

**ONE OCEAN AVENUE
CONDOMINIUM ASSOCIATION**

RESOLUTION NO. 2007-1

ALTERNATIVE DISPUTE RESOLUTION (ADR) POLICY

WHEREAS the One Ocean Avenue Condominium Association (the “Association”) is a non-profit corporation of the State of New Jersey organized pursuant to Title 15 of New Jersey Statutes and the membership consists of each of the Unit Owners of One Ocean Avenue condominium complex;

WHEREAS, the New Jersey Condominium Act specifically N.J.S.A. 46-8B-15 requires that the Association provide a fair and efficient procedure for the resolution of housing-related disputes between individual Unit Owners and the Association to be readily available as an alternative to litigation; and

WHEREAS, the Association’s Board of Directors (hereinafter the “Board”) is charged with the responsibility with managing the affairs of the Association under the Association’s Master Deed and By-Laws (hereinafter the “governing documents”)

WHEREAS, the Board believes it necessary and reasonable to adopt such an alternate dispute resolution procedure;

NOW, THEREFORE BE IT RESOLVED AS FOLLOWS:

1. In the event that it is determined by the Board that any Unit Owner or any tenant or guest has violated any provision of the Association’s governing documents, rule or regulation, New Jersey Condominium Act or any other applicable law, municipal ordinance, or regulation, the Board shall notify the said Unit Owner in writing of the violation and request that such conduct be corrected or ceased immediately. The notice shall hereinafter be referred to as

“Notice of Violation.” The Notice of Violation shall state time, date, place, and nature of the violation and the appropriate time period to remedy the violation.

2. The Notice of Violation shall further state that if the Unit Owner disputes the allegations in the Notice of Violation, he may elect to have the dispute resolved through mediation and that such an election to proceed with mediation shall be made within ten (10) days after receipt of the Notice of Violation. If the Unit Owner does not notify the Association in writing within ten (10) days after receipt of the Notice of Violation that he wants to mediate the dispute, the Unit Owner will have waived his right to mediate the dispute. All correspondence and notices to the Association shall be made to the Association’s managing agent in writing.

3. If the Unit Owner requests mediation, the written request shall contain a brief statement setting forth the basis of the Unit Owner’s disagreement with the Notice of Violation.

4. The mediation shall be conducted in accordance with the mediation rules of the American Arbitration Association (“AAA”) then in effect, and as modified by this Resolution, by a mediator mutually selected by the parties. The Association shall maintain a list of impartial persons who are qualified to serve as mediator. Mediators shall not be a current member of the Board of Directors of the Association, however, there shall be no prohibition against prior Board members serving as mediator. Upon receipt of a request by a Unit Owner for mediation, the Association shall provide the parties with the names and qualification of three (3) impartial persons who could serve as mediators. The parties shall designate from the names provided the person who shall serve as a mediator or the parties may mutually agree on another qualified person to act as mediator. If the parties are unable to agree on a mediator within five (5) days of the date for mediation, the mediator shall be selected by the President of the Association.

5. Within seven (7) days after the mediator has been selected, the parties shall meet with the mediator for one (1) session to last not more than two (2) hours. If the dispute is not resolved during this mediation session or any mutually agreed continuation, thereof, a party may notify the other party and the mediator in writing that the mediation process has concluded.

6. The mediator shall be responsible for controlling the procedural aspects of the mediation proceedings and may make a recommendation for settlement and assist the parties in reaching a satisfactory resolution of the dispute. The mediator's recommendations are not binding on either party and the mediator shall not have the authority to impose a settlement on either of the parties. The mediation shall be conducted in private and only the parties, their representatives, and the mediator shall be present. Other persons may attend only upon the express consent of the parties and mediator. All mediation proceedings, discussions, and documents generated in connection with the mediation including any settlement agreements shall be in all respects considered settlement negotiations and privileged. As such, these items may be offered or received as evidence in any legal proceeding or used for any other purpose other than settlement. Notwithstanding the foregoing, either party shall have the right to enforce a settlement agreement in accordance with its terms.

7. A tenant of any Unit Owner shall be entitled to avail himself of the alternative dispute resolution provided for herein upon submission to the Association of written authorization by the unit in which the tenant resides. However, the Association's submission to mediation with the tenant shall not operate to relieve the Unit Owner of any obligations, liability, or responsibility for the tenants' conduct. The Unit Owner must also comply with the procedures in this Resolution independently of the tenant's request for mediation if the Unit Owner wishes to participate in the alternative dispute resolution process. If the Unit Owner does not so notify

the Association that he wishes to pursue mediation, the Unit Owner shall be deemed to have waived his right to alternative dispute resolution.

8. If the parties agree to resolve the dispute, the agreement shall be memorialized in a written agreement signed by each of the parties to the mediation.

9. Costs. All costs of the mediation, including without limitations, the fees of the mediator shall be shared equally between the parties. The Unit Owner will be required to make a deposit for the mediation in the amount of \$150.00 which will be held in escrow by counsel for the Association and applied against all costs of the mediation, including but not limited to, the fees of the mediator. The escrow funds shall be released as directed by the mediator unless the parties agree otherwise in writing. If the Unit Owner does not make the required deposit before the mediator, the Unit Owner will be deemed to have waived his right to mediate the dispute. If the escrow deposit is insufficient for this purpose, the parties shall deposit an additional sum for the Association to cover the additional costs of the mediation.

10. Non-Applicability to Common Expense Assessments. The mediation process shall not be available for issues regarding the payment or non-payment of regular and/or common expense assessments assessed against the Unit Owner in accordance with the Association's governing documents.

11. Any inadvertent omission or failure to conduct any proceeding in exact conformity with this Resolution shall not invalidate the results of such proceeding provided that a prudent and reasonable attempt has been made to insure due process according to the general steps set forth herein and in the New Jersey Condominium Act.

12. Effective Date. This Resolution shall become effective on execution of this document.

