

**Circle of Trust
Alternate Dispute
Resolution Agreement**

CIRCLE OF TRUST ALTERNATE DISPUTE RESOLUTION AGREEMENT

for Preventing and Resolving Dissension

Effective Date: June 1, 2018	County and State: Maricopa County, Arizona
First Party (Name, Address, Zip Code): Any and all participating members of the Circle of Trust, LLC; FarSuperior Partners, LLC and others	Second Party: The undersigned individual, and any and all business entities, Trusts, Partnerships, Corporations, or organizations that the individual is a member, partner, shareholder, trustee of or otherwise affiliated with

1. **Objective, Purpose, Intent and Executive Summary.** The parties recognize that disputes may arise. It is important for maintaining long, mutually profitable, and satisfying relationships to have these disputes settled with a minimum loss of time, energy, money, and aggravation. Moreover, the parties desire that the process for resolution of a dispute be mutually educational, allow all parties to learn more about the thinking process of another, and allow settlement in a friendly, uncomplicated manner. The parties desire to avoid costly, lengthy court proceedings.

2. **Consideration.** In consideration of the mutual and reciprocal promises, the undersigned parties enter into this Agreement in accordance with the terms hereinafter set forth.

3. **Extent of the Agreement.** This Agreement shall apply to all disputes between the parties, except as may be expressly limited or excluded in writing and signed by the parties. This Agreement shall apply to all relationships and activities between the parties until terminated according to its terms. If the parties cannot agree whether a certain issue is subject to being processed under this Alternate Dispute Resolution Agreement, the parties may resolve the issue by appointing a special arbitrator or selecting a local Judge to decide at an informal hearing in the Judge's office. If this fails then either party may bring a Court proceeding solely to decide this issue and obtain a declaratory judgment. The losing party in any such formal proceedings shall pay the legal fees and costs of the winning party as set by the Judge assigned to the matter.

4. **Duration of Agreement.** This Agreement shall remain in force among the parties until 30 days after any party shall have delivered to the other parties a written termination of this Agreement and to the Circle of Trust, LLC, either in person with a written endorsement of receipt or by certified mail with return receipt requested. Termination of this Agreement shall not affect the dispute resolution process as outlined below for any event that may have occurred prior to the actual termination date or with respect to agreements entered into while the Alternate Dispute Resolution Agreement was in force. This Agreement may not be terminated with respect to past disputes once a dispute resolution process outlined herein has

begun by any party involved in the dispute process. Nor shall this Agreement be terminated by any party as long as the legal relationship between the parties such as, but not limited to, partnership, co-ownership, participants in the same corporation, fiduciaries, and/or contracting parties is still in full force and effect. For example, neither an employer nor an employee may terminate their Agreement during the period of employment.

5. **Procedures for Settling Dispute**. Any dispute shall be settled by progressive stages of increasing complexity and involvement with the understanding that matters of dispute will be resolved in whole or in part at the earliest stage possible. The parties shall comply with the requirements of each stage as follows:

5.1 **Stage One Notice of Disagreement**. If, at any time, any party in their relationship is in disagreement due to an action or an inaction of another party, they shall, within 24 hours of the first realization of disagreement, communicate to the other party involved the disagreement and the basis of the disagreement. The parties involved in the disagreement shall discuss the matter and make every attempt to arrive at a means of eliminating the disagreement. The parties shall not exchange assertions of blame or fault but shall make an effort to cooperate in a plan or performance that will eliminate the disagreement. In no event shall the person to whom the disagreement is expressed take offense or become hostile by the mere communication of the disagreement.

5.2 **Stage Two Notice of Dispute**. If the dialogue between the parties and performance arising therefrom after an expression of disagreement fails to satisfy one of the parties, then that party shall, within 5 business days after the communication of the notice of disagreement, communicate in writing to the other party a Notice of Dispute that shall:

5.2.1 **Spell Out Problem**. Itemize the specific actions or inactions causing the disagreement.

5.2.2 **Proposed Solution**. State for each item precisely what action the aggrieved party believes is necessary to rectify each item to the satisfaction of the aggrieved party.

