

OPERATING AGREEMENT  
OF  
SUN CITY RV CLUB, L.L.C.

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1.  
FORMATION.

Pursuant to the Arizona Limited Liability Company Act, the parties have formed an Arizona limited liability company (the "Club"), effective upon the filing of the Club's Articles of Organization with the Arizona Corporation Commission. The filing date was May 7, 2004, as noted on the Articles of Organization.

2.  
NAME AND PLACE OF BUSINESS; STATUTORY AGENT.

The name of the Club is Sun City RV Club, L.L.C. and its principal place of business and mailing address is 14801 North 103<sup>rd</sup> Avenue, Sun City, Arizona 85351 or such other places as the Members may designate. The Club also maintains a website: [www.scazrvclub.com](http://www.scazrvclub.com).

The statutory agent is: Michael Kelley, 7220 North 16<sup>th</sup> Street, Suite B200, Phoenix, Arizona 85020-8205. 602-674-3381 phone and fax.

3.  
PURPOSE.

The purposes of the Club are:

- To operate as a nonprofit club through which its member can enjoy each other's fellowship and travel in their recreational vehicles.
- To organize and conduct trips, known as caravans and rallies, for the members and their recreational vehicles.
- To conduct Board of Directors meetings to decide Club issues and determine Club policy.
- To conduct general membership business meetings to determine Club policy and plan for future events.
- To conduct social events for the members, some of which are combined with business meetings.
- To organize local outings for the members, without their RVs, to see local sights and interests.
- To take such other action reasonably necessary to accomplish these purposes.
- To exercise all powers now or later conferred on limited liability companies by Arizona law.

Subject to the terms of this Operating Agreement, the Club shall have the authority to take any action deemed to accomplish or promote these purposes. The Club shall not engage in any other business without the majority consent of the Members, and no Member is authorized to obligate the Club to any business other than as provided in this Section.

4.  
TERM.

The Club commenced on May 7, 2004, the date its Articles of Organization were accepted and filed by the Arizona Corporation Commission. It shall continue perpetually unless sooner dissolved by the members pursuant to the procedure set forth by the Arizona Limited Liability Company Act.

5.  
MEMBERSHIPS.

5.1 SUN CITY RV CLUB, LLC. Sun City RV Club, LLC is a chartered club of Recreational Centers of Sun City, Inc. (RCSC) and it subscribes to and is governed by the RCSC rules and regulations identified as Board Policy 12A, last amended on 1/29/04 and as it may be later amended. Those Rules should be read in conjunction with this Operating Agreement and, in the case of conflict, the RCSC Rules shall govern.

5.2 SUN CITY RV CLUB MEMBERS. A Sun City RV Club member is defined as a Sun City resident who holds a valid Sun City Recreational Club card and who has submitted an application and fee for the current calendar year. Membership is year-to-year and every member must renew in January for that new year. For new members who join after June 30, dues are one-half the annual dues and allow membership through the end of that current calendar year.

6.  
BOARD OF DIRECTORS.

The Board consists of a President, 1<sup>st</sup>. Vice President, 2<sup>nd</sup>. Vice President, Treasurer, Secretary, all of whom are Directors, and four (4) additional Directors. The four directors are described as #1, 2, 3, and 4 below and are not members of the Executive Board. All have specific duties to perform as a part of Club management. These nine (9) Directors are elected by the membership. The directors shall appoint the officers by Board election as soon as practicable after the membership meeting at which the Directors were elected. Each director serves one 3-year term.

The specific, additional duties of certain directors are:

1 <sup>ST</sup> Vice President:	Caravan Director
2 <sup>nd</sup> . Vice President:	Asst. Caravan Director, Annual Picnic
Director #1:	Policies, Rules & Regulations, Equipment Inventory
Director #2	Policies, Rules & Regulations, Christmas Potluck Program.
Director #3	Policies, Rules & Regulations, Christmas Party
Director #4	Policies, Rules & Regulations, Caravan Secretary, Safety, Pancake Breakfast, Caravan Pictures, Newspaper Articles, RCSC liaison.

7.  
OFFICERS; TERMS OF OFFICE.

7.1 THERE ARE FIVE OFFICERS.

The officers of the club are the President, the 1<sup>st</sup> Vice President, the 2<sup>nd</sup> Vice President, the Secretary and the Treasurer

## 7.2 OFFICER TERM LENGTH.

A Club officer shall serve for three years. No director can be elected for more than one consecutive 3-year term as an officer except that:

- The Treasurer may serve six consecutive years, that is, two terms.
- A director appointed to the board for a period of less than 6 months may serve for an additional 3 years if nominated for election to a full term.
- If a non-officer director volunteers to serve as the 2<sup>nd</sup>. Vice President and is then appointed as the 1<sup>st</sup>. Vice President and, finally, President, that director's term shall be extended to allow him or her to fulfill this commitment (see below).

