

CIVANO I: NEIGHBORHOOD I ASSOCIATION, INC.
CODE OF ETHICS AND RULES OF CONDUCT
FOR ALL VOLUNTEER BOARD MEMBERS, OFFICERS AND
COMMITTEE MEMBERS
ADMINISTRATIVE RESOLUTION #10-11

WHEREAS, Section 11.2 of the *Amended and Restated Declaration of Covenants, Conditions and Restrictions for Civano 1: Neighborhood 1* empowers the Board to adopt, amend and repeal rules and regulations pertaining to all aspects of the Association's rights, activities and duties; and

WHEREAS, Sections 6.1 and 7.1 of the *Second Amended and Restated Bylaws of Civano 1: Neighborhood 1 Association, Inc.* (the "Bylaws") and the Arizona Non-Profit Corporations Act authorize the Board to exercise all of the rights, remedies, privileges and authority accorded to the Association under the Governing Documents and applicable law, except those rights that are specifically reserved to the Members; and

WHEREAS, Sections 6.7 and 6.9 of the Bylaws establish that the vote of a majority of the Directors present at any meeting, where a quorum is present, or the consent of all of the Directors in the absence of a meeting, shall be the act of the Board; and

WHEREAS, Articles VIII and IX of the Bylaws empower the Board of Directors to appoint officers and form committees; and

WHEREAS, the volunteer directors, officers and committee members of the Association are responsible for setting a standard and a code of behavior that is in the best interests of the entire community.

NOW THEREFORE, BE IT RESOLVED THAT, at its duly-held meeting on September 14, 2010, the Board adopted the following resolution to set forth a code of ethics and rules of conduct that will be applicable to all volunteers serving the Civano 1: Neighborhood 1 community, and that the adopted resolution hereby is memorialized as Administrative Resolution #10-11 in the Association's records:

1. Accepting Gifts. No gifts of any type will be accepted by a community volunteer from any contractor or supplier, nor will a volunteer accept a gift from a resident if the purpose of the gift is to gain special privilege or consideration, or if the resident has a pending matter before the Board (and the volunteer is a director) or before any committee on which the volunteer has a seat.

2. Interference with Employees or Contractors. Board members or Committee members shall not interfere with or direct employees or independent contractors hired by the Association unless properly authorized to do so. Board members

or Committee members will communicate any concerns or issues having to do with Association employees or contractors to the Association Manager or the Association President, who are the standing and authorized liaisons with any person or entity providing services to the Association.

3. Open Meeting Law. Board members shall adhere to the “Open Meeting Law ” [A.R.S. §33-1804] and shall not deliberate or make decisions outside of Board meetings or via e-mail unless doing so as an action in lieu of a meeting, as authorized by the Bylaws.

4. No Agreements with Third Parties. During any negotiation or discussion, no promise of anything not approved in advance by the Board, can be made to any employee, independent contractor, subcontractor, supplier, or Association member.

5. Communications in Legal Disputes. Unless authorized by the Board, no individual Board member is authorized to communicate with any Owner who is engaged in a claim or complaint against the Association about the subject matter of the claim or complaint, or to communicate with any persons who are not Board members about the subject matter of the dispute, until the matter is resolved.

6. Language & Demeanor at Meetings. Language and demeanor at Board meetings will be considerate and professional. Personal attacks against owners, residents, officers, directors, committee members, or employees are not consistent with the best interests of the community and will not be tolerated.

7. Expressing Differences of Opinion. It is understood that differences of opinion will exist among Board members and Committee members. They should be expressed objectively, in a clear and business-like fashion.

8. No Misrepresentation of Facts. A Board member or Committee member will not knowingly misrepresent any facts to anyone in the community regarding Association business, particularly if the goal is to benefit himself/herself in any way.

9. Conflicts of Interest. No Board member or Committee member serving the community may use his/her position to enhance his or her financial status through the use of any contractors or suppliers. Any potential conflict of interest must be disclosed in accordance with the Planned Communities Act [A.R.S. § 33-1811].

10. Liaison with Association’s Attorney. Except as provided in Paragraph 17 below or as delegated to the Association Manager, the President shall be the sole liaison between the Board and the Association’s attorney. The President may authorize other Board members or Committee members to communicate directly with the Association’s attorney on any issue.

11. Delegation of Tasks. No member of the Board of Directors on any Committee shall delegate his/her assigned tasks to the Association Manager unless

authorized to do so by the Board.

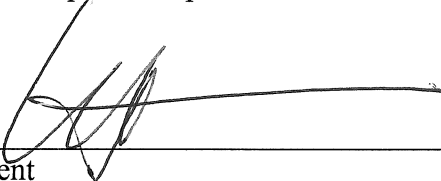
12. Procurement Protocol. All Board and Committee Members will adhere to the Association's procurement protocol.

13. Agreement to Abide by Code of Ethics. Every member of the Board of Directors and every other Community Volunteer agrees to abide by this Code of Ethics and will sign the Code of Ethics following his or her election or appointment to a volunteer position.

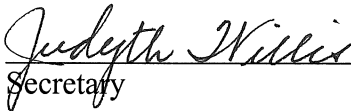
14. Violations of Code of Ethics. Violations of this Code of Ethics, by any Directors and/or Committee members, will be brought to the Board of Directors and appropriate remedial action will be taken. Committee members may be reprimanded or removed from their position by the Board of Directors. Members of the Board may be censured by the Board and/or asked to resign.

IN WITNESS WHEREOF, the undersigned has executed this Resolution on this 14th day of September, 2010, and certifies that this document is a true and correct copy of the Resolution that was adopted by the Board of Directors of Civano 1: Neighborhood 1 Association, Inc., at its duly held meeting on September 14, 2010.

CIVANO 1: NEIGHBORHOOD 1 ASSOCIATION,
an Arizona non-profit corporation

By:  _____
Its: President

ATTEST:

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Secretary