

WILLOW PARK CONDOMINIUM ASSOCIATION, INC.
(the "Association")
POLICY RESOLUTION NO. 1
REGARDING ALTERNATIVE DISPUTE RESOLUTION

WHEREAS, N.J.S. 46:8B-14(k) requires the Association to provide a fair and efficient procedure for the resolution of housing related disputes between the Unit Owners and the Association, and between the Unit Owners, as an alternative to litigation (collectively "ADR Procedure"); and,

WHEREAS, the Board of Trustees (hereinafter the "Board") is given the authority in (a) Article IV Board of Directors, Section 2 Powers and Duties, sub-section (e) of the By-Laws for the Association; and (b) Article VI Operation of the Property, Section 12 Rules of Conduct of the By-Laws for the Association; (c) Section 7 Determination of the board to Be Binding of the Master Deed of the Association; to operate and manage the affairs of the Association, and to exercise all powers, duties and authority necessary for the proper conduct and administration of the affairs of the Association; and,

WHEREAS, for the benefit of the Association and the individual Unit Owners, the Board deems it necessary and desirable to establish procedures for dispute resolution in circumstances where there is a dispute between Unit Owners or between the Association and Unit Owners regarding compliance with the provisions of the Articles of Incorporation, the Master Deed, the By-Laws and the Rules and Regulations of the Association (collectively the "Condominium Documents"), thereby attempting to minimize the necessity of judicial intervention and litigation; and

WHEREAS, the Board has the power to enforce on its own behalf and on behalf of the Unit Owners, all of the provisions and restrictions set forth in the Condominium Documents including the regulation, appearance and use of the Units and Common Elements and has the authority to notify Unit Owners of activity which violates the Condominium Documents and to delegate its enforcement rights as herein provided; and,

WHEREAS, in accordance with the mandates of New Jersey law, the Board deems it necessary to adopt a uniform procedure for the resolution of Disputes between Unit Owners and the Association, and between Unit Owners, through a process of negotiation mediation and non-binding arbitration prior to the institution of binding arbitration or litigation.

NOW, THEREFORE, BE IT RESOLVED by the Board that the following ADR procedure be and it hereby is adopted, ratified and confirmed:

I. INITIAL EFFORTS TO RESOLVE DISPUTES

1. Any Unit Owner, Officer, Director or agent of the Association has the authority to request that a Unit Owner cease or correct any act or omission which appears to be in violation of the Condominium Documents. Such informal requests should be made before the formal ADR Procedure is initiated.

2. With respect to the use of any facility where a violation of the rules for the use of such facility might endanger life, limb, property or equity of the Association, 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 shall have the right to continue any such suspension until such time as the Dispute is finally resolved.

3. The Association, on its own initiative or upon the receipt of a formal written complaint from a Unit Owner may make initial attempts to secure compliance with the Condominium Documents through correspondence to the Unit Owner which states the time, date, place, and nature of the violation and which sets forth the time period in which the violation must be corrected ("Initial Notice"). Such Initial Notice shall indicate that the Unit Owner may elect, within ten (10) days after receipt of the Initial Notice, to proceed to mediation prior to the initiation of enforcement proceedings by the ADR Committee in the event the Unit Owner disputes the allegations contained in the Initial Notice. The Unit Owner shall make such an election by sending written notice to the Association of the Unit Owner's request to mediate ("Notice for Mediation").

4. If the Unit Owner, within the ten (10) day period, (i) does not deny in writing the allegations set forth in the Initial Notice or (ii) fails to make the election to proceed to mediation, all allegations contained in the Initial Notice shall be deemed admitted and the Board shall have the right to impose the sanctions listed in Paragraph 24 of this Resolution without any

further hearings or proceedings. The Initial Notice shall also advise the Unit Owner as to the consequences of failure to respond. If there is a written denial of such allegations and no election to proceed to mediation, the Dispute shall be promptly referred to the ADR Committee for a hearing and decision pursuant to the applicable Condominium Documents.