## 7.3 STAGGERED TERMS FOR PRESIDENT AND VICE PRESIDENTS.

The 2<sup>nd</sup> Vice President serves one 3-year term, during which he/she serves in the following positions:

- First year: 2<sup>nd</sup> Vice President
- Second year: 1<sup>st</sup> Vice President
- Third year: President

Thus, each year the President retires from the Board to permit the Vice Presidents to move up and the membership shall elect a new 2<sup>nd</sup> Vice President to fill the position being vacated pursuant to this staggered term policy

## 8.

### DIRECTOR AND OFFICER RESIGNATIONS.

#### 8.1 OFFICER RESIGNATIONS.

If a club officer resigns or is unable to serve, these rules will apply:

- Treasurer. The President may appoint a replacement for a period not to exceed 6 months, at which time a person must be nominated and elected by the members to complete the term.
- Secretary. The same as the Treasurer, above.
- President. In the event the President resigns or the position is vacated for any reason, the 1<sup>st</sup>. V.P. shall take over as President and the 2<sup>nd</sup> V.P. shall take over as 1<sup>st</sup> V.P. The new President may now appoint, with the Board's concurrence, a new 2<sup>nd</sup> Vice President to serve for a period not to exceed 6 months. After six months, a member meeting must be held to elect a 2<sup>nd</sup> Vice President, which may be the existing temporary 2<sup>nd</sup> V.P. or another.

In the event any resigning officer's remaining term is less than 6 months, the current officers may assume the resignee's duties for the term remainder or it may appoint a past president to serve the remaining term.

#### 8.2 DIRECTOR RESIGNATIONS.

In the event any non-officer director resigns or is unable to serve and the term to be served is less than six months, the President, with the Board's concurrence, can appoint a club member to fulfill the term without membership ratification. If the term to be served is more than six months, the appointment must be ratified by the members before the appointee has served six months of the term.

The nominee will be elected to serve for a period of one, two, or 2 ½ years as required. Any person appointed in the last 6 months of a term will not require a member vote unless the person is later nominated to serve as a director; then the term will be extended to a full 3 year term beyond the initial period served.

9.  
STANDING CLUB COMMITTEES.

The President shall annually appoint a new chairperson for the following standing committees of the Club:

Nominating, Rules & Regulations	Chief Monitors
Membership	Helping others
Directory dBase	Historian
Newsletter Editor	Dinner Committee
Newsletter mailings	Greeters
Web-Master	Invocation
RV Compound Reps.	Pot-Luck Programs
Awards	Name Tags
Plaques	Sunshine Committee

10.  
NOMINATION PROCEDURES.

10.1. NOTICE. Notice to the membership at large shall be posted at the Club office and any other locations the Board deems advisable to invite interested members to become director nominees. In the event additional nominees are needed by October 1, the Nominating committee shall begin recruiting to provide the required number of nominees.

10.2 ELIGIBILITY. Any member may become a nominee for election by filing a notice of intent with the Chairman of the Nominating Committee. To be eligible to be a candidate for election or appointment to the Board, a member must be current on his/her membership dues and be available to attend Board meetings a minimum of six (6) months per year. No current member of the Board shall serve on the Nominating Committee.

11.  
MEETINGS.

11.1 GENERAL MEETINGS. Club meetings shall be governed by Article V of the RCSC Rules. A quorum shall be present if at least 5% of the membership is present. Robert's Rules of Order shall govern all membership meetings. As such, the Club shall hold at least three general membership meetings per calendar year:

- The first meeting shall be held after January 31 of each year to hear the annual Treasurer's report and the results of the audit, compilation or review of the Club's books.
- The second and other meetings (except for the annual meeting; see below) shall be scheduled by the Board as necessary to conduct the business and scheduling affairs of the Club.
- The last meeting shall be the annual membership meeting, to be held in November or December. The election of Club officers and other directors shall be conducted using voice vote, hand vote, secret ballot or other voting method acceptable to the members present at the meeting.

As of this writing, the Club holds two meetings each month: a general business meeting and a caravan meeting. These are in addition to the required post-January meeting and the required year-end annual meeting.

11.2 SPECIAL MEETINGS. Special meetings of the membership may be called by the President, at least three members of the Executive Board of Directors or a written request by at least 20% of the membership. Notice of the meeting must be conveyed to all members at least 7 days before the meetings.

12.  
DUES AND USE OF MONEY.

12.1 DUES. The Executive Board shall review the annual dues for the next fiscal year at the annual membership meeting held in November or December. Any change in the annual dues shall be subject to approval of a majority of the members present at the annual meeting, assuming a quorum is present.

12.2 COLLECTION OF DUES. In January of each year, all memberships are renewed. Members must submit a new application and pay the current annual dues.

