
- 1736 1. The report will include the following:
- 1737 a. Listing of individual securities held at the end of the reporting period.
- 1738 b. Average weighted yield to maturity of portfolio on investments as compared
1739 to applicable benchmarks.
- 1740 c. Listing of investment by maturity date.
- 1741 d. Percentage of the total portfolio which each type of investment represents.
- 1742 B. RCSC Membership: A summary report will be updated quarterly and will be reported as a
1743 part of the Treasurer's report in a Board meeting excluding the months of July and August.

1744 **ARTICLE XIII – SEVERABILITY**

1745 If any provision of these Bylaws is held by a court of competent jurisdiction to be contrary to law,
1746 the provision will be deemed null and void, and the remaining provisions of these Bylaws will
1747 remain in effect.

1748 BE IT FURTHER RESOLVED that a copy of these Corporate Bylaws must be posted on the RCSC
1749 website (www.suncityaz.org) and must be made available to Members upon request at no cost.

Amended ~~February 27, 2025~~ **November 10, 2025**

1750 Adopted and signed this ~~27th day of February 2025~~ **10th day of November 2025** at a duly called
1751 Board meeting by a **two-thirds (2/3) vote six (6)** ~~majority (5)~~ of the Recreation Centers of Sun City,
1752 Inc. Board of Directors.

1753 ATTEST:

1754

1755

1756 _____
Tom Foster, President

Preston D. Kise, Secretary