

RCSC Board Policy Resolution No. 12

Chartered Clubs

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WHEREAS Article IV, Section 7 of the Corporate Bylaws empowers the Board of Directors (“Board” or “Directors”) of the Recreation Centers of Sun City, Inc. (“RCSC” or “Corporation”) to adopt policies not in conflict with the Restated Articles of Incorporation (“Articles”) or the Corporate Bylaws (“Bylaws”).

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

WHEREAS the Restated Articles of Incorporation (“Articles”) and the Corporate Bylaws (“Bylaws”) shall take precedence over Board Policies and that the following Board Policy regarding Chartered Clubs shall provide instruction, direction and guidelines regarding such and shall remain in effect until such time it is amended or removed.

WHEREAS the Corporation has a group tax exemption for its subordinate chartered clubs under section 501(c)(4) of the Internal Revenue Code. A club must not be organized for profit and must be operated exclusively to promote social welfare to be tax-exempt as a social welfare organization. The earnings of a section 501(c)(4) organization may not inure to the benefit of any private shareholder or individual. A chartered club must operate primarily to further the common good and general welfare of the people of the community. A club does not operate primarily to promote social welfare if its primary activity is carrying on a business with the general public in a manner similar to organizations operated for profit.

NOW, THEREFORE BE IT RESOLVED that all chartered clubs must be conducted in compliance with federal, state and local laws, the RCSC Restated Articles of Incorporation, RCSC Corporate Bylaws and RCSC Board Policies.

BE IT FURTHER RESOLVED that Chartered Clubs shall be governed as follows:

1. CHARTERED CLUB REQUIREMENTS:

A club, to maintain its charter, must have sufficient club membership and active participation to use effectively the RCSC facilities set aside for it. The minimum club membership requirement for clubs with dedicated space is fifty (50) RCSC cardholders; and for clubs without dedicated space, twenty-five (25) RCSC cardholders are required, excluding the following unique clubs: Chess, Stamp, and Model Railroad. Unique clubs must have been chartered prior to December 31, 1996 or be in existence for at least ten (10) years before they can be declared a unique club thereby exempting them from the membership requirement.

Dedicated space is that assigned to and only used by that club.

Each club shall have its own Federal Tax Identification Number. Each club shall have its own official chartered club name. Club name changes must be reported to RCSC's club office and to the proper tax authorities.

2. CLUB MEMBERSHIP:

Chartered club membership shall be open to all RCSC cardholders in good standing. If a chartered club has been organized exclusively for men, women, singles or by age group, then exceptions may apply. Clubs may require a minimum of skill for participation as defined in their club rules and regulations. Each club member has one vote and may vote only in person. Only club members can vote or hold office.

To ensure that each club member is an RCSC cardholder in good standing, clubs must submit a current club membership roster ([FORM BP:12-1](#)) each quarter on or before Jan 1, April 1, July 1, and Oct 1 and upon request of RCSC's club office.

Honorary or lifetime club membership guidelines must be so stated in its club rules and regulations and must be awarded only to RCSC cardholders in good standing. Honorary or lifetime club membership will be terminated automatically if an RCSC cardholder is not in good standing.

3. CLUB COMMITTEES:

Clubs may establish committees, as defined in club rules and regulations; e.g.; Nominating, Club Rules & Regulations, Auditing, Quality Control. Committee members may be elected or appointed, as defined in the club rules and regulations.

4. EXECUTIVE BOARD:

The club's Executive Board shall be elected by a vote of the general club membership. The club's Executive Board shall be comprised of the officers and may include club committee chairpersons and club members-at-large. Club members who are paid for services, such as club instructors, card club directors or callers, shall not hold elected club offices while performing these services.

The club's Executive Board shall be responsible for the control and management of the affairs, property and common interests of the club and the administration of the club's rules and regulations. The club's Executive Board may consult with their club coordinator regularly and seek their assistance immediately whenever any club issue arises.

