
A. General.

The arbitration system set forth in this section is instituted to resolve disputes arising between two (2) or more Owners, Members or other residents of the Association, or between the Board of Directors and one or more owners, Members or other residents of the Association, which disputes arise out of alleged infractions of the Restatement of Declaration dated February 13, 1996, the By-Laws, or such rules and regulations that have been duly adopted by the Association. The system of arbitration shall be in accordance with the Minnesota Uniform Arbitration Act (Minn. Statutes, Chapter 572.)

B. Appointment of Arbitrators.

If the parties to a dispute agree to appoint one arbitrator, that arbitrator shall have all the powers specified in the Minnesota Uniform Arbitration Act and in the organic documents of the Association. If the parties cannot agree upon a single arbitrator, then the parties in dispute shall name one arbitrator each, and those two arbitrators shall then name a third arbitrator. The three-arbitrator board shall have all the powers specified in the Minnesota Uniform Arbitration Act and in the organic documents of the Association, and these powers shall be exercised by majority vote of the arbitrators.

C. Hearings.

The arbitrators shall appoint a time and place for the hearing and cause notice thereof to be served upon the parties personally or by certified mail not less than five days before the hearing. Appearance at the hearing waives such notice. The arbitrators may adjourn the hearing from time to time as necessary and, upon the request of a party and for good cause, or upon their own motion, may postpone the hearing to a time not later than the date fixed by any agreement for making the award or unless the parties consent to a later date. The arbitrators may hear and determine the controversy upon the evidence produced, notwithstanding the failure of a party to appear, and shall proceed promptly with the hearing and determination of the controversy. The parties are entitled to be heard, to present evidence material to the controversy and to cross-examine witnesses appearing at the hearing. The hearing shall be conducted by all the arbitrators selected, but a majority may determine any question and render a final award. If, during the course of the hearing, an arbitrator for any reason ceases to act, the remaining arbitrator or arbitrators appointed to act as neutrals may continue with the hearing and determination of the controversy.

D. Representation by Attorney.

A party has the right to be represented by an attorney at any proceeding or hearing under this agreement.

E. Witnesses, Subpoenas, Depositions.

The arbitrators may issue subpoenas for the attendance of witnesses and shall have the power to administer oaths. Subpoenas so issued shall be served, and upon application to a court of competent jurisdiction by a party or the arbitrator(s), enforced in the manner provided by Minnesota law for the service and enforcement of subpoenas in a civil action. On application of a party and for use as evidence, the arbitrators may permit

a deposition to be taken, in the manner and upon the terms designated by the arbitrator(s), of a witness who cannot be subpoenaed or is unable to attend the hearing. All provisions of law compelling a person under subpoena to testify are applicable to the taking of depositions. Fees for attendance as a witness shall be the same as for a witness in the district courts of the State of Minnesota.

F. Award.

The award shall be in writing and signed by the arbitrators joining in the award. The arbitrators shall deliver a copy to each party personally or by certified mail, or as provided in any agreement. An award shall be made within 30 days after the adjournment of the final hearing, unless the parties agree in writing to an extension, either before or after the 30 days have passed. A party waives the objection that an award was not made within the time required unless the party notifies the arbitrators of such an objection prior to the delivery of the award to the party.

G. Fees and Expenses of Arbitration.

The arbitrators' expenses and fees, together with other expenses, not including counsel fees, incurred in the conduct of the arbitration shall be borne by the party against whom the arbitrators' decision is rendered; provided, however, that the arbitrators may provide in their decision for an alternative allocation of such expenses and fees. The expenses and fees so allocated shall be treated as if part of the annual assessment as described in Article X , Assessments and Liens for Assessments, Section 9. of the Restatement of Declaration and shall be a charge on the Unit and a continuing lien on the property of the Owner against which the costs have been assessed and also the personal obligation of the Owner or Member against whom the costs have been assessed, and shall bear interest as provided in Article VIII of the Assessments, Section 3. of the By-Laws.

H. Damages and Penalties.

The arbitrators are hereby empowered to impose appropriate penalties and/or fines if they determine that there have been one or more infractions of the Restatement of Declaration, the By-Laws, or the duly adopted rules and regulations of the Association. If any specific violation is not covered by a fine schedule that might be incorporated in the By-Laws, the arbitrators may assess appropriate penalties and/or fines, not to exceed \$1,000. In addition to the fines and/or penalties, the arbitrators may hear and determine any claims for damages resulting from any failure by an Owner, Member, resident or members of their families, tenants, guests or other visitors to comply with the provisions of the Restatement of Declaration, the By-Laws, or the duly adopted rules and regulations of the Association.

I. Appeals.

Appeals of any action taken under authority of this Section shall be in accordance with the provisions of the Minnesota Uniform Arbitration Act.

** Note The National Arbitration Forum code of procedures and fee schedule are on file in the office.*