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FROM: Lake Parsippany Property Owners Association, Inc. ("LPPOA")

FOR IMMEDIATE RELEASE:

The Superior Court of the New Jersey -Morris County has released its opinion in Purzycki, et als v. Lake Parsippany Property Owners Association, Docket No.: MRS-C-2-17, finding that all property owners in Lake Parsippany must contribute their fair share to the maintenance of the lake, beach and other common properties.

Judge Stuart Minkowitz, the Assignment Judge for Morris and Sussex Counties, held that Lake Parsippany Property Owners Association, Inc. ("LPPOA") located in Parsippany-Troy Hills Township, Morris County, New Jersey can compel property owners to pay dues and assessments pursuant to covenants in the deeds and chains of title of all property owners. The Court found Lake Parsippany is a common interest community and that each of the 2200 property owners had been granted rights to the use of the common properties, including the lake, by virtue of an easement in their chain of title to their property, and by the fact that their lots are depicted on a map filed with Morris County at the time of the original development of the community. As a result, the Court found that the owners were on notice as to the possibility of an assessment.

LPPOA is a private lake association that maintains the lake, beaches, Clubhouse and other common property for the benefit of the Lake Parsippany community. LPPOA must comply with State regulations relate to lakes and dams. LPPOA also pays for taxes, insurance, lake water quality management and dam inspections, which became increasingly difficult on voluntary payments. In 2017, LPPOA imposed a mandatory assessment of \$115 per year for all residents of the community as a basic maintenance fee. A group of property owners filed the lawsuit in opposition to the mandatory fee, and the entire community was later joined in a class action suit. They argued that LPPOA did not have the authority to assess them, and the community, if it ever existed, had been abandoned long ago.

The Court rejected that argument, finding that all residents benefited from being in the lake

community. The Court found that LPPOA's role in maintaining the lake and recreational facilities enhanced or at the very least sustained value of the nearby properties, and that a poorly-maintained lake would certainly be unattractive to potential buyers and could also implicate public health or safety.

The Court found not only did LPPOA have the authority to impose a mandatory assessment, but that it had administered the assessment fairly.

The Lake Parsippany case follows the trend in lake case law in New Jersey, where the Courts have consistently found that even in lake communities which were not originally formed with mandatory membership, the association may impose a mandatory fee to maintain the common properties. The Court's decision is also consistent with Governor Phil Murphy's recent statement accompanying a conditional veto of A5043/S3661, where he stated that the proposed legislation "could undermine a lake association's ability to collect the funds necessary to comply with critical environmental, health and safety requirements, such as those outlined in the Safe Dam Act, the Stormwater Management Act, the Safe Drinking Water Act, and the Water Pollution Control Act, among others. This would significantly hinder an association's ability to provide long-term operation and maintenance of dams, stormwater facilities, including stormwater inlets, storm sewers, stormwater basins, and stormwater outfalls owned and operated by the associations and unfairly shift the cost of upkeep to a smaller group of members, and, potentially, State and local taxpayers."

LPPOA was represented by Howard B. Mankoff, Esq. of Marshall, Dennehy, Warner, Coleman and Goggin. Plaintiffs were represented by Brian M. Rader, Esq.

For further inquiries please contact Eileen Born at eborn@dolanlaw.com or 973-383-1600