5. EXECUTIVE BOARD MEETINGS:

The club's Executive Board shall meet at least twice a year on such dates as determined in the club's rules and regulations or as established annually by the club's Executive Board. Executive Board meeting dates shall be submitted ([FORM BP:12-2](#)) to RCSC's club office by April 30 for the following year.

6. CLUB OFFICERS:

The club officers shall be, at a minimum, a President, Vice-President and a Secretary/Treasurer. The Vice-President shall perform the President's duties in his/her absence. Election process of club officers and their duties shall be specified in the club's rules and regulations. Club officers shall serve without compensation and the general term of office shall be for one year. Re-election, term limitation and election procedures of club officers must be stated in the club's rules and regulations. Club rules and regulations must define what occurs if an elected officer and/or Executive Board member becomes unable or unwilling to fulfill his/her duties. Club rules and regulations should define, if applicable, temporary officer replacements during extended periods of absence. RCSC's club office must be kept apprised of current club officers ([FORM BP:12-3](#)), including temporary replacements.

7. CLUB GUEST ATTENDANCE:

Attendance by all club guests (*non-RCSC Cardholders*) for any club activity/meeting/event/ tournament/class must be recorded on guest attendance register (*FORM BP:12-4*) unless a Host Punch Card (*see Board Policy 9*) is accepted and punched by the club for the club guest. Monthly, the compilation of these guest attendance registers ([FORM BP:12-4](#)) shall be recorded and submitted no later than ten (10) days after the close of the month to RCSC's club office along with payment of club guest fees equal to two dollars (\$2.00) per club guest per day to RCSC.

Club guests (*non-RCSC Cardholders*) are not defined as those who wish to tour club facilities, accompany a club member but not participate, provide care or assistance for a handicapped club member or provide instruction to club members.

8. CLUB RECORDS & REPORTS:

All chartered clubs must record and maintain minutes of all club meetings and must retain copies of all correspondence. Minutes must be readily available to all club members.

All chartered clubs are responsible for the timely filing of all reports and tax forms required by federal, state and local laws for 501(c)(4) organizations.

Chartered clubs shall issue Internal Revenue Service 1099 forms to individuals who are paid six hundred dollars (\$600) or more during a calendar year. This includes, but is not limited to, sales of crafts, club instructors, card club directors, caller fees and any other such payments required to be reported to the IRS. All 1099 forms shall be filed no later than January 31 of the following year.

Clubs shall maintain and retain records for the period of time shown as follows:

- a) Club correspondence and club meeting minutes – three (3) years
- b) Club financial records and reports – three (3) years prior to current year
- c) Club deposit records and club receipts – three (3) years

- d) Club tax returns – seven (7) years
- e) Major club capital equipment, copy of invoice and warranty – keep for the life of the equipment
- f) Club discipline and conduct reports – five (5) years
- g) Club records of supply items – three (3) years
- h) Club membership roster – current and prior year only
- i) Club inventory – current and prior year only
- j) Charter club approval, club Federal Tax ID number – retain for life of club

9. CLUB MONITORS:

All clubs using tools and equipment that could cause injury to the user must provide club monitors during all club operating hours when such tools and equipment are or may be in use. Monitors must be easily identified by a monitor badge and must be fully trained and documented in the use of all tools and equipment within the club. Monitors must ensure the use of safety equipment to include that provided by the manufacturer. Monitors must report all non-compliance on a club member conduct report. Duties of club monitors must be stated in the club's rules and regulations.

When RCSC facilities are assigned to a club, it is the responsibility of the club to monitor the use of those facilities and follow all rules and regulations regarding such.

10. CLUB MEMBERSHIP MEETINGS:

Club membership meetings shall be held at least once a year on such date(s) as determined in the club's rules and regulations or as established annually by the club's Executive Board. Membership meeting dates shall be submitted ([FORM BP:12-2](#)) to RCSC's club office by April 30 for the following year.

