



Lake Parsippany Property Owners Association

P. O. Box 62
Lake Parsippany, New Jersey 07054

The Lake Parsippany Property Owners Association (LPPOA) was formed in 1933 and has managed the Lake and property funded solely on the dues of membership. The LPPOA is the organization that manages Lake Parsippany and the associated property. The management of The Lake includes paying property taxes, lawn and tree care, property and liability insurance, water quality management, property maintenance, staffing of the beaches, and management of activities.

The LPPOA is investigating the feasibility and possibility of implementing an easement assessment on all property owners for certain expenses related to maintenance of the common areas within the boundaries of the original purchase tract of Lake Parsippany. The following language found in deeds in the title searches: "together with the right to use, in common with others, the waters of Lake Parsippany for bathing, boating and fishing." This language gives property owners an "easement" over the LPPOA property.

An easement is generally the right in the land of another; it does not give the holder a right of possession of the land subject to the easement, but gives a right to the burdened property.

The rights given to property owners in Lake Parsippany for the use of the lake for bathing, boating and fishing would be considered an easement. Moreover, the language in the restrictions indicates that the easement runs to each property owner in the chain of title for that property, which benefits all current owners, even if the easement language is not in the current deed. As a part of the investigation into the feasibility of an Easement Assessment the LPPOA has verified this understanding with our attorney.

One very important understanding from our attorney is New Jersey courts have recognized that lake associations that did not require mandatory membership in an association when they were originally formed can assess non-members who hold an easement over the lake and common properties. The theory of "fair share" assessment was developed in a series of cases which determined that a property which holds an easement to another property bore responsibility for the maintenance of that easement, which would be collected by an easement assessment fee.

We hope you will find this FAQ document helpful. We would like to get feedback from you, so if you have questions please go to our web site www.lake-parsippany.org and use the Contact Us option.

Respectfully
Bill Sempier
Vice President LPPOA



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FREQUENTLY ASKED QUESTIONS

What is the Lake Parsippany Easement Assessment?

Costs to maintain and preserve the lake and common property are rising steeply. Easement Assessment is a way for the entire Lake Parsippany community to ensure that the beauty and the benefits of the lake are preserved.

Basically how it would work is that every property within the boundaries of the original purchase tract of Lake Parsippany would be required to pay an annual assessment fee. This fee would cover lake property maintenance and would include structured lake usage privileges.

These specific maintenance and usage privilege items are still being determined. Maintenance items may include items such as water treatment, land improvement and maintenance, tree maintenance, shoreline erosion protection, administration fees, state inspections, insurance costs, security and taxes.. In addition to the assessment fee, a membership option would be available at an additional cost that would allow you full access to all lake activities as a full membership does today.

How is the LPPOA going to decide if it will be implementing an Easement Assessment?

The LPPOA proposed the question to the membership in August of 2015 to investigate the feasibility of enacting what we called at the time "Fair Share". The LPPOA engaged an attorney to research the question and has learned that under NJ case law, courts have determined that other lakes in similar situations have the right to impose an Easement Assessment.

What access and services will be offered to the Easement Assessment property owners?

The LPPOA formed four committees tasked with determining

- What access and services will be offered to the Easement Assessment property owners
- What costs will be included in the Easement Assessment
- How we will integrate our current membership structure and processes with an Easement Assessment

Once these items have been determined the committees will report back to the LPPOA Membership.



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Will I have a vote on this?

Yes, each membership in the LPPOA will have a vote at each stage of the process. To date a quorum of membership (in accordance with the Bylaws) at the August 2015 meeting voted to begin an investigation into the possibility of an easement assessment. The investigation is ongoing and implementation would only occur by a vote of quorum of membership (in accordance with the Bylaws).

I have lived here for years. Why is this just coming up now?

For the past 80 plus years, the directors of the Lake Parsippany Property Owners Association— a not-for profit corporation guided by your neighbors here at the lake— have been able to manage the lake solely on membership dues. However, rising costs, coupled with a reduction in membership, higher operating costs far exceed the Association's ability to preserve our beautiful lake. Additionally, ever escalating property taxes and maintenance costs have put a further strain on the Association's budget which is entirely funded by membership dues.

How do I know if my property is in the boundaries of the original purchase tract of Lake Parsippany?

Using the township tax maps you can easily determine if your property lies within the boundaries.

I'm not in the original purchase tract of Lake Parsippany. How does the Easement Assessment affect me?

The Easement Assessment applies only to those properties within the original purchase tract of Lake Parsippany from the 1930s. Only those properties covered by the original Master Deeds can be included. It is not possible to expand this area.

What gives you the right to do this?

The courts of the State of New Jersey have recognized—and upheld—the need for lake communities to help pay for the ongoing maintenance and expenses of maintaining lakes throughout the state. New Jersey courts have recognized that lake associations that did not require mandatory membership in an association when they were originally formed can assess non-members who hold an easement over the lake and common properties.

The theory of "fair share" assessment was developed in a series of cases which determined that a property which holds an easement to another property bore responsibility for the maintenance of that easement. Recently both Lake Arrowhead and Lake Intervale have transitioned to an easement assessment.



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I pay my taxes, don't they support the lake?