5.2.3 **Time Frame for Solution**. Specify a precise and reasonable time within which performance must be accomplished by the other party to satisfy the aggrieved party.

5.2.4 **Communication During Performance**. Indicate where and when the aggrieved party can be contacted to discuss and clarify the Notice of Dispute items during the period of performance.

The parties shall efficiently and in good faith make every effort to communicate so as to clarify and eliminate all items of dispute during this stage.

5.3 **Stage Three Informal Negotiation**. If the dispute has not been resolved within the time designated under the disagreement and dispute stages and the aggrieved party still remains uncomfortable about items arising from the relationship, then the aggrieved party shall deliver to the other party concerned a request for informal negotiation that shall list the items that remain in dispute. The request shall designate a 2-hour period of time when that party is available for negotiation.

If that 2-hour period is not agreeable to the other party concerned, then all parties concerned shall confer and establish a 2-hour period to meet within 5 business days of the date of the request. The parties shall meet privately with no other persons present at the agreed time and place. At that meeting, the parties shall utilize the following agenda:

If any party has any fear of physical danger or fear then they may opt out of this stage.

5.3.1 Aggrieved Party States Case. The aggrieved party shall clearly state his/her disputed items and how he/she believes they can be resolved.

5.3.2 Responding Party States Case. The responding party shall clearly state his/her response to the disputed items and how he/she believes they can be resolved.

5.3.3 Aggrieved Party Describes Other Party's Position. The aggrieved party shall state in his/her own words the position of the responding party as he/she understands it.

5.3.4 Responding Party Describes Other Party's Position. The responding party shall state in his/her own words the position of the aggrieved party as he/she understands it.

5.3.5 Discussion Between Parties. The parties shall then discuss and explore methods of resolving the disputed items.

5.3.6 Itemized Statement of Resolution. A statement of the resolution of each item that was resolved shall be written in language agreeable to the parties and signed.

5.3.7 Memorialize Remaining Disputes. If any disputed item remains unresolved, the parties shall agree on the language that accurately states the dispute and briefly states the position of each party.

5.3.8 Selection of Mediator. The parties shall then agree on a mediator who has knowledge of the parties or the facts or is an expert in the areas under dispute. If the parties do not agree on a mediator, one shall be randomly chosen from the list of certified mediators in the Circle of Trust, LLC.

5.3.9 Schedule of Mediation. The parties shall agree and schedule a 2-hour period to meet within 10 business days of the date of the informal negotiation meeting when they will begin mediation.

5.3.10 Costs. If the dispute is resolved prior to mediation, each party shall pay his/her own costs. If the dispute is not resolved at this stage, then the cost of mediation and arbitration shall be assessed against the losing party by the arbitrator, if not otherwise agreed.

5.4 **Stage Four Mediation**. The parties and the agreed-upon mediator shall meet for a 2-hour period within 10 business days after the date of the informal negotiation meeting. All parties shall have a copy of the statement of the items still in dispute. At that meeting, the parties shall utilize the following agenda: The parties shall not be put in the same room. Mediation shall go from room to room to facilitate resolution and so neither party is uncomfortable. Both parties may agree to be in the same room if they want.

5.4.1 Written Statement of Position. Written copies of the statement reflecting the items in dispute and the position of the parties shall be given to the mediator prior to the meeting for his/her review so that he/she may research and gather information that he/she believes will be helpful in resolving the dispute.

5.4.2 Oral Clarification. Each party to the dispute shall bring to the attention of the mediator any facts, statements, research, evidence, or other information which clarify his/her position.

5.4.3 Restatement of Position by Mediator. The mediator shall, to the best of his/her ability, restate the position of each party, offer comments, give his/her opinion, and suggest ways of resolving the dispute.

5.4.4 Itemized Statement of Resolution. If disputed items are resolved, a statement of resolution of each item shall be written in language agreeable to the parties and signed.

5.4.5 Memorialize Remaining Disputes. If any disputed items remain, the parties working with the mediator shall state the areas in dispute and the positions of the parties.

5.4.6 Selection of Arbitrator. The parties working with the mediator will attempt to select an arbitrator. If they cannot agree on an arbitrator, one shall be randomly chosen from the list of certified arbitrators in the Circle of Trust, LLC.