12.3 BOARD SPENDING AUTHORITY. The Executive Board is authorized to spend up to \$800.00 in one transaction without the consent of the membership. Any expenditure above this amount must first be approved by the membership.

12.4 BANKING. The Executive Board shall maintain a conventional checking account at a federally-insured bank. The signatures of at least three Club officers shall be shown on the account signature card. One authorized signature is required for the withdrawal of funds from the account.

12.5 RESERVE FUND. The Club shall maintain a reserve fund, primarily for the replacement of equipment but usable for other purposes approved by the Executive Board. The Board shall determine annually if the reserve fund is adequate to cover foreseeable expenditures for the next year.

13.  
GREETERS.

The Club shall maintain a list of volunteer greeters/hosts to insure that participants at Club meetings, caravans and other activities are current Club members and have valid Sun Cities Recreational Center, Inc. membership cards with them. The Executive Board shall insure that there is always a Greeters Chairperson to solicit, train and organize greeters and hosts.

14.  
GUESTS.

The Club's guest policy is governed by Article VII of the RCSC Rules and the Club shall observe these guidelines:

- Non-member guests may be invited to events only by individual members, not by public invitation from the Club.
- The Executive Board may suspend guest privileges if, in its good faith judgment, this is necessary because an event is fully- or over-subscribed.
- Guests may attend business and social meetings, but may not be present during an election.

- The Club may, on an occasional basis, issue written invitations to similar clubs in surrounding communities to attend Club events. A copy of the invitation must be filed with RCSC, Inc.

15.  
INDEMNIFICATIONS.

15.1 CLUB TO MEMBERS. Pursuant to the authority of ARS 29-610 and so far as permitted by law, the Club hereby indemnifies its officers, directors, volunteers and members against any claim, liability, loss, or expense arising out of a) any act performed for or on behalf of the Club and in furtherance of its purposes; or b) inaction on the part of such persons that is not in violation of this Agreement. This indemnification does not extend to acts involving gross negligence, fraud, or willful misconduct.

15.2 MEMBER TO MEMBER. Pursuant to the authority of ARS 29-610 and so far as permitted by law, each Member hereby indemnifies the other Members against any claim, liability, loss, or expense arising out of a) any act performed for or on behalf of the Club and in furtherance of its purposes; or b) inaction on the part of such persons that is not in violation of this Agreement. This indemnification does not extend to acts involving gross negligence, fraud, or willful misconduct.

16.  
MEMBERS' RIGHTS AND POWERS.

16.1. MEMBER LIABILITY. The liability of each member, director and officer for the debts and other obligations of the Club shall be limited as set forth in ARS Section 29-651 and other applicable law. That is, a member, director, officer or agent of the Club is not liable for the debts, obligations and liabilities of the limited liability Club simply because of that relationship with the Club.

16.2. MEMBER POWERS; POLICYMAKING. The Members shall not participate in the day-to-day management of the Club but shall set general policies regarding operation of the Club, as the Executive Board of Directors may request from time to time.

16.3. MEMBER COMPENSATION. The Club shall not pay any Member for any services rendered to the Club. Out of pocket expenses shall be reimbursed to Members so long as such expenses are shown to have been necessary for the promotion of the purposes of the Club and this Agreement.

17.  
MISCELLANEOUS.

17.1. NOTICES. Notices required or allowed under this Agreement shall be deemed delivered 3 days after being sent certified mail, return receipt requested; hand delivery; confirmed e-mail delivery; or upon confirmed fax transmission to the last fax number provided by the intended recipient.

17.2. CONTROLLING LAW. Arizona law shall govern this Agreement.

17.3. LITIGATION. Any disputes arising under this Agreement that cannot be settled shall be submitted to the American Arbitration Association (AAA) for resolution. Costs, expenses, and attorney's fees shall be awarded according to AAA rules.

18.

ADOPTION OF THIS AGREEMENT; AMENDMENTS.

18.1 INITIAL APPROVAL. This Operating Agreement shall be considered adopted by the membership and in full force and effect upon the majority vote of the membership at a regularly-scheduled meeting of the members where notice of the approval vote is given and at which a quorum (5% or more of the Club membership) is present.

18.2 AMENDMENTS. This agreement may be amended by majority vote of the membership at a regularly-scheduled meeting of the members where notice of the amendment vote is given and at which a quorum (5% or more of the Club membership) is present.

We, the Executive Officers of the Sun City RV Club, LLC, hereby certify that this Operating Agreement was adopted by the Club membership at a duly called and noticed meeting held on the 26<sup>th</sup> day of October, 2004.

\_\_\_\_\_  
President

Date: \_\_\_\_\_

\_\_\_\_\_  
1<sup>st</sup>. Vice President

Date: \_\_\_\_\_

\_\_\_\_\_  
2<sup>nd</sup> Vice President

Date: \_\_\_\_\_

\_\_\_\_\_  
Treasurer

Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_