

POLICY FOR ALTERNATIVE DISPUTE RESOLUTION

I. DEFINITIONS

As used in this Policy for Alternative Dispute Resolution (this “Policy”), the following terms shall have the meanings indicated:

- a. “ADR” is alternative dispute resolution through non-binding mediation as set forth in this Policy;
- b. “ADR Agent” means the Manager or other agent designated by the ADR Committee;
- c. “ADR Costs” has the meaning given in Article V, Section 7;
- d. “Application” has the meaning given in the Architectural Guidelines;
- e. “Architectural Guidelines” means The Radburn Association’s Guidelines of Architectural Control, as adopted by the Board and in effect;
- f. “Association” means The Radburn Association;
- g. “Board” means the Board of Trustees of the Association;
- h. “Bylaws” means the Bylaws of the Association, as amended and in effect;
- i. “Complainant” means the party filing the Complaint;
- j. “Complaint” means the written complaint submitted by the Complainant to the ADR Agent that satisfies each of the following requirements:
 - (i) it shall be completed and submitted in duplicate on the official, approved, printed ADR Form of the Association (the “Form”) made available by the ADR Agent;
 - (ii) it shall allege a single Violation (i.e., if multiple violations are alleged, each must be the subject of a separate Complaint);
 - (iii) it shall contain the name and address of the Complainant;
 - (iv) it shall set forth in clear and concise language the time, date, place, and specific nature (including the persons involved) of the Violation and refer to the specific provision of the Governing Documents alleged to have been violated;
 - (v) it shall be signed by the Complainant;

- (vi) it shall request that if the ADR Committee determines that the Violation is Eligible for ADR, that the Complaint be referred to a mediator for ADR;
 - (vii) it shall be accompanied by the payment in full of any arrearages in the payment of the Radburn Fund Charge, Radburn assessments or Radburn special assessments, owed by the Complainant;
 - (viii) it shall include submission of the Non-Refundable Fee and the Escrow Deposit towards the payment of the Complainant's share of the ADR Costs, if the Complainant is not the Association; and
 - (ix) if the Complainant is an Owner or Resident, the Respondent may only be the Association and shall not be another Owner or Resident.
- k. "Declaration of Restrictions" means the Declaration of Restrictions No. 1 Affecting Radburn, Property of City Housing Corporation in the Borough of Fair Lawn, Bergen County, New Jersey, dated March 15, 1929, recorded on April 8, 1929 in the office of the Clerk of Bergen County, New Jersey, in Book 1643 at pages 177, etc. of Deeds, as amended and in effect;
 - l. "Eligible for ADR" has the meaning given in Article IV, Section 3.
 - m. "Escrow Deposit" has the meaning given in Article II, Section 7;
 - n. "Form" has the meaning given in this Article I, (j)(i).
 - o. "Governing Documents" means the Certificate of Incorporation of the Association, the Declaration of Restrictions, the Bylaws, the Architectural Guidelines, and the Policy for Certain Procedures Concerning Meetings of the Board at Which Binding Votes are Taken;
 - p. "Manager" means the Manager of the Association;
 - q. "Non-refundable Fee" has the meaning given in Article II, Section 7;
 - r. "Owner" means any owner of a Property;
 - s. "Property" means any property subject to the Declaration of Restrictions;
 - t. "Resident" means any individual over the age of eighteen (18) who resides in the Property;
 - u. "Respondent" means the party against whom a Complaint is filed, and may be the Association (so long as the Complainant is an Owner or Resident), or an Owner or Resident (so long as the Association is the Complainant); and

- v. “Violation” means an alleged violation of the Governing Documents by the Respondent.

II. SUMMARY OF PURPOSE AND INTENT

The purpose and intent of this Policy is to provide, in circumstances where a Violation is Eligible for ADR, access to mediation, as set forth in this Policy, as an alternative to litigation. The basic premises of this Policy are as follows:

1. ADR enables an impartial third-party to mediate between the Complainant and the Respondent, increasing the likelihood of resolution without costly litigation. ADR does not guarantee a resolution of the Dispute.