5.4.7 Schedule Arbitration. The parties shall agree on a date, time, and place for the arbitration hearing, which shall take place within 10 business days of the date of the mediation meeting. If the parties cannot agree on a date, time, and place for the arbitration hearing, the date, time, and place shall be set by the arbitrator.

5.4.8 Mediator's Report. Prior to the arbitration hearing, the mediator shall prepare a written statement of his/her position regarding the matters in dispute and his/her suggestions on how they should be resolved. The statement of the mediator shall not be conclusive on the arbitrator.

5.5 Stage Five Circle of Trust Arbitration. After having delivered to the arbitrator a copy of the statement reflecting the dispute and the positions of the parties and proof that all prior stages have been complied with, the parties shall appear at the arbitration hearing. The parties also may appear at the arbitration hearing with witnesses, evidence, and legal counsel as they desire.

5.5.1 Governing Rules. The arbitration hearing shall be conducted according to the procedures of the American Arbitration Association or, at the option of either party, it may be conducted by the American Arbitration Association.

5.5.2 Postponement. If one (or both) of the parties is not prepared for the hearing through no fault of his/her own, he/she may, at the beginning of the hearing, request a

postponement to further prepare. The arbitrator may grant reasonable requests with specific time deadlines commensurate with what is fair and just.

5.5.3 Documentation of Findings. In their award, the arbitrator shall state a written conclusion on each disputed item. The award shall be delivered to the parties and bind each of the parties with the same force and effect as any arbitration award as provided by law.

5.5.4 Compensation of Arbitrator. The arbitrator shall be paid his/her customary and usual hourly fee for his/her profession or occupation in that municipality at that time. For example, if an arbitrator is an accountant, he/she shall be paid his/her usual hourly rate for the time that he/she spends in the arbitration process.

5.5.5 Content of Award. The award shall include an assessment of the costs of arbitration and mediation, the charges of the arbitrator, and the attorneys' fees of the prevailing party. If the arbitration results in neither party being the prevailing party on all items in dispute, then all fees of the parties' attorneys, mediator, and arbitrator shall be totaled and equally paid by the parties. The decision of the arbitrator shall be binding on the parties and not subject to appeal.

6. **Restraint Against Disturbing Status Quo While Processing Steps**. Once a disagreement has developed in the relationships of the parties to this *Alternate Dispute Resolution Agreement*, no party may unilaterally transfer possession, exclude the other party from space previously enjoyed, intentionally cause damage, or otherwise substantially disturb *status quo* until the *Alternate Dispute Resolution Agreement* process is completed. For example, if the parties dispute whether rent is due, the landlord may not lock out the tenant or turn off his/her water while they are determining the issues between them. Any such action to injure the other party during the *Alternate Dispute Resolution Agreement* dispute process shall be deemed a breach of the *Alternate Dispute Resolution Agreement* and shall authorize the injured party to move immediately to the arbitration step or bring an action in court to protect the *status quo*. All legal fees incurred by the injured party with these enforcement proceedings shall be paid by the other party, if he/she prevails, regardless of the final outcome of the *Alternate Dispute Resolution Agreement* process.

7. **Records of Conclusions**. All written resolutions representing the conclusions of the negotiators, mediator, or arbitrator shall be typed or otherwise readably reproduced on letter-sized paper so that they can be inserted into notebooks with the other records of the relationship and used as case precedents for minimizing and facilitating the resolution of future disputes. For example, where the parties have a partnership relationship, the resolutions written up to resolve disputes between the partners will become part of the partnership minutes.

The arbitrator must present a decision within 10 business days after the completion of the hearing. His/her fee shall be reduced by 5% for each and every day he/she is late in presenting his/her written decision.

It is the intent of all parties that the entire process be completed within 45 business days from the date that Step One fails to resolve the dispute. The parties and the arbitrator may agree to extend these time lines based on special circumstances or refer the request for delay or postponement to the arbitrator.

