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SOCIETY HILL AT LAWRENCEVILLE CONDOMINIUM ASSOCIATION, INC.

Resolution # 2010-February-16-1

**RESOLUTION CODIFYING AND UPDATING RULES
FOR ENFORCEMENT OF ASSOCIATION REGULATIONS
AND ADMINISTERING PENALTIES RELATED THERETO,
INCLUDING ALTERNATIVE DISPUTE RESOLUTION PROCEDURES**

Whereas, the Master Deed and Bylaws empower the Board of Trustees (“Board”) with all duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of the Development and to do or cause to be done all such other lawful acts and things that are not by law or by the Governing Documents directed or required to be done or exercised by members of the Association or Owners; and

Whereas, Section 4.11 of the Bylaws provides that each member shall comply strictly with these Bylaws and with administrative rules and regulations adopted pursuant thereto as well as with the covenants, conditions and restrictions of the Master Deed and the deed to his or her own unit; and

Whereas, Section 5.11 of the Master Deed and Section 5.11.P of the Bylaws specifically empower the Board to levy fines to enforce compliance with the Master Deed and Bylaws and Rules and Regulations of the Association (“Rules and Regulations”) and together with the Master Deed and Bylaws (the “Governing Documents”); and

Whereas, while the Board wishes to encourage voluntary compliance with the Governing Documents, it has been necessary over a period of more than two decades for it to adopt procedures for enforcement of said Governing Documents, including the establishment of fines and penalties for violation of said Governing Documents; and

Whereas, on July 20, 2009 the Board adopted a new Alternative Dispute Resolution procedure designed to implement provisions of N.J.S. 46:8B-14(k) and relevant case law; and

Whereas, it is deemed desirable that the procedures and penalties with respect to enforcement of the Association’s Governing Documents, together with the Alternative Dispute Resolution procedure, which is now incorporated in this Resolution, be codified in a single Resolution for ease of administration and reference;

Now, therefore, be it resolved as follows:

A. Policy Regarding Obligations of Owners and Residents to Comply with Association Governing Documents and Related Rules and Regulations

It is the responsibility of all Owners and residents to comply with the provisions of the Governing Documents.

It is further determined that compliance by Owners and residents is an important element in the protection of the property, amenities, and living enjoyment of the overall community of condominium owners, as well as the operational efficiency and fiduciary responsibilities of the Association.

In order to encourage voluntary compliance with these requirements, the Association will take reasonable steps to promote knowledge by Owners and residents of these requirements by means such as:

1. Encouraging an Owner selling or leasing a unit to provide copies of the Governing Documents to the new owners or tenants. In the event that the Owner does not have a copy of the Governing Documents, the Association will provide a copy to a new owner or tenant, upon request, for a fee which covers reproduction and administrative costs.
2. Issuance of a Resident Handbook in written or electronic form, which provides a general summary of information about life in the Condominium, and procedures and requirements.
2. Issuance of a periodic newsletter to Owners and residents, in which general information, current issues and problems, and new requirements are reviewed.
3. Availability of site management staff during regular business hours to answer questions and provide necessary written materials.
4. Operation of a web site which provides relevant updated general information.
5. From time to time as may be deemed warranted, mailings or physical delivery of letters concerning particular requirements.

Each Owner or resident is responsible for observing the Association's Governing Documents whether he or she has availed him or herself of the foregoing information sources.

B. Methods to Be Pursued by the Association to Secure Compliance

In those instances in which compliance with the Governing Documents is not met in a reasonable manner, the Association, acting through its Board and/or designated site managers or representatives, shall take prompt action to secure voluntary compliance, and where this is

not achieved, to impose specific remedial requirements and penalties, and to take such other lawfully available action as the Board may deem necessary to protect the property and environment of the Association in accordance with its fiduciary responsibilities, the Governing Documents and applicable law.