2. Any Owner or Resident may file a Complaint alleging a violation by the Association of its Governing Documents, and the Association may file a Complaint alleging a violation by an Owner or Resident of the Governing Documents. The party filing the Complaint is referred to as the “Complainant,” and the party against whom the violation is alleged is referred to as the “Respondent.” Each alleged violation of the Governing Documents is referred to as a “Violation.” A Complaint is not a means for expressing disagreement or dissatisfaction with a Governing Document. A Complaint is only a means for alleging a Violation.

3. A Violation must be Eligible for ADR to result in ADR. As not every Violation alleged in a Complaint shall be Eligible for ADR, not every Complaint shall result in ADR. The determination as to whether a Violation is Eligible for ADR shall be made by the ADR Committee. Article IV, Section 3 sets forth the criteria the ADR Committee uses to determine whether a Violation is “Eligible for ADR”.

4. Some examples of the types of alleged violations of Governing Documents that are not Eligible for ADR are Violations relating to assessments, election issues, and discretionary decisions of the Board or its agents (including, without limitation, the Manager) or its committees. ADR is not available to an Owner or Resident: (i) challenging the payment of the Radburn Charge; (ii) challenging the Board election process; (iii) dissatisfied with a discretionary decision that was made by the Board or its agents or committees, although a decision of the Committee on Architecture regarding an Application and a decision of the Board in an appeal of the Committee on Architecture’s decision may be Eligible for ADR; or (iv) where the Violation affects or harms the Association and/or all Owners or Residents, rather than the Complainant individually. ADR is unavailable for those types of alleged violations of the Governing Documents.

5. This Policy and the provision of ADR do not replace the Application and the appeal process that exist under the Architectural Guidelines. The Association continues to require Owners to make Applications under the Architectural Guidelines, and Owners may appeal decisions of the Committee on Architecture to the Board, in accordance with the Architectural Guidelines. An alleged violation of the Architectural Guidelines concerning an

Application may be Eligible for ADR after the appeal to the Board has been decided. This is the case notwithstanding that a decision of the Committee on Architecture and the decision of the Board in respect of the appeal are discretionary. Complaints alleging a violation of the Architectural Guidelines may not be filed until the Application and appeal process is completed.

6. No party is obligated to file a Complaint. An Owner or Resident is never obligated by this Policy to proceed to ADR. However, if an Owner or Resident files a Complaint and the ADR Committee determines that the Violation is Eligible for ADR, then the Association will be obligated to proceed to ADR, subject to the provisions of this Policy.

7. Any Owner or Resident filing a Complaint shall be charged a non-refundable fee of \$150.00 (the "Non-refundable Fee") to help defray the Association's expenses in administering this Policy. In addition to the Non-refundable Fee, the costs and expenses of ADR (i.e., the mediator's fees and expenses and any out-of-pocket expenses that are not incurred individually by the parties) shall be shared equally by the parties. If the Complainant is an Owner or Resident, the Complainant shall submit to the ADR Agent, together with the Complaint and the Non-refundable Fee, an initial deposit of \$850.00 to be applied to the Complainant's share of the ADR Costs (the "Escrow Deposit"). If the Association is the Complainant, the Escrow Deposit shall be submitted by the Respondent prior to the commencement of ADR. In either case, the ADR Agent may require the Owner's or Resident's Escrow Deposit to be increased, if the ADR Agent determines that the Escrow Deposit is insufficient to cover the Owner's or Resident's share of the ADR Costs.

8. This Policy includes the establishment of the ADR Committee and the delineation of the types of Violations that are Eligible for ADR.

9. This Policy sets forth the procedures and requirements for filing Complaints.

10. This Policy sets forth the procedures and requirements for the ADR Committee to review and refer such Complaint to ADR if the ADR Committee determines that the Violation is Eligible for ADR.

11. This Policy sets forth the procedures and requirements of ADR and the powers of the mediator.

III. ESTABLISHMENT OF THE ADR COMMITTEE

1. The Board shall establish an ADR Committee to review Complaints submitted to it by a Complainant to determine whether the Violation set forth in the Complaint is Eligible for ADR.