5. Either prior to the Unit Owner electing to proceed to mediation or after mediation has been elected but before it has commenced, the parties shall attempt in good faith to resolve any controversy, claim or dispute arising out of or relating to the Condominium Documents or the breach, enforceability or validity thereof promptly by negotiation between such parties. A Dispute shall not include issues relating to (i) the payment or nonpayment of regular and/or special common expense assessments levied against a Unit in accordance with the Condominium Documents, (ii) election issues, or (iii) alleged noncompliance by the Board with the Condominium Documents or applicable law. Should the parties fail to resolve the Dispute through negotiation within thirty (30) days after the receipt of the Initial Notice and the timely receipt of the Unit Owner's Notice for Mediation, then and in such event, the parties may proceed to mediation as provided hereafter.

II. MEDIATION OPTION

6. The formal mediation process may be initiated upon the written request of all parties to the Dispute or unilaterally by an individual Unit Owner, if the Association is a party to the Dispute (the "Request for Mediation"), the form of which shall be provided by the Association. The Request for Mediation shall contain a brief statement generally setting forth the source and nature of the Dispute. The Request shall be accompanied with a deposit in the amount of \$50.00 in case of a mediation by a member of the ADR Committee or \$200.00 in the case of any other qualified mediator. Said deposit shall be held in escrow by the Association's managing agent ("Escrow Agent") and applied against all costs of the 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 Request for Mediation shall result in a rejection of the Request for Mediation by the Association.

7. The mediation shall be conducted in accordance with the Mediation Rules of the American Arbitration Association (the "AAA") then in effect, and as modified by this Resolution. The mediator shall be a member of the ADR Committee or any other qualified mediator who is mutually acceptable to the parties or designated by the Chairperson of the ADR Committee if the parties cannot agree.

8. Promptly upon receipt of a Request for Mediation, together with the appropriate fee, the Association shall provide the parties with the names and resumes of (i) those members of the ADR Committee who are available to mediate the Dispute or (ii) three impartial persons from a list of impartial persons maintained by the Association and who would qualify as a mediator. If a member of the ADR Committee is not acceptable to all parties, the parties (i) shall attempt to select a mediator from the other names provided, or (ii) may agree on another person to act as mediator. If they are unable to agree on a mediator within five (5) days of the date of the Request for Mediation, the mediator shall be selected by the Chairperson of the ADR Committee. In the event of a Dispute between the Association and a Unit Owner, only the Unit Owner shall have the right to choose the mediator from the members of the ADR Committee or the other names provided. In all cases, the appropriate fee shall be paid to the Association prior to the appointment of the mediator.

9. Each party to the mediation may prepare and submit to the mediator, no later than 48 hours prior to the time scheduled for the mediation session contemplated by Paragraph 10, a written statement setting forth in ordinary and concise language the acts or omissions from which the Dispute arose (the "Position Statement"). The Position Statement should specify the specific provisions of the Condominium Documents which have been violated and/or the party's defense to the alleged violations. The Position Statement shall not (i) exceed three (3) type-written pages, (ii) be construed as a pleading nor (iii) limit the evidence the parties may later use in arbitration proceeding or at a civil trial, if mediation does not result in settlement. No responsive or supplemental statements shall be permitted.

10. Within five business (5) days after the mediator has been selected, both parties and their respective attorneys, if any, shall meet with the mediator for one mediation session of not more than four (4) hours. If the Dispute cannot be settled at such mediation session, or at any mutually agreed upon continuation thereof, the mediator may terminate the mediation at its sole discretion or any party may give written notice to the others and the mediator declaring the mediation process at the end, in which event the Dispute shall be promptly referred to the ADR Committee for a hearing and decision pursuant to the applicable Condominium Documents.

11. The mediator shall manage the mediation proceedings as the mediator deems best so as to make the mediation expeditious, economical and less burdensome than arbitration or litigation. The mediator shall be responsible for controlling the procedural aspects of the mediation proceedings. The mediator shall not have the authority to impose a settlement on the parties, but may make recommendations for settlement and assist the parties in trying to reach a satisfactory resolution of the Dispute.