Lake Parsippany is maintained by the members of LPPOA only. We receive no tax dollars to help meet the responsibilities of maintaining the community assets and preserving the lake.

The township has a permanent easement to maintain the drainage basins and related infrastructure, but does not have any responsibility for any other ongoing maintenance items. Nor does it contribute any financial support.

Will paying this Easement Assessment make me a member of the Association?

No, the Easement Assessment is recognition of property owner's rights and responsibility to share in the cost of the lakes as well as benefits of the Lake and common property. However, we welcome you to help build up your community by joining the LPPOA. Membership is an additional option available to all property owners within the boundaries of the original purchase tract of Lake Parsippany at an additional cost.

I'm not a member of the Association. What benefit do I get with an easement assessment?

We currently have membership driven committees that are researching various options. Prior to any vote of the membership the details will be specifically spelled out.

Do I have to pay?

Yes. Once implemented, the Easement Assessment would be mandatory for all property owners in the boundaries of the original purchase tract of Lake Parsippany.

Why am I required to pay the Easement Assessment?

Our preliminary investigation indicates that all properties within the boundaries of the original purchase tract of Lake Parsippany, as developed and deeded in the 1930s, have language in their property deeds that provides the right to use Lake Parsippany. This right granted through the original deeds creating the lake and the adjacent community carries along with it the responsibility of providing for the ongoing maintenance and upkeep of the lake, and its property.



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How much is it going to cost me?

This is still being looked into as we work through the budget items. Since the expenses will be split equally among the approximately 2100 property owners located within the original purchase tract of Lake Parsippany who benefit from the lake and common property, we expect the annual assessment will be low.

The items that could be included in the Easement Assessment are those expenses that impact the common areas and include items such as water treatment, land improvement and maintenance, tree maintenance, shoreline erosion protection, administration fees, state inspections, insurance costs, security and taxes. The goal is not to raise enough funds to pay for all the costs in one year, but to ensure that, through all of our neighbors contributing their Easement Assessment, the ongoing needs and preservation of the lake can be met

What can the Easement Assessment money be used for?

The easement assessment funds would be used for those costs associated with the common community aspects of the lake. These specific maintenance and usage privilege items would need to be determined. Maintenance items may include items such as water treatment, land improvement and maintenance, tree maintenance, shoreline erosion protection, administration fees, state inspections, insurance costs, security and taxes.

Will all disbursements of Easement Assessment funds be posted?

Yes on a regular basis to the LPPOA website or other media.

Where will administrative costs come from?.

All administrative related costs such as printing, invoicing, postage and mailing expenses will be paid for through the Easement Assessment.

When do you anticipate doing any improvements, repairs or maintenance on the property with this money?

A list is being created of all maintenance work. Once complete it will be prioritized. The Easement Assessment is designed to provide for repairs, ongoing maintenance, and other expenses for the lake and common property. These items are constantly changing. Maintenance items may include items such as water treatment, land improvement and maintenance, tree maintenance, shoreline erosion protection, administration fees, state inspections, insurance costs, security and taxes.



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How many homes are in the original tract and receiving invoices each year?

The basis for the Easement Assessment is that all property owners have a right to share in the benefits of the Lake Parsippany and the common property, and therefore have the responsibility to pay their Easement Assessment of expenses to maintain those benefits. As such, Easement Assessment is based on property ownership, not homes.

The requirements for determining if a property in the tract is subject to the Easement Assessment will be provided as the investigation proceeds. This number can and does change based on property transfers, subdivisions among other events.

As of 2015, there are approximately 2,100 properties in the original purchase tract of Lake Parsippany and subject to the Easement Assessment.

What if I choose not to pay the Easement Assessment Fee?

Anyone who does not pay prior years' Easement Assessment Fee is also still liable for their past due balance plus late fees and any administrative costs.

Easement Assessment and fees will continue to accrue until they are paid.

What are you doing to collect from the property owners not paying?

Part of the consideration as we examine the process will be how to handle non-paying property owners. The Lake Parsippany Property Owners Association reserves all legal means and rights to collect the Easement Assessment Fee. The Board and Member committees are still evaluating potential legal remedies for those property owners who are delinquent. However, once the easement assessment is implemented, we will be committed to ensuring that all property owners pay their fair share,.



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A few extremists are saying just let the lake deteriorate and abandon it. What about that?

Facing rising costs and dwindling resources, the Trustees, Directors and Members of the LPPOA considered all options, except draining the Lake. However, nothing in New Jersey is free, especially when dealing with the State.

If the lake deteriorated and the LPPOA were unable to fund maintenance, the state would require extensive remediation to the property. The cost of this remediation work could be many hundreds of thousands of dollars that might result in fees assessed to property owners that could far exceed the easement assessment originally set up to preserve the lake and common property.

In the meantime, property owners would be left with an eyesore putting a huge drag on property values, instead of one of the cleanest most beautiful lakes in the state. Anyone remember what it was like when the lake was always green throughout the summer? Imagine trying to sell your property then, or trying to get a home equity loan and finding out that since the lake is gone, your property is now worth considerably less than you thought.

Honestly...how is this being received in the community?

Many people have questions. Some were unhappy or angry. No one likes paying any more than they have to for anything. But there are also a great many people who feel that moving in this direction will insure the lake will be preserved for many years to come.