2. The ADR Committee shall consist of three (3) individual Owners appointed by the Board. No sitting Trustee of the Board shall be appointed to serve simultaneously as a member of the ADR Committee.

3. The Board may appoint up to three (3) individual Owners, who are not sitting Trustees of the Board, as alternates, who shall serve on the ADR Committee when a member is not available or is disqualified. Alternates shall serve on a rotating basis.

4. The President of the Board shall appoint one of the three ADR Committee members as Chairperson.

5. The Board shall appoint the initial three members of the ADR Committee for terms of one (1), two (2), and three (3) years, respectively. The Board shall appoint the initial three alternates for terms of one (1), two (2), and three (3) years, respectively. Thereafter, upon expiration of such terms, members and alternates shall be appointed to serve for three (3) year terms, and may be reappointed for one (1) year terms. In the event of a vacancy, the Board shall appoint a replacement and may appoint an alternate to the position of member.

6. A quorum shall be three (3) members and/or alternates.

IV. PROCEDURE FOR FILING COMPLAINTS

1. In the event that any Complainant has a genuine, good-faith claim of a Violation and such Violation has not been the subject of a prior Complaint by the Complainant, the Complainant may file a Complaint with the ADR Committee, by submitting the Complaint to the ADR Agent who shall forward the Complaint to the ADR Committee within ten (10) business days of receipt thereof. Simultaneously with the filing of the Complaint, the Complainant shall mail a copy of the Complaint to the Respondent, at the address of the Respondent on the records of the Association, via certified mail, return receipt requested. The ADR Agent shall review any written complaint submitted by an Owner, Resident or the Association on the Form to determine whether it satisfies the requirements to constitute a Complaint. In the event the ADR Agent determines that a written complaint submitted on the Form does not satisfy the requirements to constitute a Complaint, the ADR Agent shall return the non-qualifying written complaint to the party that submitted same and shall indicate which of the requirements has/have not been satisfied. The Complainant may modify and resubmit the written complaint to the ADR Agent. The ADR Agent shall not forward to the ADR Committee any written complaint submitted on the Form unless and until the ADR Agent has determined that such written complaint satisfies the requirements of a Complaint and, therefore, constitutes a Complaint. In the event that the ADR Agent inadvertently forwards to the ADR Committee a non-complying written complaint, the ADR Committee shall not be obligated to review the written complaint or refer the matter to ADR.

2. Upon receipt of a Complaint, the ADR Committee may request that the ADR Agent or a member of the ADR Committee make a preliminary investigation and promptly report to the ADR Committee. If a resolution of the Complaint has been reached, the ADR Committee shall request that the Complaint be withdrawn. If no resolution has been reached, the ADR Committee shall meet to determine whether the Violation is Eligible for ADR.

3. The Violation alleged in the Complaint is “Eligible for ADR,” provided that the ADR Committee determines that:

- (i) the Violation does not relate to the payment or non-payment of the Radburn Fund Charge, Radburn assessments or Radburn special charges levied against an Owner in accordance with the Governing Documents;
- (ii) the Violation does not relate to election issues;
- (iii) the Violation does not relate to a decision of the Board or its agents (including, without limitation, the Manager) or its committees, that is within the discretion of the Board or its agents (including, without limitation, the Manager) or its committees, unless the discretionary decision at issue is the discretionary decision of the Committee on Architecture regarding an Application and/or the discretionary decision of the Board in an appeal to the Board of such discretionary decision of the Committee on Architecture;
- (iv) the Violation affects or harms the Complainant individually, rather than the Association, and/or all Owners or Residents;

AND

- (v) if the Violation is an alleged violation of the Architectural Guidelines (or Articles Three, Four, and Six of the Declaration of Restrictions, as such requirements are more fully set forth in the Architectural Guidelines), then (1) the Complainant shall have first filed an Application with respect to the subject of the Violation; (2) the Complainant shall have appealed the Committee on Architecture's decision to the Board pursuant to Section 5.3 of the Architectural Guidelines, and (3) such appeal shall have been decided by the Board.