1. **Optional Request for Compliance.** In the interest of achieving prompt and voluntary compliance or remediation prior to the commencement of formal enforcement action, the site manager, Board or its designated representative may, at the Board's discretion, informally issue a Request for Compliance that an Owner or resident cease or correct any violative conduct. This request may be verbal, by phone or email, or by letter, or leaving of a notice at the unit or on the affected [thing] [item which is the cause of the violation] or in the general vicinity of the cause of the violation, and may include a request for action or response by a reasonable date of not less than 5 days, except in case of exigency or emergency. If a Request for Compliance is not issued, or if compliance is not secured, a formal notice of violation shall be issued.

2. **Formal Notice of Violation.** The site manager or Board shall issue a formal notice to the owner and, if different, the resident of the offending unit, by personal service or First Class US Mail to the address of record. This notice shall describe:

- a. the violation, indicate the applicable Governing Documents violated, explaining the remedial steps required,
- b. indicate the specific fines and/or penalties that will be imposed by, or the direct remedial action that will be taken, by the Association as authorized by this or other relevant policy,
- c. and shall include notice that the Owner may contest the violation in writing within 15 days.

The notice shall further describe the actions the Owner may take, which shall be to:

- a. Cease/correct any violation (or agree to pay the Association for the costs of remediation if appropriate and mutually agreeable) and accept the applicable penalty and pay fines, if any, and so notify the Association within 15 days, or
- b. File a full written answer to the Notice, explaining why the alleged violation is not correct within 15 days, or
- c. Request within the same 15 days, on the Association's prescribed Alternate Dispute Resolution (ADR) form, that the matter be mediated, together with including

submission of the required deposit, in which case the provisions of the Association's ADR policy, as provided in Appendix B shall be invoked as applicable.

Failure by an Owner to deny the allegations or request mediation within 15 days will be deemed an admission to the allegations and subject the owner to fines and sanctions as allowed by the Governing Documents, including, if appropriate, being liable to repay the Association for any remedial action that it takes in the face of continued failure to correct the violation.

If the Owner has denied the allegations, and submitted all information regarding his position, factual and legal, within the 15 days, the Board shall cause the denial to be evaluated, dismissed, and/or conduct a hearing on the allegation, observing the alleged violator's right to freely present his case. In such a case, the imposition of the penalty shall be held in abeyance until the Board has reached a determination, provided however, that if the alleged violator's position is not agreed to by the Board, the penalties shall be deemed to have been effective upon the 16th day after the Formal Notice.

If ADR has been requested within the prescribed time, penalties shall be held in abeyance until timely conclusion of the ADR process, provided however, that if the alleged violator's position is not agreed to by the Board following the conclusion of this process, the penalties shall be deemed to have been effective upon the date of such determination by the Board. In the event that failure of the alleged violator to participate in a timely fashion in the ADR process as conducted by the mediator, results in notice from the mediator that timely conclusion was not possible, the penalties shall be operative as of the 16th day following the date of the Formal Notice as described in this section above.

3. Second Warning Notice. In the event that following the expiration of the first 15 days without response or that the Board determines that additional time for compliance, or clarification of its requirement, is warranted, a second warning notice may be issued with a set time for compliance and notification that failure to comply by that date shall result in a stated fine, order, or action by the Association at the Owner's expense. In any event, the right of the alleged violator to seek ADR process for the subject matter of the first Formal Notice shall be deemed to have expired, except to the extent that the Board has modified its penalties or requirements to a more stringent degree (e.g., increased the fine beyond that originally stated in the First Notice).

4. Emergency Situations. In any instance in which failure to take immediate action to cure or ameliorate an alleged violation which is reasonably deemed to present an imminent peril to the property or lives of the Association's Owners or residents, or which violation presents an unreasonable intrusion into the ability of affected Owners or residents to enjoy the use of their

properties and the conduct of their living conditions, immediate orders may be issued or action taken.

5. Sample Notices. Examples of typical formats which may be used to submit notices of violations are contained in Appendix C. They are included herein for purposes of general guidance, and may be modified administratively in actual use as may be deemed appropriate in compliance with the general provisions of this Resolution, and are not intended to be exclusive of any other appropriate form or method.

C. General Conditions Regarding Violations

1. Collection of penalties. Once applied in accordance with the above procedures, any fine or penalty shall be listed as a charge against the Owner's maintenance account, and shall be payable within 15 days. Any amount not paid shall be subject to the Association's policy for delinquent payments, including suspension of voting rights and use of Association amenities.