12. If the parties agree to settle the Dispute as part of the mediation proceeding, such settlement shall be memorialized in a written agreement, signed at the conclusion of the mediation by each of the parties to the mediation (the "Settlement Agreement").

13. Mediation proceedings shall be conducted in private. Only the parties, their representatives and the mediator shall attend the proceedings. Other persons may attend only upon the express consent of the parties and the mediator. All proceedings of, or writings generated in connection with, the mediation conference, including the Position Statement, Settlement Agreement, mediator's settlement recommendations, and any statement made by any party, attorney or other participant, shall in all respects be considered as part of the settlement efforts and therefore privileged and non-admissible in a court of law or arbitration, and nothing said or disclosed, nor any document produced, which is not otherwise independently discoverable, shall be offered or received as evidence or used for impeachment of for any other purpose in any current or future arbitration proceedings or litigation, except that any party shall have the right to enforce the Settlement Agreement in accordance with its terms.

14. All costs of the mediation, including, without limitation, the fees of the mediator, if any, shall be shared equally by the parties to the Dispute. Should the escrow deposit be insufficient for this purpose, the parties shall deposit an additional sum with the Escrow Agent in an amount sufficient to cover the additional costs of the mediation.

III. EFFECTS OF ADR COMMITTEE DECISION

15. The ADR Committee shall hold a hearing on any unresolved Complaint within thirty (30) days after receipt of written notice of (i) any decision, other than an aggrieved party's default, not to proceed to mediation or (ii) the unsuccessful conclusion of mediation proceedings, whichever first occurs. In such event, all parties shall be given at least (10) days prior written notice of the right to be heard, with or without counsel, and the right to cross-examine witnesses with respect to the violations alleged in the Complaint. At the conclusion of the hearing, the ADR Committee shall have the right to either dismiss the charges or to impose the sanctions or remedies contemplated by Paragraph 24 of this Resolution. If the Dispute is ultimately heard and a decision is rendered by the ADR Committee ("Decision") pursuant to the Condominium Documents, the Decision shall be binding upon all parties unless an aggrieved party, other than the Association, initiates binding arbitration procedures or litigation within forty-five (45) days, if applicable, after receipt of written notice of the Decision. Moreover, the decision may not be appealed to the Board. If no such proceedings or litigation are formally commenced within such forty-five (45) day period, then a party may only seek judicial review of the Decision upon the grounds that it was obtained through fraud, corruption or misconduct or in contradiction of the Condominium Documents or New Jersey law.

16. If the Dispute is referred on a timely basis to binding arbitration after the ADR Committee renders a Decision, it shall be heard by a sole arbitrator acceptable to the parties who is certified by the Association and selected from a panel of 3 names supplied by the AAA. If they are unable to agree upon one of the persons or someone else to act as the AAA shall select arbitrator within the time limit imposed by the AAA, then the arbitrator. Referral of a Dispute to arbitration shall be by a party aggrieved by the Decision other than the Association. The arbitrator shall decide any issue as to whether or the extent to which the Dispute is subject to arbitration.

17. A formal arbitration proceeding shall be commenced upon the filing with the AAA of a Notice of Intent to Arbitrate (the "Arbitration Notice"). The form of Arbitration Notice shall be provided by the AAA. The Arbitration Notice shall contain a brief statement generally setting forth the source and nature of the Dispute, and shall be accompanied by the filing fee required by the AAA. By such submission of the Arbitration Notice, the aggrieved party acknowledges and confirms his intent to abandon his right to have the Dispute decided in court by a judge or jury.

18. The arbitration shall be conducted in accordance with the applicable Rules of the "AAA" then in effect, and as may be modified by this Resolution or by the arbitrator. The arbitration shall be governed by the substantive law of the State of New Jersey, and the judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

19. Within twenty (20) days after the appointment of an arbitrator, a preliminary hearing among the arbitrator, the parties and counsel for the parties, if represented, shall be held for the purpose of developing a plan for the management of the arbitration, which shall be memorialized in an appropriate order. The matters which may be addressed at the preliminary hearing include, without limitation, (a) definitions of issues; (b) scope, timing and types of discovery, if any; (c) schedule and place of hearings; (d) setting of other timetables; (e) submission of briefs; (f) whether, and to what extent, expert testimony will be required, whether the arbitrator should engage one or more neutral experts, and whether engagement of experts by the parties can be obviated or minimized; (g) whether, and to what extent, the direct testimony of witnesses will be received by affidavit; and (h) any other matters which would promote the efficient, expeditious and cost effective conduct of the proceeding. This preliminary hearing or order may be waived if the arbitrator deems it appropriate under the circumstances.