8. **Penalty for Violating This Agreement.** If any party violates the procedures set forth in this Agreement, the other party may immediately force the other party to go back to Stage One. If either party files an action in Court, then the party filing suit shall be responsible for all attorney fees, costs, or other fees associated with the matter, including out-of-pocket expenses incurred. Furthermore, if either party does not comply with the stages of this Agreement, they are liable for all cost and fees.

9. **Protecting Against Abuse.** When a party believes that there has been a violation of this Agreement's procedures, that party must give written notice to the other party, spelling out the alleged violations and that party's intent to submit the dispute immediately to arbitration. If the procedural violation is not remedied by the other party within 10 business days from the date the notice is postmarked, then he/she will be liable for attorney fees, arbitration fees, and out-of-pocket expenses of the aggrieved party in all future proceedings, regardless of who prevails.

10. **Definition of "Violates the Procedures".** The words *Violates the procedures,* which triggers submission of the dispute to arbitration under Paragraph 8 (Penalty for Violating This Agreement), shall mean violating any of the procedural steps spelled out in Paragraph 5 (Procedures for Settling Dispute). Examples that violate the procedures include, but are not limited to:

10.1 **Refusal to Discuss.** Refusal of one of the parties to discuss the matter with the other party at a time and place mutually convenient to both parties;

10.2 **Failure to Appear.** Failure of one of the parties to show up, without reasonable excuse, at the time and place agreed upon to resolve the dispute;

10.3 **Failure to Follow Procedures.** Failure to prepare or agree upon a statement of the dispute and each party's position;

10.4 **Legal Action.** Filing a complaint or other legal action against the other party at any time during the resolution process or while this Agreement is in force without first exhausting all the non-court procedures specified in this Agreement; or

10.5 **Disclosing The Dispute to Third Parties.** Disclosing the fact of the disagreement and dispute to anyone other than the persons directly involved in the resolution of the controversy or otherwise materially violating the privacy of the proceedings. It is contemplated that each party has advisors, attorneys, religious leaders, or confidants whom they may seek out for advice. Seeking advice from such advisors is not a violation of this non-disclosure provision as long as the advisors are told of the confidentiality of this process and maintain the confidentiality.

11. **Working Relationships.** The *Alternate Dispute Resolution Agreement* shall not prevent an employee or employer, or any situation where people work together, from immediately terminating the relationship if such parties are placed in uncomfortable situations. Such situations include, but are not limited to, instances where the employee is insubordinate; fails to carry out instructions; engages in dishonest conduct that is damaging to the organization or to its customers, clients, or associates; is physically or mentally abused; is sexually harassed;

or subjected to other such conduct or treatment which creates a hostile working environment, causes emotional distress in either party, or jeopardizes the safety or financial security of the organization.

In all other working relationships, the parties may terminate the relationship after complying with the following *Alternate Dispute Resolution Agreement* procedures for settling disputes in an effort to rehabilitate the relationship: AStage One C Notice of Disagreement,@ AStage Two C Notice of Dispute,@ and AStage Three C Informal Negotiation.@"

In no event shall the *Alternate Dispute Resolution Agreement* be used to force people to remain in a relationship where it is truly uncomfortable for them. In all such uncomfortable situations, the *Alternate Dispute Resolution Agreement* shall be used to determine fair termination pay or reimbursement for injuries or damages, if any is warranted.

12. **Special Provisions for Employer-Employee Relationship.** In the light of recent court cases holding that alternative dispute resolution agreements signed by the employer and the employee are controlling and take precedence over state and federal court proceedings and administrative proceedings, the parties all recognize that substantial time, expenses, and emotional suffering will be avoided by using this Alternate Dispute Resolution Agreement to resolve employer-employee disagreements and disputes. Therefore, unless there are specific state or federal statutes specifying that these state or federal statutes have precedence over alternative dispute resolution agreements signed by the parties, then the procedures of this Alternate Dispute Resolution Agreement shall prevail in the resolution of these matters. If one of the parties asserts federal or state court or administrative proceedings have priority over the Alternate Dispute Resolution Agreement process to which the parties have agreed, they may file an action for declaratory judgment for a ruling and be charged with all legal fees and court costs of these proceedings.

