



The Defendant filed its Motion to Compel Arbitration and Stay Judicial Proceedings (“Motion to Compel Arbitration”) on Monday, June, 24, 2024, citing Section 1.05 of the Covenants of record in Book 1632, Page 104 of the Registers Office, which provides as follows:

Section 1.05 Binding Arbitration. No civil action concerning any dispute arising under the covenants or bylaws, other than actions for filing and/or foreclosing upon liens for nonpayment of Owner's Association dues as provided in Article IV, Section 4.09 herein, shall be instituted before any court and all such disputes shall be submitted to final and binding arbitration. Such arbitration shall be conducted in accordance with the rules of such association then in effect, or otherwise agreed in writing between the parties to such dispute before a single arbitrator. All costs and expenses of the arbitration, including actual attorney's fees, shall be allocated among the parties according to the arbitrator's discretion. The arbitrator's award resulting from such arbitration may be confirmed and entered as a final judgment in any court of competent jurisdiction and enforced accordingly. Further, proceeding to arbitration and obtaining an award thereunder shall be a condition precedent to the bringing or maintaining of any action in any court with respect to any dispute arising under these covenants or bylaws], except for the institution of a civil action to maintain the status quo during the pendency of any arbitration.

Defendant contends that this matter should proceed to arbitration and that the Court should stay this case pending a ruling on the Motion to Compel Arbitration. Defendant further contends that the Motion to Compel Arbitration must be resolved as a jurisdictional matter prior to the Court making any substantive ruling in the case. Plaintiffs contend that the motion to arbitrate cannot be heard under 9 U.S.C. § 4, which requires that five (5) days' notice be provided before filing a motion to compel arbitration. Plaintiffs otherwise contend that the issue of whether arbitration is required should be argued in a subsequent hearing on the Motion to Compel Arbitration.

Based on the Petition, the arguments of counsel for all parties at said hearing, and the record in this matter as a whole, the Court hereby finds as follows:

1. Defendant is currently circulating a pending Covenant vote to members of the Defendant Association, with a ballot return deadline of July 1, 2024.
2. Plaintiffs have identified substantial and important questions concerning whether proper procedure has been followed leading up to the pending Covenant vote, including whether the Defendant's board member make-up accurately reflects the results of the fall 2023 election,

whether the pending Covenant ballot form complies with the Tennessee Nonprofit Corporation Act, and what is the approval threshold for any valid Covenant amendment approval.

3. The Court finds that the pending Covenant amendment vote could materially negatively impact the property rights of Plaintiffs should it be passed without following proper procedure because it would require substantial time and expense to challenge after-the-fact. The Court further finds that the increased difficulty in contesting any invalid Covenant amendment after-the-fact would constitute irreparable harm in the absence of a temporary injunction pausing tabulation of the pending Covenant vote now.

4. Defendant has appointed a Middlesboro, Kentucky law firm Moberg Law Office to serve as Defendant's agent in receiving and tabulating the pending Covenant amendment ballots.

5. The Court hereby issues a temporary injunction prohibiting Defendant or any agent on its behalf from tabulating the pending Covenant ballots. Defendant shall cause its tabulation agent to keep all returned ballots secured in a safe deposit box or other secure place pending further order of the Court as well as cause its tabulation agent to not open or unseal any ballot packages received after the date of this order's entry.

6. The Court finds that the arbitration provision described above allows the Court to issue this injunction "to maintain the status quo" pending the Court's resolution of the Defendant's Motion to Compel Arbitration.

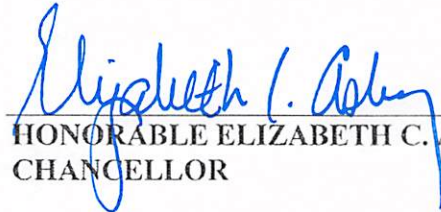
7. The Court shall hold a hearing on Defendant's Motion to Compel Arbitration on August 22, 2024, at 10:00 a.m.

8. Plaintiffs shall post a bond of \$100.00.

9. All other matters are reserved.

IT IS SO ORDERED.

ENTER this 26 day of June, 2024.

  
HONORABLE ELIZABETH C. ASBURY,  
CHANCELLOR

APPROVED FOR ENTRY:

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing has been served on the following counsel by delivering the same or by placing the same in the United States Mail, postage prepaid, and email:

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This 26<sup>th</sup> day of June, 2024.

[Signature]  
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