2. Continuing or repeated violations. Unremediated violations may, if the Board concludes in its discretion it is necessary to secure compliance, be treated as separate violations for each week of continued non-compliance commencing 16 days after the original Formal Notice was issued. Repetition of any violation shall be treated as a separate offence. Nothing in this provision shall prevent the Association from taking any lawful remedial action such as towing a vehicle or remedying a violation that unduly intrudes or harms the Association or other Owner's or resident's rights to access and enjoyment. Additional specific remedies for repeated violations may be cited in Appendix A of this resolution.

3. Obligations pertaining to property. Any fine or obligation assigned to a unit because of a violation shall not be waived because of the subsequent sale of the unit, but rather shall run with the property. Any violation alleged to have occurred which remains in place or effect after change of ownership, whether previous formal notice was given or not, shall also be the responsibility of the current (new) Owner.

4. Any action or condition created by a tenant, resident other than the Owner, or guest shall be deemed to be the responsibility of the Owner, who shall be responsible for any and all penalties assigned in consequence of the action.

5. Nothing in this resolution shall prevent the Association from exercising any other rights not herein specified in accordance with the Governing Documents and applicable law, nor from pursuing any penalties or other remedies for matters not addressed herein.

6. To the extent of any inconsistency, the provisions of this resolution supersede any procedures or penalty provisions previously enacted on the same subject. The Resolution

adopted on July 20, 2009, dealing with Alternative Dispute Resolution, the provisions of which are incorporated herein, is hereby rescinded.

Appendix A

Schedules of Standard Penalties for Violations

| VIOLATION | PENALTY |
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| Failure to comply with Association garbage and trash regulations, including placement or storage of said materials in places, in containers, or at times not authorized. | \$25 per violation. |
| Violations of the recycling regulations of any governmental authority, or of the Association. This includes failure to properly sort materials, placement of materials in wrong bins, or leaving materials outside the containers. | \$100 per violation, plus any fines or charges imposed on the Association by the County of Mercer or any other governmental agency having jurisdiction. |
| Violation of general rules and regulations not otherwise specified herein. | \$25 first violation. \$50 second violation within 12 months. Chronic and repeated violations following second notice, \$250. |
| Failure of a unit owner to submit copies of Riders to Leases, or other documentation required in conjunction with rentals, with the Association within 30 days of their effective date. | \$100 for each thirty days not filed. |
| Unlawful storage or use of barbecue grills, in violation of State or local regulations or Association policies, including storage of propane, gasoline, or other flammables inside or adjacent to buildings. | \$50 upon each occurrence. Owner shall also pay any State or local fine and provide a copy of the necessary documentation to the Association. Association may remove and store offending equipment from common areas at the owner's expense and thereafter dispose of same. |
| Miscellaneous minor items placed or left on the common elements in violation of regulations. | <ol style="list-style-type: none"> 1. Item shall be tagged with notice that it must be removed within seven days. (Small lost personal items may be removed to the Clubhouse immediately for safekeeping.) 2. If not removed, Association will have item |

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| | <p>confiscated and stored for period of 30 days, during which period a list of such items shall be available to residents and owners in the office.</p> <p>3. Item may be reclaimed from storage in this period upon payment of storage fee and costs.</p> <p>4. After 30 days, Association may dispose of item in proper manner and impose costs on owner.</p> |
| Failure to submit required fireplace inspection or other required structural or mechanical system inspection reports by the established date. | \$100 per month until submitted. |
| Violation of parking and vehicle operation rules, including but not limited to parking in others' assigned spaces, parking on grass, parking in roadway areas not marked as parking spaces, commercial vehicle overnight parking, parking or storage of trailers, mobile homes, RVs, boats, operation of vehicles without adequate noise suppression, driving in excess of posted speed limits, etc. | <p>First violation: warning sent to unit owner and or/vehicles will have sticker affixed citing violation.</p> <p>Second violation within 12 months: sticker will be affixed if possible and \$25 fine imposed.</p> <p>Third violation: fine up to \$250, and vehicle towed at owner's expense, subject to state law.</p> <p>Lawrence Township Police Department is authorized to enforce all applicable laws and motor vehicle regulations.</p> |
| Parking or storage of vehicle in a manner impairing public-safety, access by emergency vehicles, garbage collection, or maintenance vehicle access or blocking roadways or access by other residents. | Immediate towing of vehicle following reasonable notice efforts, in accordance with state law. Unit owner shall be liable for costs and fine as prescribed for Violation of parking rules. |
| Damage or destruction to the common elements, or removal of common elements, or placement of any unauthorized things on the | Cost of repair, restoration, or replacement, plus all costs incurred by the Association in dealing with the matter, plus a fine of up to |

