

**RESOLUTION OF THE BOARD OF DIRECTORS OF
TEMPE GARDENS TOWNHOUSE ASSOCIATION RELATING TO
ARBITRATION**

The Board of Directors (“Board”) of the Tempe Gardens Townhouse Association (“Association”), having duly noticed and convened a meeting of the Board, hereby adopts the following resolution by a majority vote:

WHEREAS, under the present circumstances, Section 10(b) of the CC&Rs contains an arbitration provision that contemplates the Association adopting arbitration rules;

WHEREAS, facts have arisen that indicate to the Board that the best interests of the Association are served by adopting arbitration rules;

WHEREAS, capitalized terms used in the Resolution shall have the same meanings as defined in the CC&Rs, Articles of Incorporation, Bylaws and Rules; and:

WHEREAS, having duly deliberated on and investigated the relative merits of adopting arbitration rules, the Board adopts the following Resolution to be inserted in the minute book of the corporation:

IT IS HEREBY RESOLVED THE ARBITRATION RULES BELOW ARE HEREBY ADOPTED:

Swift and Inexpensive Dispute Resolution.

a. Legal disputes under section 10(b) of the CC&Rs shall be resolved by swift and inexpensive binding arbitration. The complainant shall submit a demand for arbitration to the President of the local chapter of the Community Association Institute, or Arizona Association of Community Managers. If those organizations no longer exist, the complainant shall submit the demand to a similar common interest development trade association. The President shall appoint the arbitrator who shall proceed as below.

b. If no such trade association is in existence, the complainant shall submit a written Notice of Dispute to the respondent. A designation of an arbitrator selector shall accompany the Notice of Dispute. The respondent shall designate an arbitrator selector within five (5) days after Complainant sent the Notice of Dispute. Those two arbitrator selectors shall appoint an arbitrator within fourteen (14) days of the date complainant sent the Notice of Dispute. If the arbitrator selectors do not timely select an arbitrator, complainant may file an action in the County Superior Court to appoint an arbitrator.

c. The arbitrator shall conduct the hearing within thirty (30) days of appointment. The arbitrator shall render a written decision within forty-five (45) days of appointment. The arbitrator shall adopt rules, deadlines, and procedures for the arbitration. The arbitrator shall award the prevailing party a reasonable attorney fee as determined by the arbitrator and Arizona jurisprudence related to attorney fee awards. Each party shall bear equally the arbitrator’s fees, however

the arbitrator shall have the discretion to tax his/her fee to the party who does not prevail.

THIS RESOLUTION was adopted at a duly noticed meeting of the Board of Directors on August 27, 2018 after full deliberation and a majority affirmative vote of the Board.

DocuSigned by:

William Axel Ferguson

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President

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Lucy Logan

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Secretary