

RECREATION CENTERS OF SUN CITY WEST, INC.

POLICY STATEMENT – L2

Conflict of Interest

Each member of the Board of Directors serves the Corporation in a fiduciary capacity. Each Board member should therefore, avoid any direct or indirect participation in activities that could result in personal or family benefit at the expense of the Corporation's interests.

Directors should disclose to the Board of Directors any and all transactions between the Corporation and the director (including any other Corporation, firm, association or entity in which the director, or a member of the director's family, is a member, officer, director or has a financial interest). The transactions to be disclosed by a director would include, but not be limited to: The sale, lease or exchange of property between the director and the Corporation; the lending or borrowing of monies between the Corporation and the director; or the payment of compensation by the Corporation to the director for services.

The disclosure by a director of conflict of interest situations extends to not only businesses currently doing business with the Corporation, but also businesses seeking to do business with the Corporation.

Directors should also refrain from accepting gifts, gratuities or entertainment from any person or entity doing business or seeking to do business with the Corporation. If a director, or members of the director's family, receives gifts, gratuities or entertainment of a value in excess of Two Hundred and Fifty Dollars (\$250) cumulative during a calendar year from any person or entity doing, or seeking to do business with the Corporation, the director should disclose the gifts, gratuities or entertainment as a potential conflict of interest.

Directors should disclose their conflict of interest situations either in writing or orally at any Board of Directors meeting prior to acting or voting upon the matter involving the conflict of interest.

Finally, a conflict of interest for a director may result from many situations. In addition to the circumstances set forth in this Statement, if a director feels that (s)he has a conflict of interest in connection with an action of the Corporation upon which the Board will act, the director should disclose the conflict of interest or the potential conflict of interest. In general, directors should err on the side of disclosing conflicts of interest to the Board. If the Board determines that a conflict of interest does not exist, then, at least, the disclosure by the director and the discussion and decision of the Board are of record.

The undersigned, a member of the Board of Directors of the RECREATION CENTERS OF SUN CITY WEST, INC, an ARIZONA NONPROFIT CORPORATION, hereby acknowledges that (s)he has read and reviewed the foregoing Conflict of Interest Statement and understands that (s)he shall act in accordance with, and in the spirit of, the foregoing Statement.

Date

Signature

Printed Name

NOTE: Ten (10) Originals signed by Governing Board of Directors herein named have been appended to Minutes of May 26, 1994, Regular Governing Board Meeting on file in the Governing Board Office. Don Copelan, Pat Duros, Dick Gray, Allan Grossman, Bob Kelley, John McMillen, Jack O'Connor, and Developer's Representative, Chuck Roach signed: May 26, 1994. Board Members Joe Schoggen and Virginia Smith signed: June 1, and June 6, 1994, respectively.