A quorum for chartered clubs with membership up to 100 members shall be 20%, of 101-400 members shall be 21 or 10%, whichever is greater and above 400 members shall be 41 or 5%, whichever is greater. Quorums can be reached only in person. Clubs assigned designated club space shall, if possible, use their assigned space for club events/business meetings. Clubs without such assigned space must make a request for facilities, in writing, to RCSC's club office for events/business meetings. Any requests for changes must be made in writing to RCSC's club office as well. Additional club space is assigned on a first come first served basis so clubs should make requests as far in advance as possible.

Special club membership meetings may be called by any of the club's Executive Board or by written request of ten percent (10%) of the club membership. Notice of special club meetings, with time, place and purpose, must be posted, mailed, phoned, or e-mailed to all club members at least seven (7) days prior to the meeting. RCSC's club office should be notified immediately of scheduled special club membership meetings.

11. OPEN CLUB EVENTS:

Any club President may request to host a club event open to the public through RCSC's club office which will assign appropriate RCSC facilities, as available. An open club event is any event to be attended by the general public and not just RCSC cardholders and their guests.

Clubs shall pay RCSC rental and setup fees for the facilities assigned for open club events unless the club's annual donation to RCSC is \$17,500 or greater per year or the event is sanctioned as an RCSC sponsored event. To request that RCSC sanction an event, the club must submit the request to the RCSC Board of Directors in writing (boardoffice@sunaz.com).

Club rental and setup fees shall be equal to Cardholder rental and set up fees, except that the rental fees shall be for each day of the event rather than for a 4 hour period.

If a club donation is in lieu of rental and setup fees, such donation will not be eligible for club promotion and marketing.

Guest attendance registers ([***FORM BP:12-4***](#)) nor Host Punch Cards are required for open club events.

12. OPEN CLUB TOURNAMENTS:

Any club President may request to sponsor an open club tournament through RCSC's club office which will assign appropriate RCSC facilities, as available. Open club tournaments will require, at a minimum, two dollars (\$2.00) per club guest per day paid to RCSC. The completion of the guest attendance register ([***FORM BP:12-4***](#)) or the acceptance and punching of Host Punch Cards (*see [Board Policy 9](#)*) is required for all open club tournaments except when other arrangements, including payment for RCSC facilities, have been made.

Registration shall be on a first come first served basis, with RCSC cardholders taking precedence over all other registrants. Neither club visitors nor club guests shall displace club members at any open club tournaments.

13. OPEN CLUB CLASSES:

Any club President may request to provide open club classes through RCSC's club office which will assign appropriate RCSC facilities, as available. Club instructional classes will require, at a minimum, two dollars (\$2.00) per club guest per class paid to RCSC. The completion of the guest attendance register ([***FORM BP:12-4***](#)) or the acceptance and punching of Host Punch Cards (*see [Board Policy 9](#)*) is required for all club classes.

Registration shall be on a first come first served basis, with RCSC cardholders taking precedence over all other registrants. Neither club visitors nor club guests shall displace club members at any open club classes.

14. INDEPENDENT CONTRACTORS:

Clubs using independent contractors to provide club related services; i.e. dance callers, instructors, etc. shall define positions and duties in their club rules and regulations. An Independent Contractor Agreement ([FORM BP:12-5](#)), must be on file with RCSC's club office a minimum of seven (7) days prior to services being rendered. A copy of the agreement must also be maintained by the club for each person rendering services. All monies paid for services, including but not limited to instructors, callers and card club directors, must be paid and recorded by check or signed receipt. Clubs that hire independent contractors must comply with federal and state tax regulations and laws.

Clubs conducting instructional classes during periods other than normal club operating hours must request facilities from RCSC's club office in writing.

