

CIVANO I: NEIGHBORHOOD I ASSOCIATION, INC.
Policies on Annual Election of Directors
ADMINISTRATIVE RESOLUTION #10-10

WHEREAS, Section 7.2.2 of the *Second Amended and Restated Bylaws of Civano 1: Neighborhood 1 Association, Inc.* (the “Bylaws”) authorizes the Association’s Board of Directors (the “Board”) to enforce all applicable provisions of the Governing Documents for Civano 1; and

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, the settlement agreement that resolved Joan Tober’s litigation against the Association with respect to the election of directors that was held in March 2010 (the “Election”), requires the Board to adopt a resolution making certain acknowledgements about the Election.

NOW THEREFORE, BE IT RESOLVED THAT the Board adopted the following resolution at its duly-held meeting on September 14, 2010, and that the adopted resolution hereby is memorialized as Administrative Resolution #10-10 in the Association’s records:

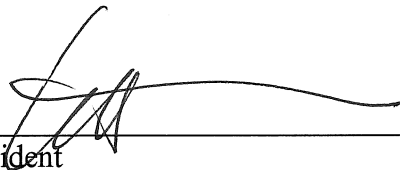
1. At its meeting on January 22, 2008, the Board ratified its previous Action in Lieu of a Meeting that resolved to allow all Parcel/Lot Owners in Civano 1: Neighborhood 1 (“Civano 1”) to vote even though they may be delinquent in their obligation to pay assessments and other charges to the Association. This Action was taken in accordance with Section 3.1.3 of the Bylaws, which gives the Board the discretion to decide whether or not to suspend the voting rights of delinquent Owners in Civano 1.

2. The Board acknowledges that the aforesaid Action it took in 2008 to preserve the voting rights of all Owners in Civano 1 was applicable to the Election, and will remain in full force and effect with respect to all future elections of directors held by the Association until such time that it may be properly rescinded by the Board.

3. The Board hereby ratifies the use of written mail-in ballots to conduct the Election, which is in accordance with Section 5.2.2 of the Bylaws; and, in accordance with A.R.S. §10-3708(C)(1), the quorum for the Election by written mail-in ballot is the same as the quorum that is required to be present at an Association meeting. Section 4.4. of the Bylaws establishes that the quorum for a vote of Owners at an Association meeting is 15% of the total votes in the Association.

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:


Secretary