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Prepared By: Jennifer A. Loheac, Esq.
Jennifer A. Loheac, Esq.

ENCHANTMENT AT HAMILTON HOMEOWNERS ASSOCIATION, INC.
(the "Association")

Procedures Regarding Covenants Enforcement and Alternative Dispute Resolution

P R E A M B L E

A. The Declaration of Covenants and Restrictions for the Enchantment at Hamilton Homeowners Association, Inc., (the "Association") as thereafter amended, (collectively, the "Declaration") was made by the Association and recorded on June 10, 2004 in Deed Book 4772 at Page 019, et. seq. in the office of the Clerk of Mercer County.

B. The Bylaws of the Enchantment at Hamilton Homeowners Association, Inc. (the "Bylaws") were recorded as "Exhibit D" to the Declaration.

C. Article VII, Section 1 (a) of the Bylaws, empowers the Board of Trustees (the "Board") to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership.

D. N.J.S.A. 45:22A-44, commonly known as the Planned Real Estate Development Full Disclosure Act, governs associations other than condominiums and states: The association shall provide a fair and efficient procedure for the resolution of disputes between individual unit owners and the association, and between unit owners, which shall be readily available as an alternative to litigation.

E. Article XVI, Section 1 of the Bylaws establishes a Judiciary Committee to provide for the alternate dispute resolution ("ADR") between Members, tenants, the Board or any combination thereof which are not within the jurisdiction of the Architectural Control Committee. Section 1 (a) through (f) establishes basic procedures for ADR.

F. Article XVI, Section 4 of the Bylaws provides that any "action, ruling or decision of the Judiciary Committee may be appealed to a court of competent jurisdiction."

G. For the benefit and protection of the Association and of the individual Owner, the Board deems it necessary and desirable to establish and operate by ADR procedures in accordance with provisions of the Declaration, Bylaws, Certificate of Incorporation, or rules and regulations (collectively, the "Association Instruments").

H. This Resolution was duly introduced and was thereafter adopted by the Board in accordance with the Bylaws at a regularly scheduled meeting of the Board, at which a quorum was present, by a vote of the members of the Board eligible to vote on this matter.

NOW, THEREFORE, BE IT RESOLVED on this 7 day of November, 2008, that the Board hereby adopts the following supplementary procedures to be applied in connection with the enforcement of compliance with the Association Instruments:

1. When ADR is to be Offered. Whenever the Board reasonably determines that a dispute exists between the Association and any member of the Association, or between members of the Association that relates to: (a) the use of a Unit; or (b) an interpretation of the use restrictions, rules or regulations contained in the Governing Documents with respect to the use of the Unit, the use of the Common or Limited Common Elements or (c) the permitted behavior of a member or resident of the Association, and the Board reasonably concludes, with or without the advice of its attorney, that the dispute may result in litigation, the Association will offer a method of dispute resolution as set forth in Article XVI of the Bylaws and more specifically, below. If the parties to a dispute are already in litigation, the Board, with the advice of the Board's attorney, will determine if the dispute is materially different from the one in litigation. If so, the Board may offer ADR. Except in extraordinary circumstances to be determined in the Board's discretion, no complaint will be accepted beyond 60 days of the incident in issue. Where the Board is either Complainant or Respondent, the matter shall proceed directly to the Judiciary Committee.

2. The Judiciary Committee. Article XVI of the Bylaws provides that the Board shall establish a Judiciary Committee ("Committee") to provide for alternative resolution of disputes. The Committee shall include no fewer than three members and no more than seven members at any time and may not include current members of the Board of Trustees. Any member of the Committee having a direct personal or financial interest in a particular dispute must temporarily recuse him or herself from the Committee on consideration of the related matter. In the event that the person suspected of self-interest does not agree and voluntarily recuse him or herself, the person(s) making the allegation shall present credible proof of the alleged self-interest. The members of the Judiciary Committee, other than the person involved, shall take a vote on whether recusal is warranted. The majority decision shall stand. In the event that the Judiciary Committee does not have a majority vote in favor or against, the Board shall alternatively make the decision by majority vote. Anyone who would be disqualified under regulations from serving as a mediator or arbitrator may not serve on the Judiciary Committee.

