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RIVER RIDGE CONDOMINIUM UNIT OWNERS’ COALITION, an unincorporated association; **ELLIOT CHAN; ELIZABETH LEE; and MI SUN KAREN LEE,**

Plaintiffs

vs.

RIVER RIDGE CONDOMINIUM ASSOCIATION, INC., a Non-Profit Corporation of New Jersey; and **NORMAN ADAMS; SHERRI BENEKE; DAVID BEREZIN; MICHAEL DEMATTIA; PAUL KIM; ARIELE KRANTZOW; BOB MOHL; MOUNZER TCHELEBI; and JOHN DOE(S), which name or names are fictitious,** in their capacities as Directors and/or Officers of River Ridge Condominium Association, Inc.,

Defendants

SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION – BERGEN COUNTY

Docket No.

Civil Action

CERTIFICATION OF ELIZABETH LEE IN SUPPORT OF APPLICATION FOR PRELIMINARY INJUNCTIVE RELIEF

I, Elizabeth Lee, hereby certify the following:

1. I am one of the named plaintiffs in this matter. I am a co-owner of and reside at 200 Old Palisade Road, Unit 1-G, Fort Lee, New Jersey, with my daughter, Susan Lee. I have lived at the River Ridge Condominium (“River Ridge”) since 1985. I also currently owned Unit 19-D, which is scheduled to close July 28, 2021. I make this certification in support of the plaintiffs’ application for preliminary and permanent injunctive relief.

2. I am a licensed real estate broker in New Jersey and president of my own real estate company, Sunny Vista Realty, Inc. Over many years, I have actively marketed and sold units at River Ridge and am very familiar with the building's local reputation and the units' market values. Many River Ridge unit owners are/were my customers, who over the years, as neighbors, have become friends.

3. River Ridge is a luxury building and, until recently, had an excellent reputation. The building has been well maintained and, until recently, was considered well managed.

4. There is no question that a prospective buyer will consider the monthly carrying costs of a condominium unit. While River Ridge's units' monthly maintenance charges are not inexpensive, they had remained on par with the monthly carrying charges of comparable buildings of similar caliber.

5. However, for the Board to double the unit owners' monthly maintenance fees with less than one month notice, in the face of so many distressed owners opposing their action, indicates that River Ridge is not managed well. Moreover, such an enormous increase in the monthly maintenance obligations of each unit will affect the marketability of the units.

6. On July 2, 2021, the Board distributed a notice of its intent to pass an annual budget that would double the monthly maintenance fees. In its notice, the Board included a spread sheet that listed the new charges that would go into effect August 1, 2021 if the annual budget were passed at the July 13, 2021 open Board meeting. A copy of this notice is attached as Exhibit A. Not only was this alarming, but it was shocking to think that the Board of Directors would impose such an enormous increase on the unit owners with less than one month's notice.

7. I am aware that since the Board issued its July 2 notice, five River Ridge units have been listed on the market. Copies of those units' MLS listings are attached as Exhibit B. I have heard comments from some unit owners complaining that they are appalled by the management of the Board and that they do not wish to remain at River Ridge. They are willing to sell their homes at a loss to leave. Another seller is selling because that person cannot afford to pay the increased maintenance. These comments demonstrate that the huge increase in maintenance fees may compel more owners to sell and move.

8. The risk that many units will be for sale will create a glut in our market and drive prices down further. Moreover, even if families can no longer afford to continue living at River Ridge and decide to sell their homes, there is no guarantee that they will be able to market their units with such outlandish monthly maintenance rates. Because the increase is categorized as monthly maintenance with no sum total or end in sight, sellers cannot even negotiate with their buyers to pay off the assessment at closing. Those families who cannot afford the monthly maintenance and who cannot sell their homes will go into default.

9. The condominium real estate market was so adversely impacted during COVID-19 in 2020. My real estate business and activity became practically non-existent. I, too, like many other unit members used up my personal savings as well as refinanced to stay afloat especially since, right before the pandemic, in February 2020, my daughter and I had closed on Unit 1-G and had already begun extensive renovations.

10. I moved into Unit 1-G to live with my daughter at the end of August, 2020. I placed my one-bedroom Unit 19-D on the market. Because the market conditions were so dismal during COVID-19, it did not go into contract until end of May of this year.

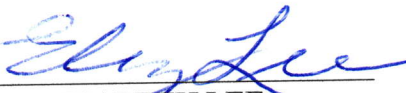
11. However, even before the Association released any formal announcement relating to the major construction project or the increased assessments, building manager Sherri O'Keefe was informing persons, who inquired about any future assessments, that the Association would be conducting major renovations, including replacing the façade and that the estimated cost would be millions of dollars.

12. Because my Unit 19-D had been on the market for so long, I agreed to sell at a heavily discounted price. However, because of the information about the construction project and the anticipated cost, the buyers demanded a significant further reduction from the contract price. After negotiations, I agreed to an additional \$10,000 reduction. In the end, I am selling Unit 19-D for \$77,000.00 less than my original listing price.

13. A River Ridge customer of mine is in contract for the sale of his unit. After the Board's decision on July 13, 2021, to approve the annual budget, my customer's buyers demanded an \$80,000 price reduction from the contract price. While this amount exceeds the actual dollar value of the reserve assessment, there is a premium discount that factors in the unexpected and open-ended quality of this assessment, unlike a special assessment that has a clearly defined amount. Therefore, my customer negotiated and agreed to reduce the contract price by an additional \$61,000.00.

14. These examples demonstrate the detrimental impact the Board's action is having and, if not stopped, will continue to have on the River Ridge unit owners. I therefore respectfully ask that the Court enjoin the new budget and assessments and the contract for the façade project unless and until a full review of the need can take place and the unit owners can decide at the requested special meeting whether to keep or remove the Board members.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



ELIZABETH LEE

DATED: 7/27/21