

ISSUE #1

Section 1: [Article VI, Section 6.08] Developer Exemption from Common Expense Assessments

Following the first conveyance, the Owners of Homes to whom title has been conveyed shall be responsible for payment of Common Expenses assessed against their Homes. The Developer shall not be responsible for payment of any Common Expenses assessed against Homes owned by it for which an initial Certificate of Occupancy has been issued. The Developer shall also not be responsible for the payment of any costs associated with the Common Property within any Phase which has been subjected to the Declaration by the recordation of an Amendment and Supplement.

MARKUP #1 ->

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Article VI, Section 6.08 (p. 1): Exempts the Developer from paying Common Expenses on completed Homes owned by the Developer that have received an initial Certificate of Occupancy and on Common Property in annexed phases.

Statutory / Legal Reference: N.J.A.C. 5:26-8.6(b) & N.J.S.A. 45:22A-46

Statutory Comparison: Under New Jersey Planned Real Estate Development Full Disclosure Act (PREDFDA) regulations, N.J.A.C. 5:26-8.6(b), a developer cannot exempt completed lots/homes with a Certificate of Occupancy from common expense assessments at the expense of individual homeowners unless the developer subsidizes the entire budget deficit.

CURRENT WORDING IN DOCUMENT:

[Article VI, Section 6.08] Developer Exemption from Common Expense Assessments - Following the first conveyance, the Owners of Homes to whom title has been conveyed shall be responsible for payment of Common Expenses assessed against their Homes. The Developer shall not be responsible for payment of any Common Expenses assessed against Homes owned by it for which an initial Certificate of Occupancy has been issued. The Developer shall also not be responsible for the payment of any costs associated with the Common Property within any P

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Article VI, Section 6.08 ([Article VI, Section 6.08] Developer Exemption from Common Expense Assessments - Following the first conveyance, the Owners of Homes to whom title has been conveyed shall be responsible for payment of Common Expenses assessed against their Homes. The Developer shall not be responsible for payment of any Common Expenses assessed against Homes owned by it for which an initial Certificate of Occupancy has been issued. The Developer shall also not be responsible for the payment of any costs associated with the Common Property within any Phase which has been subjected to the Declaration by the recordation of an Amendment and Supplement.) to conform with N.J.A.C. 5:26-8.6(b) & N.J.S.A. 45:22A-46 and the manual attorney audit recommendations for The Village Grande at Little Mill Homeowners Association, Inc..