20. Requests for discovery shall be submitted to the arbitrator not less than ten (10) days prior to the preliminary hearing. Each party shall provide the other with copies of documents relevant to the issues raised by any claim or counterclaim. The arbitrator shall permit such relevant discovery as he/she shall determine is appropriate under the circumstances, taking into account the needs of the parties and the desirability of making discovery expeditious and cost effective. Such discovery may include production of requested documents and depositions, particularly of witnesses who will not appear personally before the arbitrator to testify, if there is a substantial, demonstrated need therefore. All discovery shall be completed within fifteen (15) days after the preliminary hearing unless extended by the arbitrator.

21. There shall be no dispositive motion practice. The arbitrator shall not be bound by the rules of evidence or of civil procedure, but may consider such writings and oral presentations as deemed reasonable by the arbitrator.

22. Any provisional remedy available from a court of law shall be available from the arbitrator to the parties pending final resolution of the Dispute. In the event a party deems it necessary to prevent irreparable harm from an alleged violation, such party may make an application to the arbitrator seeking preliminary injunctive relief to maintain the status quo or safeguard the property that is the subject of the Dispute until the arbitration award is rendered or the Dispute is otherwise resolved. If the arbitrator issues an injunction, the same may be enforced in the manner as any final award of the arbitrator.

23. A hearing on the Dispute shall be held within twenty (20) days of the preliminary hearing and shall be concluded with five (5) hearing days, which need not be consecutive. The time limits are included to expedite the proceeding, but are not jurisdictional. The arbitrator, for good cause, may allow reasonable extensions or delays, which shall not affect the validity of the award. The hearing may be held at any place within County of Hudson, State of New Jersey designated by the arbitrator. Each party shall attend the hearing.

24. The arbitrator shall, within thirty (30) days of the conclusion of the hearing, determine the claims of the parties and render a final award, in writing. The arbitrator may, but is not required to, provide a concise statement of the general basis for his/her conclusions. The award may be converted to a judgment and enforced in any court having jurisdiction to do so. The arbitration award may include (but is not limited to) the following remedies:

- (a) **Cease and Desist Order.** The arbitrator may issue a cease and desist order against a party prohibiting them from undertaking any action relating to the Dispute.
- (b) **Injunctive Relief or Specific Performance.** The arbitrator may issue an injunction or order specific performance of any obligation created under the Condominium Documents.
- (c) **Suspension of Privileges.** Disciplinary action imposed by the arbitrator may include suspending or conditioning the party's privileges to use the Association common elements and facilities. For any non-continuing infraction, such suspension shall be for a period of not more than thirty (30) days. For a continuing infraction, suspension may be imposed for so long as the violation continues.
- (d) **Award of Damages.** The arbitrator may assess damages, if any, against a party. The amount of damages to be assessed shall be determined according to the proofs in each case. For any violation, the damages to be assessed shall at least be such an amount as is required to compensate the opposing party or the Association for actual damages incurred. In no event shall the amount of damages assessed exceed the actual damages incurred by the opposing party or the Association. The arbitrator shall have no authority to award punitive damages or other damages not measured by the prevailing party's actual damages.
- (e) **Fines and Other Remedies.** The arbitrator shall also have the right to impose fines to the extent permitted under the Condominium Documents and by law.

25. Within thirty (30) days after delivery of an award to the parties, the arbitrator may make corrections on his/her own initiative, and corrections requested by a party, provided all such corrections are made in writing.