4. Within thirty (30) calendar days of receipt of a Complaint from the ADR Agent, the ADR Committee shall meet and render a written decision that shall be transmitted to the Complainant and the Respondent within such 30-day period regarding whether the Violation alleged by the Complaint is Eligible for ADR; provided, however, that if additional information or time for evaluation is required by the ADR Committee to render its decision, a written request for such information or written notice advising of the additional time required shall be given to the Complainant or the Respondent, as the case may be, within such 30-day period, and the ADR Committee shall then meet and render a written decision that shall be transmitted to the Complainant and the Respondent within fifteen (15) calendar days of receipt of such additional information or within fifteen (15) calendar days of the date stated in the notice of additional time, whichever is later.

5. If the ADR Committee decides that the Violation alleged by the Complaint is not Eligible for ADR, or if the ADR Committee determines that the "Complaint" is deficient in one or more respects and does not satisfy the requirements of a Complaint, then the ADR Committee shall give written notice to the Complainant and the Respondent of such decision including the reasons for such decision, and, if the Complainant was not the Association, shall refund the

Escrow Deposit to the Complainant, but the Association shall retain the Non-refundable Fee. If the ADR Committee decides that the Violation alleged in the Complaint is Eligible for ADR, the ADR Committee shall give written notice of its decision to the Complainant and the Respondent. The decision of the ADR Committee as to whether the Violation alleged in the Complaint is Eligible for ADR shall be final and binding.

6. If the ADR Committee decides that the Violation alleged in the Complaint is not Eligible for ADR, the ADR Committee, nonetheless, may recommend to the Board that it consider offering to mediate the matter as an alternative to litigation. Any such discretionary decision of the ADR Committee or the Board to mediate the matter shall not render the Violation Eligible for ADR and shall not obligate the Board in any manner whatsoever.

7. Any written notice of a decision by the ADR Committee that the Violation alleged in the Complaint is Eligible for ADR shall include the name of the mediator to whom the ADR Committee is referring the Complaint and the hourly fee charged by such mediator; provided, however, that if the Complainant is the Association, the written notice shall state that the Complaint will be referred to ADR only in the event that the Respondent agrees to proceed to ADR by submitting the Escrow Deposit to the ADR Agent within ten (10) business days of the written notice of such decision. Upon receipt of such Escrow Deposit, the ADR Committee shall, within five (5) business days, send a written notice to the Complainant and the Respondent notifying the parties of the name of the mediator to whom the ADR Committee is referring the Complaint and the hourly fee charged by such mediator.

8. Except as expressly required by this Policy to be disclosed, or as required to be disclosed to the Board, the ADR Agent or the mediator in order to facilitate ADR, the ADR Committee shall keep confidential (i) the Complaint; (ii) all of its deliberations and discussions regarding whether a Violation is Eligible for ADR; and (iii) its decisions regarding whether a Violation is Eligible for ADR.

V. MEDIATION

1. Provided that the ADR Agent receives the required Escrow Deposit (whether in connection with the filing of the Complaint if the Complainant is an Owner or Resident, or upon receipt of the written notice of the ADR Committee of eligibility for ADR if the Complainant is the Association), if the ADR Committee determines that the Violation alleged in the Complaint is Eligible for ADR, the ADR Committee shall refer the matter to a mediator and provide such mediator with a copy of the Complaint. The mediator shall be selected by the ADR Committee from a list of approved mediators obtained and maintained by the Board. The mediator shall be an impartial, independent neutral. No mediator may be an Owner or Resident, or a sitting Trustee of the Board.

2. The parties may, but shall not be obligated to, be represented by an attorney or attorneys of their own choosing, at their own expense. The mediator shall contact the parties to schedule a mediation session, may discuss the Complaint and the Violation with either or both of the parties and their respective attorneys, if applicable, and may request that the parties each prepare and submit to the mediator, and to each other, if consented to by both parties, no later

than one week prior to the time scheduled for the mediation session, a written statement setting forth in ordinary and concise language the acts or omissions from which the Violation arose (the "Position Statement"). The Position Statement should specify the provision of the Governing Documents that has allegedly been violated and/or the party's defense to the Violation. The Position Statement shall be kept confidential by the mediator and shall not (i) be shared by the mediator with the other party; (ii) exceed three (3) typewritten pages; (iii) be construed as a pleading; (iv) satisfy any discovery obligation; and (v) limit the evidence the parties may later use in a litigation, if mediation does not result in settlement. No responsive or supplemental statements shall be permitted.