15. CLUB VISITORS & GUESTS:

A club visitor is an RCSC cardholder that is not a member of the club; there are no fees payable to RCSC by the club for club visitors. A club guest is a non-Sun City resident or a Sun City resident who is not an RCSC cardholder. The club will pay RCSC or effect RCSC to be paid [Host Punch Card] two dollars (\$2.00) per club guest per day unless the club has an approved reciprocity agreement with an outside club or an annual agreement with the RCSC Board of Directors for the club to retain the guest fee in order for the club to survive financially. Full financial disclosure of the club is required for such an agreement to be considered. Clubs are responsible for the behavior of their guests and shall be held responsible for any damage to RCSC property. Anyone displaying inappropriate behavior may be asked to leave RCSC facilities.

Neither club visitors nor club guests shall displace club members. Only RCSC cardholders are eligible for club membership. Both club visitors and club guests shall be required to meet minimum skill levels as defined in club rules and regulations prior to participation in any club. Club rules and regulations must stipulate the restrictions for all club visitors and guests which must be adhered to without exception.

All club guests that have not had a Host Punch Card (*see [Board Policy 9](#)*) accepted and punched must be recorded on the guest attendance register ([FORM BP:12-4](#)), refer to Section 7 – Club Guest Attendance of this policy for more information.

16. INJURIES & INCIDENTS:

If an incident (sickness, loss of consciousness, etc.) or injury (slip, fall, etc.) occurs during club use of RCSC facilities, first response is always to call 911, second response is to notify RCSC personnel, preferably the Area Supervisor or Center's Lead Utility Worker, and once the inflicted individual has been safely responded to, RCSC's Incident Report must be completed and filed by those witnessing the incident.

17. CLUB MEMBER DISCIPLINE:

Club members should conduct themselves in a civil manner so as not to jeopardize the rights and privileges of other club members. A club member's inappropriate conduct may include arguments, physical confrontation or any behavior that places another person in reasonable apprehension of imminent physical injury or places the club or RCSC facilities in jeopardy. Any club member displaying inappropriate behavior may be asked to leave immediately and the following process shall occur:

- a)** First offenders will be given an oral and written warning outlining the nature of the infraction(s). This warning may originate from a club monitor or club officer who must complete, date and sign a club member conduct report. All club member conduct reports must be maintained in club records for a period of five (5) years.
- b)** If the offender is a club officer, the infraction must be brought to the attention of the Club Organization Committee for appropriate process and discipline.
- c)** A second infraction, also recorded on a club member conduct report, will be a written warning and a hearing conducted by the club's Executive Board, who may suspend the club member for a period of not more than sixty (60) days.
- d)** Further infractions, recorded on club member conduct reports, will generate additional hearings conducted by the club's Executive Board, who will recommend dismissal from the club or other appropriate discipline to the Club Organization Committee. The Club Organization Committee will deliver the decision regarding the club member's discipline. Additional infractions by reinstated club members may be cause for permanent loss of club membership.
- e)** After a period of sixty (60) days, any club member disciplined may submit a written request for an appeal to the RCSC Board of Directors, whose decision will be final.

18. CLUB RULES & REGULATIONS:

Each chartered club shall adopt rules and regulations not in conflict with the Articles, Bylaws or Board Policies. In the event a conflict should occur, the Articles, Bylaws and Policies, in that order, shall take precedence over club rules and regulations. Club rules and regulations must be approved by a majority of the members at a duly notified and called membership meeting with a quorum present in person. The club officers are responsible to submit their club's rules and regulations to the RCSC club office whenever additions, amendments or deletions are made along with the membership meeting minutes approving such. RCSC's

If a scheduled club event/meeting is cancelled and the RCSC club office is not given at least two (2) business days notice, the club may be charged for rental and/or setup fees. If a scheduled club event/meeting does not resume its activity within fifteen (15) minutes of its scheduled start time, the facility will be opened to all RCSC cardholders and their guests and the club shall lose its reservation of the facility.

Club activities or meetings can be preempted by RCSC. Whenever possible, adequate notification will be given to the club. RCSC will provide for relocation of the club activity whenever possible. Clubs may be required to cancel, relocate or consolidate activities with other like clubs for all or part of the summer as an energy savings effort.