26. The arbitrator shall base his/her award on the provisions of the applicable Condominium Documents, and shall endeavor to follow the law and judicial precedent which a New Jersey Superior Court Judge sitting in Hudson County would apply in the event the Dispute were litigated in such Court. The arbitrator shall have no power or authority to render any judgment or award that is in contravention of the Condominium Documents or is clearly erroneous in its application of substantive law, and any such judgment or award shall not be eligible for confirmation.

27. The arbitrator may award all or a part of a party's reasonable attorney's fees and costs associated with the arbitration, including the filing fee, taking into account the final result of the arbitration proceeding, the conduct of the parties and their counsel in the course of the arbitration and other relevant factors. The arbitrator shall, in the final award, assess the amount of the costs of the proceedings. However, in the absence of a specific award, all arbitration costs, including the arbitrator's fees, if any, shall be shared equally by the parties to the Dispute. Should the escrow deposit be insufficient for this purpose, the parties shall deposit in advance an additional sum with the Escrow Agent in an amount sufficient to cover the additional costs of the arbitration.

28. Within forty-five (45) days after receipt of the award any aggrieved party may seek judicial review of the arbitration award solely and exclusively upon the grounds that it was obtained through fraud, corruption or misconduct, or in the event that the arbitrator's award is in direct contravention of the Condominium Documents or clearly erroneous in its application of New Jersey substantive law.

Any suit, action or proceeding, whether at law or in equity and including any declaratory judgment or similar suit or action constituting or pertaining to such judicial review, shall be instituted in the Superior Court of the State of New Jersey. If any award is reviewed, the prevailing party shall be entitled to recover from the non-prevailing party all costs and reasonable attorney's fees incurred in the review proceedings.

29. If judicial review is not commenced within forty-five (45) days after transmittal of the award, the arbitration award shall be deemed binding upon all of the parties. Thereafter, such award may be converted to a judgment and enforced in any court having jurisdiction to do so.

IV. GENERAL

30. A tenant shall have the right to avail himself of the ADR procedure upon submission to the Association of written authorization by the Unit Owner of the Unit in which the tenant resides.

31. Any member(s) of the ADR Committee who serves as an arbitrator shall seek and be bound by the advice of the Association's counsel regarding any substantive or procedural legal issues.

32. Counsel for the Association shall be present at all arbitration hearings conducted by a member(s) of the ADR Committee and may also act as the hearing officer if so designated by the Chairperson of the ADR Committee. Otherwise, the person presiding over each hearing shall be that member of the ADR Committee designated by the ADR Committee Chairperson.

33. Any inadvertent omission or failure to conduct an adversary proceeding in exact conformity with this Resolution shall not invalidate the results or such proceeding, so long as a prudent and reasonable attempt has been made to ensure due process according to the general steps set forth herein.

34. All administrative costs for mediation or arbitration, including any fees and expenses of the mediator and/or arbitrator(s) shall be borne equally by the parties to the Dispute. In addition, the ADR Committee Chairperson shall require an advance deposit from the parties to cover their respective shares of any estimated fees and expenses of the mediator and/or arbitrator for the period up to and including the initial hearing.

35. The policy established in this Resolution shall become effective on May 1, 2003, shall apply to the use of the Condominium property from and after that date. This Resolution supersedes all prior Resolutions regarding Alternative Dispute Resolution.

WILLOW PARK CONDOMINIUM ASSOCIATION, INC.

c/o Delev Management Corp.

12 Furler Street

P.O. Box 145

Totowa, New Jersey 07512

COMPLAINT FORM

This Complaint is the first step in the process of trying to resolve a dispute between owners and residents in "Willow Park." When this form has been completed it should be mailed or delivered to Delev Management Corp. at the above address. This form will be given to the person with whom you have a dispute. That person will be given an opportunity to stop the behavior about which you are complaining, or to request a hearing pursuant to the Alternative Dispute Resolution provisions of the Condominium and consistent with the Statutes of the State of New Jersey. When you transmit this form to the management company please provide a daytime telephone number where you may be reached. Your contact information will not be given out. This form is not for disputes with the Condominium Association.