13. **Imminent Danger to Life or Property or Question of Constitutional or Civil Rights.** If the actions of one of the parties pose an imminent danger to the life or property of another person or pose a question of constitutional or civil rights, then the other party may file an action directly with the court to suspend, alter, or deter such activity. If the court later determines that the action did not pose an imminent danger to life or property, then the parties will be obligated to resume seeking a resolution under the terms of this Agreement. Upon a ruling by the court that there was no imminent danger to life or property, the party who brought the action will be liable for all attorneys' fees and costs incurred by the other party for all of the court proceedings.

14. **Payments During Dispute Resolution Procedures.** Disputes or the implementation of any of the procedures outlined in this Agreement to resolve disputes will not terminate, suspend, offset, or otherwise alter a debtor party's obligations to make regular payments on any debt, lease, promissory note, contract, or other agreement to pay fixed money at a fixed time. The payment must be made on time even though proceedings under this Agreement may result in later adjustments.

15. **Privacy on All Matters.** There will be no public airing of the disagreement or the issues in dispute or any derogatory statements made of the other party or matter by either party, except to those persons who are actually involved in the resolution process. Examples of violating privacy include gossiping about the disagreement or the proceeding; talking to

newspaper, TV, radio, or other media people about the disagreement or the dispute; and relating the disagreement or dispute to persons who are not participants involved in the process such as mediator, arbitrator, witnesses, lawyers, accountants, or other professional consultants. The reason for the privacy is to prevent Aloss of face@ from becoming an obstacle in resolving the disagreement or dispute.

15.1 **Commitment to Respect Privacy of Group**. The purpose of this paragraph is to reduce to writing at least a portion of our moral, ethical, and legal commitment to each other to keeping Aprivate, secret, or confidential information, matter, or issues@ (Asecrets@) to ourselves, which we may learn as a result of our actual or expected association with each other. The phrase Akeeping secrets to ourselves@ means that we will not use secrets to our personal or separate advantage (unless authorized by First Party). Nor will we divulge, disclose, communicate, or repeat them or even admit that we are aware of them, directly or indirectly, to any other person, entity, or institution who is not a party to this Agreement (Aon-party@), meaning that they have not signed a copy of this Agreement, thus indicating their willingness to be bound by it. Nor will we knowingly allow or even indirectly assist any other person or entity to commit any act or undertake any effort that would be a violation of this Agreement if such other person or entity were a party hereto.

16. **Situs**. The situs for these procedures, unless agreed otherwise by both parties, will be the county in which this Agreement is executed.

17. **Acknowledgment of Agreement to Communicate, Negotiate, Mediate, and Arbitrate**. We understand that this instrument contains an agreement to communicate, negotiate, mediate, and arbitrate. Upon signing this Agreement, we understand that we will be unable to bring a lawsuit concerning any dispute covered by this Agreement, except where the actions of a party pose an imminent danger to the life or property of another person or involve a question of constitutional or civil rights. Instead, we agree to submit any dispute among us to the processes set forth in this Agreement.

18. **Neutral Territory**. Sometimes, in the resolution of a matter, it becomes necessary for the parties to meet for negotiation, mediation, and arbitration. Sometimes, there is unnecessary controversy as to where a Aneutral place@ would be for this dialogue. To prevent such delays and controversy in the proceeding, the parties designate C if they cannot otherwise agree during the process to a place for negotiation, mediation, or arbitration C a conference room at the offices of the family's or organization's lawyer, accountant, or life insurance underwriter or in a room at one of the closest public libraries. The parties further agree that, during such proceedings, they will take no telephone calls or permit any other interruptions without the consent of the other party.

19. **Fairness Adjustment**. This provision is enacted to protect all parties to this Agreement in the event of unusual changes in circumstances which occur outside the control of the parties and which create an undue and unreasonable hardship on any of the parties or gross inequities between the parties because of such an unusual change in circumstances. If any of these conditions occurs, this Agreement shall be modified by following the procedures established within it. The parties intend a fair, balanced and Awin-win@ arrangement between and among the contracting parties. If this intent is hereafter frustrated by changes in circumstances which occurred outside the control of the contracting parties or from

circumstances neither party reckoned with at the time of entering into this Agreement, the parties desire, through fair and reasonable modifications, a rebalancing of the relationship under the procedures established within this Agreement.