3. Designation of Method of ADR. In the event that the Board determines the existence of a legitimate dispute between the Association and a Unit Owner (including tenants) or between Unit Owners with respect to a matter described in Section 1 of this Article, the Association, through the Board, shall refer the matter to the Judiciary Committee within 30 days of receipt of the complaint. The Committee shall review the writings and conduct such other inquiry as deemed appropriate. The Committee will offer alternative dispute resolution prior to the commencement of litigation, or, where litigation is pending, upon resolution of the litigation so long as the issue was either not litigated or was litigated but the specific conflict as it relates to the property was not resolved in litigation. At the request of one or more parties, the Committee may satisfy the obligation described in the Bylaws by offering any of the following methods of ADR:

(a) Mediation by a qualified third-party mediator designated by the Judiciary Committee;

(b) Non-binding arbitration by a qualified third-party arbitrator designated by the Judiciary Committee;

(c) Binding arbitration by a qualified third-party arbitrator designated by the Judiciary Committee;

(d) Mediation by a person or persons who are not specifically trained in mediation, but who have expertise in community association matters, and who have no personal or financial interest in the matter in dispute and who are not Unit Owners.

(e) Mediation by such other person as the Judiciary Committee may designate, including a person who is a Unit Owner, provided that all parties to the dispute consent to the designation of such a person. No member of the Board may act as a mediator or arbitrator.

4. Notice of Acceptance. Following the Board's determination to offer ADR under this Article, the Board shall state same in writing to the Judiciary Committee. The Committee shall, within seven days of receipt of the Complaint, provide written notice to all parties to the dispute by certified US mail, return receipt requested and follow the procedures set forth in Article XVI of the Bylaws, Section 1 (b) and (c). Pursuant to (d) of Article XVI, the notice shall advise the parties of the recommended method of dispute resolution selected by the Judiciary Committee and shall provide a response form indicating whether the person involved in the dispute accepts or rejects the Judiciary Committee's selection. The notice advising a Unit Owner of the designation of a method of ADR will also provide that the Unit Owner must accept the designated method within a specific time period, but in not event less than 10 days following the date of the letter offering ADR. Whenever the expiration date falls on a Saturday or Sunday or legal holiday, the expiration date will be the following business day. If a Unit Owner does not respond or agree to participate in the ADR method offered by the Committee on or before the expiration date, the Unit Owner will be deemed to have rejected the offer. If the Committee selects a method of dispute resolution, and one or more persons involved in this dispute rejects the offer of dispute resolution, the Committee shall hold a formal hearing pursuant to Article XVI, Section 1(e), at the parties' expense.

5. Scheduling of ADR. Upon receipt of acceptance of a designated method of ADR from all necessary and indispensable parties to a dispute, the Committee will offer a minimum of two alternative dates and times for the ADR procedure. At least one of the alternate dates and times will be during non-business hours to accommodate the working schedules of the participants. The location of the ADR procedure will be on the grounds of the Association or at a location reasonably convenient to the participants. The notice of the alternate dates and times for ADR will provide that if a recipient does not respond within five days of the date of the notice, the nonresponding participant will be deemed to have rejected ADR. If the response from the participants does not indicate a mutually acceptable date and time for ADR, the Committee will make one attempt to obtain a date and time reasonably acceptable to the participants, but if unsuccessful in that third attempt, the hearing will be held irrespective of one party's absence. The only exception is if a party shows good cause, such as a medical emergency, for being unavailable for

that final scheduled date. In the event that the Committee is attempting to reschedule from an originally proposed date, the Committee will make all attempts to reschedule within a span of a month from the originally proposed date.

6. Participation by the Board. If any dispute that is subject to ADR pursuant to this Article includes the Association as a participant in the dispute, at least one member of the Board will be present at the ADR hearing, and the Board will make available such employees or agents of the Association that are necessary in order that the Association fully participate in the ADR Process. If the method of ADR selected is a form of mediation and the dispute involves the Association as a party, the Board will authorize the attending members of the Board to have the power and authority to act on behalf of the Board, but may impose reasonable limitations on the authority and power granted.

7. Procedures. The ADR hearing is intended to be an informal process, despite the form of ADR mechanism chosen. As a result, technical rules of evidence will not apply, provided however, that the person presiding over the ADR proceedings may require the administration of oaths and may exclude irrelevant, immaterial or unduly repetitious testimony or evidence. Any party to an ADR proceeding may, but is not required to, be represented by an attorney. The person presiding over the ADR procedure may also, prior to the ADR hearing, request the parties to produce documentary evidence that the presiding person believes to be helpful or relevant to resolving the dispute.

8. Fees and Costs. When the Committee designates a form of ADR that requires a fee to be paid to the presiding person, the Association will bear the expense of the presiding person. Any expenses to the Association in order to conduct a formal hearing pursuant to Article XVI, Section 1 (e) shall be borne equally by the parties, charged and collected in the same manner as a common expense. The parties shall also be responsible for their own costs and expenses, including but not limited to, representation by private attorneys.