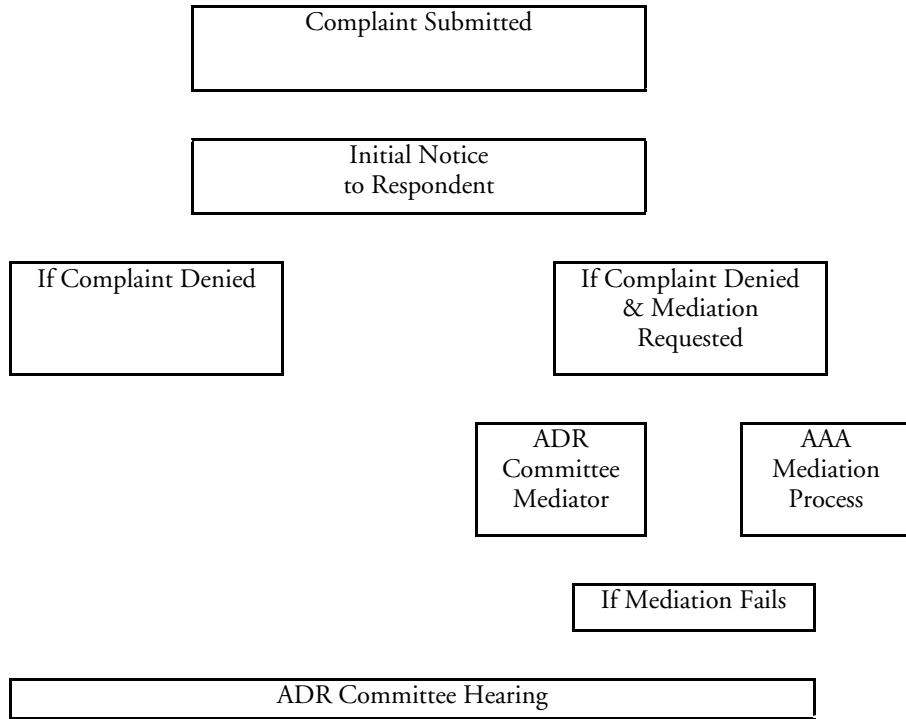
<i>The Person Making the Complaint:</i>	
Name:	
Apartment #:	

<i>The Person to Whom the Complaint is Directed:</i>	
Name:	
Apartment #:	

<i>The Nature of the Complaint:</i>
Description: (Briefly describe the problem. If you need more space attach a separate sheet.)
Date: _____, 2003 Time of day: _____ Where: _____

Rule Violation: (If you are asserting a violation of a particular rule or covenant, please tell us which one.)

Signature:
Date:



<i>For Office Use Only:</i>			
Name of Complainant:			
Complainant's Telephone Number:	Daytime:	Evening:	
Name of Respondent:			
Respondent's Telephone Number:	Daytime:	Evening:	
Date Complaint Received:			
Date Respondent Notified:			
ADR Hearing Requested?	Yes:		No:

(To be typed on management company letterhead)

Notification of Complaint

Hoboken, New Jersey

Re: Violation of Rules or Covenants

Dear _____:

This letter is to notify you that a complaint has been filed against you as resident of Willow Park. The complaint alleges that on _____, 2003 [date of violation], at approximately _____ [time] you _____ [nature of violation] at _____ [location of event]. You are required to cease and desist from the behavior complained of on or before _____, 2003. (10 days from the date of this notice). If you fail to do so, and you have not responded to the Complaint as hereafter provided, you may be subject to action by the Condominium Association, including but not limited to the imposition of fines, or legal action to compel you to change your behavior.

You have a right to dispute the allegations in the Complaint and to request a hearing before either (a) the Willow Park ADR Committee; or, (b) with a mediator. The Alternative Dispute Resolution of "Willow Park" sets forth the procedure, and a copy is enclosed for your reference. We also enclose a form of Request for Mediation in the event you wish to complete and submit it.

If you wish to discuss this matter further, please contact the undersigned.

Very truly yours,
Delev Management Corp.

By: _____
Thomas Marsich

TM/

Cc: Board of Trustees
John R. Dusinberre, Esq.