The sale of alcoholic beverages is prohibited without appropriate licensing.

20. CLUB SIGNAGE:

Permanent club signage, where applicable, will be approved by RCSC's Assistant General Manager and installed by RCSC personnel only. Signs will be attached to the outside of the building or in close proximity to the club room. Additional signs, with approval, may also be placed on a signpost or monument in close proximity to the building entrance. Permanent signs will not be allowed in parking lots, at the

equipment voltage, wattage, amperage, fuel type, overall size and placement location within the club room.

When items are purchased, traded, sold or destroyed they must be reported on the club acquisition/disposal form ([FORM BP:12-7](#)) and submitted to RCSC's corporate office, Attn: Assistant General Manager. No equipment belonging to RCSC may be sold or disposed of without prior written approval of the Assistant General Manager. Re-arrangement requests for furniture or equipment shall be directed to the Center's Lead Utility Worker or the Center's Area Supervisor.

22. REPAIRS:

Electrical, structural or functional repairs or alterations made by club members to RCSC property or property belonging to a third party are strictly prohibited.

For repairs in or adjacent to clubrooms, the club shall notify the Center's Lead Utility Worker in writing. The Center's Lead Utility Worker will write the necessary work orders for correction of the problem. A copy of the work order will be provided to the club. If such request is an emergency and is not resolved by the above steps, the club should contact the Center's Area Supervisor and/or RCSC's Assistant General Manager.

23. IMPROVEMENTS & CHANGES:

Prior written approval must be obtained from RCSC's Assistant General Manager for facility changes, alterations, upgrades and improvements which may include floors, ceilings, walls, cabinets, shelving, doors, windows, electrical systems, plumbing systems, air conditioning and heating systems, or any other building or infrastructure related system or component. Clubs leasing any equipment must have prior written approval of RCSC's Assistant General Manager.

Requests for additional club space or dedicated space should be submitted in writing to RCSC's Assistant General Manager, who shall review and make recommendations to RCSC's Club Organization Committee and/or Board of Directors.

Clubs may provide budget requests to the RCSC corporate office for club improvements. Such requests shall be reviewed and approved by RCSC's Assistant General Manager for inclusion in RCSC's operating and capital budget for the upcoming year. Management's conclusions shall be reviewed by the Club Organization Committee for recommendation of any changes to the Board of Directors.

24. CHEMICALS:

All clubs shall have Material Safety Data Sheets (MSDS) for all chemicals contained within club space and/or used by club members, visitors or guests. The MSDS sheets inform users about personal protective equipment required, possible hazards and possible adverse reactions. MSDS sheets can be requested from the supplier and must be kept in a three-ring binder easily accessible to club members

and RCSC Management. Adherence to the safety provisions are the responsibility of the club and their instructors.

25. INSURANCE:

The insurance provided by the RCSC is subject to a deductible on a per loss basis. It is the sole discretion of the RCSC Board of Directors if the deductible is the responsibility of RCSC or the respective club where the loss occurred. The insurance provided by RCSC does not cover articles/items for sale, personal tools, clothing or stock. Stock is defined as raw materials and supplies held by the club for sale to its members or for internal use by the club. Also not covered are items unrelated to club activities stored in the club room. Chartered clubs and their members are additionally insured under the General Liability policy while acting in the capacity of a club officer or a member of the Executive Board.

26. CLUB ADVERTISING:

Club instructors may not advertise services being rendered in RCSC facilities.

RCSC shall provide for each chartered club one page featuring the club within RCSC's website www.sunaz.com to promote and provide information about the club. It is the responsibility of the club to ensure that the information on the RCSC website is accurate and up-to-date.

RCSC shall provide for each chartered club in RCSC's monthly SunViews newsletter the club listing, notice of any and all club activities or events and one feature article per year. It is the responsibility of the club to ensure that the club listing is accurate and up-to-date.