9. Enforcement. Article VII, Sections 1(a) and 1(b) of the Bylaws authorize the Board of Trustees to levy fines and penalties, as same shall be lawfully established, as well as suspend rights and privileges for membership infractions of the Community's rules and regulations. Accordingly, the Judiciary Committee shall be empowered to enforce the findings of the ADR hearing, consistent with the range of fines and penalties the Board shall establish; same which may be amended periodically.

10. Non -Applicability of ADR. Despite anything to the contrary contained in this Article, no ADR need be offered in a matter solely concerning the collection of maintenance fees nor prior to the commencement of any litigation that seeks emergent relief in order to maintain the *status quo ante*.

11. Communication. Notwithstanding the express provisions authorizing the Board's involvement in the ADR process, once a matter is determined to be under the jurisdiction of the Judiciary Committee, the substance of that matter is to be considered exclusively by the Judiciary Committee; therefore, the Judiciary Committee shall make any and all communications necessary to the parties involved. Communications pertaining to a matter shall not be sent to the Board, by the Board or on the Board's behalf. The Board

shall not be copies on correspondences to the parties. Pursuant to Article XVI, Section 1(e), the Committee shall endeavor, in good faith, to render a decision within 24 hours of the conclusion of the hearing.

12. Construction. This Resolution is intended to serve as protection to Owners and to assure that their rights under and subject to the Association Instruments are protected in an adversary proceeding, and to serve as a guideline for the Judiciary Committee and the Board as those bodies carry out their duties to enforce the Association Instruments and rules and regulations.

13. Conflict. In the event of inconsistency between this Resolution and the Association's governing documents, the Governing Documents shall control. Any inadvertent omission or failure to conduct an adversary proceeding in exact conformity with this Resolution will not invalidate the results of such proceeding, so long as a prudent and reasonable attempt has been made to assure substantial compliance with the steps set forth in this Resolution.

(c) NOTICE AND RECORDING.

The Association's managing agent is authorized and directed to prepare correspondence, in appropriate form and substance, and then thereafter circulate same, along with a copy of this Resolution, to all Owners. The Association also authorizes and directs its legal counsel to arrange for recordation of a copy of this Resolution with the Mercer County Register's Office.

ATTEST:

ENCHANTMENT AT HAMILTON
HOMEOWNERS ASSOCIATION, INC.

Susan M. Simpson
Susan M. Simpson, Secretary

Harvey S. Leder
HARVEY S. LEDER, PRESIDENT

STATE OF NEW JERSEY }
COUNTY OF Mercer }

I CERTIFY that on 11/7, 2008,

Susan M. Simpson personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the _____ Secretary of _____ Enchantment at Hamilton Homeowners Association, Inc., a nonprofit corporation of the State of New Jersey, named in this document;
- (b) this person signed this document as attesting witness for the proper corporate officer who is Harvey Leder, the _____ President of

the corporation;

- (c) this person knows the proper corporate seal of the corporation and the proper corporate seal was affixed;
- (d) this document was signed and delivered by the corporation as its voluntary act and deed by virtue of authority from its Board of Trustees; and
- (e) this person signed this acknowledgment to attest to the truth of these facts.
- (f) this Resolution was duly introduced and was thereafter adopted at a regularly scheduled meeting of the Board of Trustees, at which a quorum was present, by a unanimous vote of the members of the Board of Trustees eligible to vote on this matter.

Susan M. Simpson
Susan M. Simpson, Secretary

Signed and sworn to before me

on 11/17 2008

Howard W. Smith
Howard W. Smith, Esq.
Attorney at Law of N.J.

Record & Return To:

Jennifer A. Loheac, Esq.
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Metro Corporate Campus One
99 Wood Avenue South
Iselin, NJ 08830

#999033v1--Enchantment at Hamilton--ADR resolution

Mercer County Clerk's Office

Return To:

GREENBAUM ROWE SMITH & DAVIS
P O BOX 5600
WOODBRIIDGE NJ 07095-0988

ENCHANTMENT HAMILTON
HOMEOWNERS ASSOC
ENCHANTMENT HAMILTON
HOMEOWNERS ASSOC

RECORDING	\$	25.00
RECORDING	\$	35.00
DARM \$3	\$	18.00
NMD1PA	\$	12.00
	\$.00
	\$.00
	\$.00
	\$.00
	\$.00
	\$.00
	\$.00
Total:	\$	90.00

STATE OF NEW JERSEY
Mercer County Clerk's Office

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* DO NOT REMOVE THIS COVER SHEET - *
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Paula Sollami-Covello
Mercer County Clerk



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Instrument MISC DEEDS

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Time : 11:01:34

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