3. Unless the Complaint is resolved prior thereto, within fourteen calendar (14) days after the mediator has been selected, both parties and their respective attorneys, if any, shall meet with the mediator, at a time scheduled by the mediator and mutually agreeable to the parties, for one mediation session of not more than four (4) hours (as determined by the mediator, within such parameters). The mediator shall conduct the mediation session and shall have the discretion to declare the mediation session ended. If the Complaint is not settled at such mediation session, or at any mutually agreed continuation thereof, the mediator may terminate the mediation in his or her sole discretion, or any party may give written notice to the other and the mediator declaring the mediation process at an end, in which case ADR shall terminate.

4. The mediator shall manage the mediation proceedings as the mediator deems best so as to make it expeditious, economical, and less burdensome than litigation. The mediator shall control 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 reaching a satisfactory resolution of the Complaint. All mediation sessions, other than telephonic mediation sessions, shall take place at the Grange. Once a mediation session has been scheduled, if it is canceled more than once by the party requesting the said mediation, ADR shall terminate, unless both parties agree to continue.

5. If the parties agree to settle the Complaint as the result of the mediation proceedings, such settlement shall be memorialized in a written agreement, prepared by the mediator and signed at the conclusion of the mediation by each of the parties to the mediation (the "Settlement Agreement"), and ADR shall terminate.

6. Mediation proceedings shall be conducted in private. The Association may condition its participation in mediation on the Owner's or Resident's execution of a confidentiality agreement. Only the parties, their attorneys, if any, and the mediator shall attend the proceedings. Other persons may attend only upon the express written consent of the parties and the mediator. All proceedings of, or writings generated in connection with, the mediation session, including the Position Statement, Settlement Agreement, mediator's settlement recommendations, and any statement made by any party, their attorneys or other participants (if permitted), shall in all respects be considered as part of the settlement efforts and therefore non-admissible in a court of law. Nothing said or disclosed in connection with ADR, nor any document produced in connection with ADR, which is not otherwise independently known or discovered in litigation (whether concurrent or subsequent to ADR), shall be offered or received as evidence or used for impeachment or for any other purpose in any litigation (whether

concurrent or subsequent to ADR), except that either party shall have the right to enforce the Settlement Agreement in accordance with its terms.

7. All costs (other than any costs or expenses incurred individually by the parties, such as any attorney fees) of the mediation, including without limitation the fees of the mediator (the "ADR Costs"), shall be shared equally between the parties to ADR. Should it appear that the Escrow Deposit will be insufficient for this purpose, the Owner or Resident, as the case may be, shall be required, in the ADR Committee's discretion, to increase the Escrow Deposit by depositing an amount sufficient to satisfy the Owner's or Resident's share of the additional costs of the mediation. During the mediation, the ADR Committee shall have the authority to make payments (utilizing the Escrow Deposit and equal contributions by the Association) of ADR Costs. Upon the conclusion of the mediation, any remaining Escrow Deposit not required for payment of the Owner's or Resident's share of ADR Costs, shall be returned, without interest, to the Owner or Resident.

VI. GENERAL

1. Nothing in this Policy shall limit or in any way prohibit the Association from taking any action or seeking any temporary, preliminary, and/or permanent injunctive relief (and no liability shall result from taking any action or seeking any injunctive relief) in any of the following instances: (i) where the Association determines prompt or immediate relief (injunctive or otherwise) is necessary; or (ii) where it is apparent that a Violation is not Eligible for ADR. By way of example, and without limitation, immediate relief may be sought where the Violation involves the non-payment of the Radburn Charge or where construction has been commenced without approval of an Application pursuant to the Architectural Guidelines.

2. This Policy may be modified in whole or in part at any time by the Board.

VII. EFFECTIVE DATE

This Policy shall be effective ninety (90) days from the date of its adoption.

Adopted: July 17, 2006