SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION GENERAL EQUITY

SALEM COUNTY DOCKET NO:

SLM-C-000017-23

APP.DIV. NO.

THE ESTATES AT LAYTON'S : LAKE HOMEOWNER'S : ASSOCIATION, INC., :

TRANSCRIPT

Plaintiff,

OF

V.

BONNIE WATSON AND

HEARING

BONNIE WATSON AND LORRAINE BOCK,

:

Defendants. :

Place: Salem County Courthouse

1 N. Broad Street Woodbury, NJ 08096

Date: April 12, 2024

BEFORE:

HONORABLE ROBERT G. MALESTEIN, P.J.Ch.

TRANSCRIPT ORDERED BY:

MARK SANDER, ESQ. (Mattleman, Weinroth &
 Miller, P.C.)

APPEARANCES:

JEFFREY MALATESTA, ESQ. (Mattleman, Weinroth & Miller, P.C.

MARK R. SANDER, ESQ. (Thomas Thomas & Hafer, LLP) Attorneys for Plaintiff Layton's Lake Homeowner's Association, Inc.

Transcriber: Patricia LaMonica, AD/T 326

Agency: Vox Transcription Services

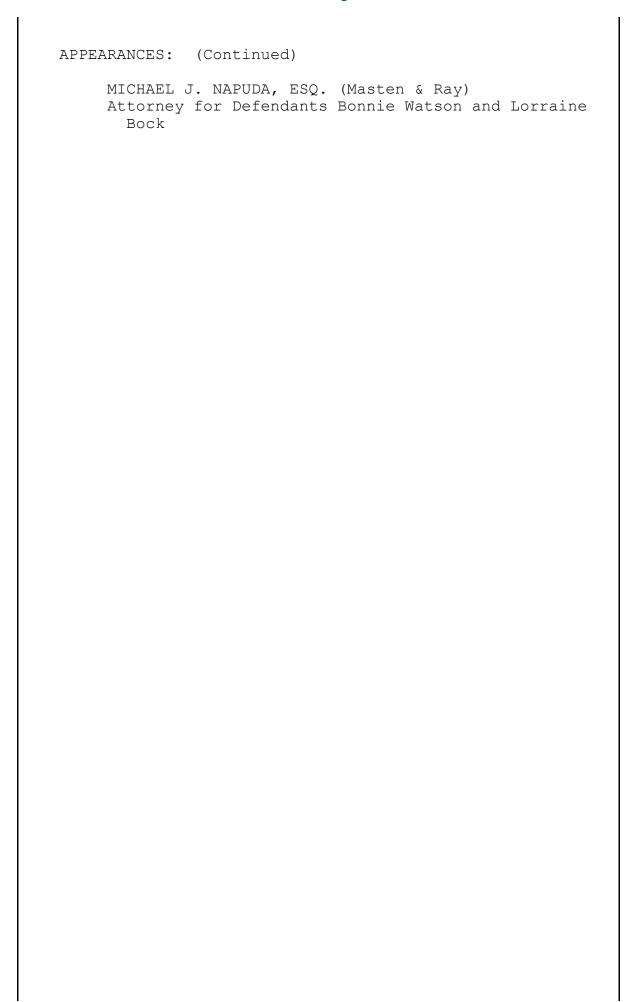
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I N D E X

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Colloquy

(Proceeding in session at 1:44:11 p.m.) THE COURT: We are on the record.

I'm Judge Malestein. This is the matter of The Estates at Layton's Lake HOA v. Bonnie Watson and Lorraine Bock. It's under Salem County Chancery Docket 17-23.

Counsel, make your appearances, please.
MR. MALATESTA: Good afternoon, Your Honor.
Jeff Malatesta, for plaintiff, The Estates at
Layton's Lakes Homeowner's Association, Incorporated.
MR. NAPUDA: Good afternoon, Your Honor.

Michael Napuda, of Masten & Ray, on behalf of defendants, Bonnie Watson and Lorraine Bock.

MR. SANDER: Good afternoon, Your Honor. Mark Sander, from Thomas Thomas & Hafer, on behalf of the plaintiff.

I have entered an appearance and filed an answer to the counterclaim in this action on behalf of The Estates at Layton's Lakes, the plaintiff.

THE COURT: Okay. I think everybody is ready.

Who really wants to -- who was the first filer, by the way. Who -- look at the exact dates? Is there --

MR. MALATESTA: Mr. Napuda filed first.

Motion

THE COURT: Mr. Napuda, I'll hear from you first.

MR. NAPUDA: Okay. Thank you, Your Honor.
I'll leave more of the details in the arguments in the papers, as I'm sure you've read them.
I supplied a brief and then a reply -- a reply to brief, of sorts.