Donations made by clubs to RCSC, excluding those made in lieu of rental or set up fees, shall be used for the promotion and marketing of RCSC Chartered Clubs and their events and activities. Clubs may request financial assistance in promoting and marketing a club event or activity by making a request to RCSC's General Manager. Clubs should not expect to receive marketing assistance greater than their annual contribution to the RCSC.

27. CLUB CONTRIBUTIONS & SALES:

Monetary contributions made by clubs to outside organizations shall not exceed the total contribution made to RCSC. Contributions made by clubs to an individual, including but not limited to club members or candidates for the RCSC Board of Directors, is prohibited.

The use of RCSC facilities by clubs is intended for the pursuit of hobbies and social welfare and shall not be used for the manufacture of articles to be sold by individuals for their sole profit. RCSC facilities shall not be used as a sales outlet for items not produced in whole or in part within the club's activities. RCSC facilities shall not be used as a manufacturing resource for sales outside of RCSC facilities. Clubs may submit a request to RCSC's Assistant General Manager to

showcase items with the club name only outside their dedicated space on a temporary basis within RCSC's facilities.

Each club's rules and regulations must define the number of articles an individual club member may sell during any calendar year, the percentage the club will receive from each sale, how complaints are handled regarding sales, and the relationship between using the club facilities, consigning items for sale and volunteering time to perform necessary club duties. Items for which club members receive orders as a direct result of club activities shall be handled as club sales.

Vendors may be authorized by clubs to sell craft-related materials and supplies within club facilities on a limited basis provided that ten percent (10%) of the sale price reverts to the club. Clubs are authorized to sell supplies and raw materials at reasonable rates to club members, visitors or guests.

28. CLUB FINANCES:

All chartered club's fiscal year shall be from January 1 through December 31. All chartered clubs shall file with the RCSC club office financial reports ([FORM BP:12-8](#)) for each calendar year on or before January 31 of the following year.

All monies collected must be reported on the club's financial report. The annual dues for each club shall be stated in its club rules and regulations, along with the payment schedule of how the dues are collected; i.e., annually, semi-annually, or quarterly.

The RCSC Board of Directors, RCSC Assistant General Manager, Club Organization Committee or any club member may submit a request to the Board Office for the Budget, Finance & Auditing Committee to audit the club's finances. A report of the results of such audit shall be submitted to the requestor, the club's Executive Board, the club office and made a part of the club records.

29. DE-CHARTERING OF CLUBS:

Club members may vote at a duly notified and held membership meeting of the club to de-charter the club at any time for any reason. Any club not in compliance with federal, state and local laws may be subject to being de-chartered. Any club not adhering to the RCSC Restated Articles of Incorporation, Corporate Bylaws and Board Policies may be subject to being de-chartered. A club that does not meet chartered club requirements may be subject to being de-chartered. Any club that has been unable to provide club officers or club monitors may be subject to being de-chartered. Any club that has had insufficient utilization of RCSC facilities may be subject to being de-chartered or combined with another like club. Any club that has been asked to relocate and has chosen not to do so may be subject to being de-chartered.

If a club is at the risk of being de-chartered, a notice will be sent to the club in writing by RCSC's Assistant General Manager, with a copy sent to the Board of Directors and the Club Organization Committee, stating the nature of the problem(s) and providing for assistance in rectifying the situation, if possible. A

club shall be given ninety (90) days to rectify all matters excluding membership, which shall have one year to rectify. Upon failure to rectify its issue the club shall be de-chartered.

When a club is de-chartered, equipment and supplies may be sold to other clubs, club members or outside sources with approval of the club's Executive Board, RCSC's Board of Directors and RCSC's Assistant General Manager. If the club cannot or does not wish to sell the equipment or supplies, it may donate them to similar chartered clubs with RCSC's Assistant General Manager's approval. The club may sponsor a final closing event for its members, after such, all assets will revert to the Recreation Centers of Sun City, Inc.