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| <p>common elements, intentionally or through negligence of a unit owner, his tenant, guest, or agent.</p> | <p>\$250.</p> |
| <p>Failure to comply fully with Modification Request regulations including but not limited patio expansion, patio awnings, attic fans, structural changes and satellite dish placement; further including the unauthorized placing, building or maintaining of any structure, matter or thing on the Common Elements or Limited Common Elements without prior written consent of the Association, and the installation, use, or continued presence of such.</p> | <p>Fine up to \$250, plus all costs incurred by the Association in dealing with the matter, including costs of removal, repair or inspection as may be directed by the Board. Any costs incurred by the owner in compliance with a resulting order shall be the owner's.</p> |
| <p>Other actions or conditions created or allowed to exist by an owner which violate general regulations not enumerated herein, or adversely affecting the property or wellbeing of the Association and its residents. This includes failure to maintain units in accordance with the Governing Documents.</p> | <p>Full cost to the Association of dealing with the matter, including all administrative and legal costs, costs of repairing or restoring the affected thing to original status, plus a fine of up to \$250.</p> |
| <p>Violation of pet and animal regulations of any nature.</p> | <p>First violation, \$25 plus order to cease violation. Second violation within 12 months, \$50 plus the Board may order removal of the pet or animal from the property. Subsequent violation, fine up to \$250.</p> |
| <p>Added by Resolution # 2010-April-19, which see: Failure to comply with provisions of this resolution [Requirements Pertaining to Installation of High Efficiency Furnaces, Air Conditioning and Hot Water Equipment]</p> | <p>A fine of up to \$250, plus any administrative charges incurred by the Association because of said failure, as well as responsibility of the Unit Owner to remove, at his or her own expense, anything that was installed without approval or in violation of terms of this resolution or approval. In the event that the Association deems it necessary to perform corrective work in this regard,</p> |

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| | upon failure of the Unit Owner to do so upon proper notice, the full cost of doing so shall be levied on the affected Unit, including direct and administrative costs. |
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NOTE: Changes to the above Penalties section may be made by subsequent resolutions, and will be shown in red. For the latest, formal information or legal purposes, contact the Association Office.

Appendix B

General Alternative Dispute Resolution Provisions

Purpose: To provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the Association, and between unit owners, as an alternative to litigation, in accordance with N.J.S. 46:8B-14(k). This procedure deals with both violation-related issues involving the possible application of penalties as described in the body of the resolution to which this is an appendix, and certain other issues between or among owners, residents, or the Association, not necessarily involving penalties as described below.

Limitations: This process will apply to “housing-related” disputes only. Disputes covered by these procedures do not include disputes relating to Association elections, the failure of a unit owner (or tenant) to pay assessment fees, or imposed late fees on assessments, and alleged non-compliance by the Board with the Governing Documents (as hereinafter defined) or applicable law.

Dispute Resolution Process: The Board will refer any dispute to a trained independent mediator from outside the community, subject to the “Procedures and Processes” set forth below. The Association’s Property Manager shall serve as the focal point to coordinate administrative details of any proceeding on behalf of the Association, and shall serve as “Escrow Agent” to handle any required deposits or payments.

Nature of Disputes: This process is applicable to disputes relating to the responsibilities of unit owners and the Association as well as to issues relating to the violation of rules and regulations, subject to limitations as stated herein.