20. **Effective Date**. This Agreement has been executed by the parties intending that it be effective on the Effective Date set forth on the caption page. The parties recognize that they effectuated a meeting of the minds among themselves on that Effective Date and intended that this Agreement take effect on that date even though, because of the exigencies of the modern world, the mechanics of drafting, the convenience of the parties, and the economy of travel, it may have been necessary to actually sign the document at a later time.

21. **Effective Place of Execution**. The parties intend that the Effective Place of Execution be that county and state that is set forth in the caption of this Agreement. The Effective Place of Execution is the place that the parties intend this Agreement to have been executed incorporating all laws, for purposes of conflicts of laws, which apply to that Effective Place of Execution. The parties recognize that, due to the exigencies of the modern world, the mechanics of drafting, the convenience of the parties, and the economy of travel, this Agreement may be executed by one or all of the parties at some other geographic location and possibly at multiple places. In spite of this, however, they intend that it be deemed executed at the Effective Place of Execution.

22. **Modification**. Any modification or amendment of this Agreement shall be permitted by the managing members of the Circle of Trust, LLC at any time and the new Agreement shall be posted on the official website of the Circle of Trust, LLC.

23. **Construction**. This Agreement shall be construed as if drafted mutually by the parties through their respective counsel and therefore shall not be construed against either party. Either party may consult with outside counsel prior to signing this Agreement.

24. **Legal Representation**. Attorneys are permitted at any stage of the dispute process, although not necessary and the party bears the cost of the representation, solely.

25. **Interpretation**. Whenever any word is used in this Agreement in the masculine gender, it shall also be construed as being used in the feminine and neuter genders, and singular usage shall include the plural, and vice versa, all as the context shall require.

26. **Marginal Headings**. The marginal headings of the paragraphs of this Agreement are for convenience only and are not to be considered a part of this Agreement or used in determining its content or context.

27. **Partial Invalidity**. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, all of the remaining provisions shall continue in full force and effect.

28. **Waiver**. Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach hereof.

29. **Succession of Benefits**. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, and permitted assignees.

30. **Power and Authority.** Each party executing this Agreement in a representative capacity warrants to the other party that he has the right, power, legal capacity, and authority to enter into this Agreement. No approval or consent of any other person shall be necessary in connection with the execution, performance and delivery of this Agreement.

31. **No Breach of Statute or Contract.** Each party to this Agreement represents and warrants that the execution and delivery of this Agreement by such party, compliance with the terms and provisions of this Agreement by each party, and such parties' consummation of the transactions as contemplated under this Agreement will not breach any statute or regulation of any governmental authority, domestic or foreign, or acceleration of any of the terms, conditions, or provisions of any agreement or instrument to which each such party is a party, or to which each such party is or may be bound, or constitute a default or event of termination thereunder.

32. **Good Faith Attorney's Fees and Costs.** The parties desire that each raise only good faith disputes for mediation, arbitration or litigation. To discourage the bringing of such proceedings without a good faith reason, this provision is enacted. If, upon failure of any party to this Agreement to comply with any of the terms or conditions hereof, to enforce any payments herein stipulated, or to enforce any provision hereof, the losing party will pay to the prevailing party reasonable costs and expenses, including attorney's fees and the value of time lost by the prevailing party or any of its employees in preparation for or participating in any arbitration or litigation in connection herewith as determined by the court or arbitrator. All lawsuits under this Agreement shall be filed in the courts of the county and state where this Agreement was executed.

33. **Applicable Law.** This Agreement shall be subject to and governed by the laws of the State of Arizona.

34. **Interpretation of this Agreement:** Any question arising out of or relating to this Agreement, shall be interpreted by the managing members of the Circle of Trust, LLC.

35. **Counterparts.** This Agreement may be executed in one or more counterparts, or incorporated by reference into other documents, all of which taken together shall constitute one instrument. No other signature or execution shall be required.

36. **Entire Agreement.** The terms of this Agreement constitute the entire agreement between the parties. The parties represent that there are no collateral agreements or side agreements not otherwise provided for within the terms of this Agreement.

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