Procedures and Processes:

1. **Initial Informal Action.** Before any formal process is undertaken, any unit owner, or any officer or agent of the Association, may request that a unit owner cease or correct any violative conduct. A unit owner with a claim against the Association for an act or omission may contact the Property Manager or the Board to resolve the dispute.
2. **Commencement of Formal Action by an Owner Against the Association or Another Unit Owner.** If there is no informal action taken, or resolution achieved, the formal process commences with the submission by a unit owner of a written Statement of Violation or Complaint to the Association, submitted to the Property Manager for recording, routing and administrative coordination. Statements of Violations or Complaint shall clearly state the acts or omissions with which the owner or Association is charged and be specific as to times, dates, places and persons involved. The statement should include the provisions of the

Master Deed, Association Bylaws, and/or rules and regulations (“Governing Documents”) allegedly violated.

3. **Emergency Situations.** With respect to the use of any building or other facility where a violation of the Governing Documents with respect to the use of such building or facility might endanger life, limb, property or equity of the Association or other unit owners, any duly authorized agent of the Association may, without further notice, suspend for a period of not greater than seventy-two (72) hours the right of any unit owner to use such facility, if an oral request to cease or correct the violation has not caused such violation to cease. Thereafter, the Board, upon written notice to the unit owner, shall have the right to continue any suspension until such time as the dispute is finally resolved.
4. **Owner Violations.** In the case of owner violations, as described in section B 2 of the resolution to which this is an appendix, the Property Manager will send a Notice of Violation to the owner who may:
 - a. Cease/correct any violation (or agree to pay the Association for costs of remediation if appropriate and mutually agreeable) and pay fines, if any, or
 - b. File a written answer to the Notice within 15 days, or
 - c. Request, within the same 15 days, that the dispute be mediated.

Failure by an owner to deny the allegations or request mediation within 15 days will be deemed an admission to the allegations and subject the owner to fines and sanctions as allowed by the Governing Documents, including, if appropriate, being liable to repay the Association for any remedial action that it takes in the face of continued failure to correct the violation.

5. **Complaints Against the Association.** In the case of a complaint by a unit owner against the Association, within 30 days of receipt of the Statement of Complaint, the Association will notify the initiator that it disputes the complaint and wishes to proceed to mediation or will cease the allegedly improper conduct. If the Association disputes the complaint, the complaining owner will have 15 days to notify the Association in writing that it elects to mediate the dispute.
6. **Mediation Requests.** A Mediation Request shall contain a concise statement of the acts or omissions giving rise to the dispute and a statement of position specifying the provisions of the Governing

Documents alleged to have been violated, or the party's defense to the alleged violation, as applicable. The Mediation Request shall be accompanied by a deposit in the amount of \$200.00. The deposit shall be held in escrow by the Association's Property Manager ("Escrow Agent") and applied against all costs of mediation including, but not limited to, the fees of the mediator, if any. The Escrow Agent shall be entitled to release the funds as directed by the mediator, unless the parties agree otherwise in writing. Failure to tender the deposit with the Mediation Request shall result in a rejection of the Mediation Request by the Association.

7. **Conduct of Mediation.** The mediation proceedings will be managed by the selected mediator and will be limited to two hours unless continued by mutual agreement.
8. **Costs.** All costs of mediation including, without limitation, the fees of the mediator, if any, shall be shared equally by the parties to the dispute. In the case of a dispute between owners, the Association shall not be deemed to be a party to the dispute unless specific Association liability is alleged, but the Association's role shall be limited to the coordination role specified in section 2, and provision of any information deemed helpful by the mediator. In the event of a dispute among unit owners, the initiating owner may not require other unit owners to participate or incur financial obligations.

Should the escrow deposit be insufficient to meet the costs of the mediation, the parties shall deposit an additional sum with the Escrow Agent in an amount sufficient to cover the additional cost of mediation. The mediation process may be terminated by either party or the mediator if resolution cannot be achieved. If an agreement is reached, it will be reduced to writing and signed by all parties.


9. **Failure to reach resolution.** If no agreeable resolution is achieved, the complaint, if owner initiated, will be returned to the Board for a determination in accordance with the Governing Documents. In the case of an owner violation instituted by the Association, any fine or action initially imposed shall become immediately due and operative upon failure to achieve resolution.
10. **Tenant participation.** A tenant shall have the right to avail himself or herself of the Procedures and Processes upon submission to the Association of written authorization by the unit owner of the unit in which the tenant resides.

APPENDIX C

SAMPLE NOTICE FORMATS

The following are illustrative samples, and are subject to administrative modification in the course of normal use. Other methods of notice, consistent with this Resolution, may also be used.

1. An Informal Notice which may be left on a door or thing:



AT LAWRENCEVILLE
Condominium Association, Inc.

Phone: (609) 896-9346

During a recent inspection Management observed the items listed below which need to be addressed at _____.

A re-inspection will be conducted in 10 days to insure compliance.

- Trash
- Common area storage, ex. bikes, shovels, brooms, toys
- Storage on balcony/patio
- Propane Grill
- Unauthorized property modification
- Fresh oil stains in parking space
- Door/screen door
- Patio area
- Windows/screens
- Window air conditioner/fan needs to be removed
- Other _____

Details _____

Thank you for your prompt attention.

Form FTCJ-EA • PEACHTREE 1-800-241-4623

2. An Informal Letter Request for Compliance:



AT LAWRENCEVILLE
Condominium Association, Inc.

1 Society Way, Lawrenceville, New Jersey 08648
Phone: (609) 896-9346 Fax: (609) 896-4942
www.SHLtoday.org Email: info@SHLtoday.org

REQUEST FOR COMPLIANCE

(Date)

(Address)

Subject: We Need Your Cooperation!

Dear :

We would like to ask your immediate attention to the following situation to comply with the Association's Master Deed, Bylaws and rules and regulations:

It would be most appreciated if you could rectify this matter within fifteen (15) days to clear this matter to avoid issuance of a formal notice. Once you have done this, kindly sign and return the slip below for the Association's records. If you have any questions, please feel to contact the Association office at 896-9346.

We appreciate your cooperation in helping us maintain the property and living environment of this fine community! Thank you very much!

Sincerely,

Signature Property Group

Agent for Society Hill at Lawrenceville Condominium Association, Inc.

Name

Property Manager

I certify that I have taken the requested action.

Signature

Date

3. A Formal Written Notice of Violation:



AT LAWRENCEVILLE
Condominium Association, Inc.

1 Society Way, Lawrenceville, New Jersey 08648
Phone: (609) 896-9346 Fax: (609) 896-4942
www.SHLtoday.org Email: info@SHLtoday.org

Notice of Violation

(Date)

Name & Address

Dear :

[If this is first notice, modify wording of this paragraph as needed.] On _____, we sent you a letter or other notice requesting that you remedy the situation described below. We regret that you have not done so, and, therefore, the following violation of the Association’s Master Deed, Bylaws and Rules and Regulations (“Governing Documents”) exists and has not been rectified (Describe violation, the rule it breaks, previous request date, and required action.)

You are requested to do one of the following:

- Cease/correct the violation within fifteen (15) days (or agree to pay the Association for the costs of remediation if appropriate and mutually agreeable) and notify the Association in writing that this has been done.
- File a full written answer to this Notice, explaining why the alleged violation is not correct, in which case a review and final decision by the Board will take place. This answer, which must also be received within 15 days, should deal with the facts of the situation and not with the validity of the Governing Documents.
- Apply for an Alternative Dispute Resolution (ADR) mediation hearing. We will be happy to provide the form and packet of information upon request, which is also available on our web site at SHLtoday.org. This process, designed to be an alternative to litigation in accordance with N.J.S. 46:8B-14(k), will require you to post a deposit toward the hearing’s costs, which the Association will share with you equally as described in the Association’s ADR Resolution. This mediation is voluntary and not binding on either party.

Failure to take one of these three steps within 15 days will be deemed an admission to the allegations resulting in the following actions and penalty being applied to your maintenance account:

(specify from the Violations Resolution)

We sincerely hope that this matter may be properly resolved without further action, and appreciate your cooperation in helping maintain the fine living environment at Society Hill.

Sincerely,

Signature Property Group

Agent for Society Hill at Lawrenceville Condominium Association, Inc.