So basically, just overall, the big picture here, if you step back and look at what's happened, my clients' built a fence.

They submitted plans to the HOA and they get a letter back from the committee saying go ahead and build your fence. They build it.

And then three months after that they get a violation saying the fence is in violation of something.

Well, what exactly is the violation of changed a little bit. It was first characterized as one thing and then it was changed to a sidewalk easement, then a site angle -- so it bounced around.

Then it was incorrect materials and stuff

Then it was incorrect materials and stuff like that. All those were erroneous.

And then three months after they made their first violation, the HOA finally settled on the argument that they have today, which is this outside of

Motion 6

the setbacks, and they're referring to a paragraph in the covenants that has a 30-foot setback.

Well the thing is that that paragraph deals with sheds, shacks, and other similar structures, and they're taking the other similar structures and they're really running with that. They're going through the Township ordinances and trying to find what similar structure is a fence.

Well in the covenants, Your Honor, there is another paragraph in 8.1 that deals with fences. It says what a fence is. It doesn't have to -- you don't have to stretch it out to other similar structures.

It's right there, and it doesn't say anything about a setback.

But what it does do is it refers you to the ordinances. So the HOA is looking at the ordinances to try to get a definition to define other similar structures as a fence.

If you go into the Carney's Point Township ordinances, they say setback for a fence is four inches from the property line, which is what my clients' fence is, four inches from the property line. That's how they got the zoning permit, is to build a fence to that spec.

So here we are, you know, with these two

Motion 7

arguments, where my clients are saying that look, there's this paragraph in the covenants that deals with fences.

If there was a 30-foot setback on fences, then why wouldn't it be in the fence paragraph. It was never meant— the fence — fences in the neighborhood were never meant to have a 30-foot setback.

A 30-foot setback makes sense for additions and sheds and shacks and whatever else is in that other paragraph that has a 30-foot setback, but not for fences. Fences are silent.

So you go to the ordinances and you find four inches, which makes a heck of a lot more sense for fences, which are something that's typically towards the perimeter of your property, not 30 foot back from your property.

You know, if you were putting a fence 30 foot back from your property and that's how big your house could be, or how close your house could be, what would you do, put a fence directly up against your house?

It just doesn't cut it. It doesn't make any

sense.

So that's -- to kind of a give an overview here, is this started out -- it almost seems like they -- the HOA wanted the fence to be in violation of

Motion 8

something and they've tried the sidewalk, they tried the site angle, and eventually landed on this argument. And I'm just not buying it.

I think it's pretty clear that the paragraph that controls fences is the one that says fence, I think, seven times, and it's silent on setback, so you go into the ordinances and you see four inches.

So that, in summary, is our position.
THE COURT: Okay. Go ahead, Mr. Malatesta.
MR. MALATESTA: Yes.

This motion was brought by The Estates of Layton's Lakes to prevent the defendants from building or maintaining their fence within the minimum setbacks on the plan as indicated.

And the covenants here have Section 8.1 and defense counsel referenced 8.1 Section C, which does regulate fences and the other height and the type of construction of the fence, you know, wood, white PVC, or black aluminum tubing, open style -- that has to do with the style of the fence.

Section 8.1 DD has to do with minimum setbacks. It's a catch-all provision that essentially says you can't build anything within these minimum setbacks set forth on the plan.

It doesn't use the word fence specifically

Motion 9

because it means everything. They used over broad language for that purpose.

And counsel -- defense counsel left out an important part of this. He did not say the words exterior improvements, which are listed in there. I think it's a common nomenclature for a fence to be considered an exterior improvement.

The bottom line is we have setbacks set forth in the plan, which was Exhibit B of the plaintiff's moving papers. It shows the minimum setbacks for that specific lot.

The (inaudible) has a course of conduct. For all the years, nobody had been building fences outside of the minimum setback in the plan, so we have a course of conduct that this is the way the community has interpreted this.

Recently they even had a vote where they were going to change the minimum setback and amend the declaration. That vote was struck down.

Defendants voted against it, and I do see their argument that it was bundled with other things, but when a public association has a vote on an amended declaration, they don't have 50 votes for each separate amendment. It's done as one vote for the meeting that night.

And that's really where we are, Your Honor. You have to decide — the Court is being asked to decide if Section 8.1(dd) allows for fences to be built within the minimum — beyond the minimum setbacks set forth in the plan. We think exterior improvement or other similar structures includes fence.

I'd also like to point out that when the defendants submitted their arch approval, that was for the style of fence and not the location of it.

Thank you.

THE COURT: Anything back in response?
MR. NAPUDA: Just that, in particular with
the vote, yes, my clients voted no when they were
trying -- the HOA was trying to amend the minimum
setbacks and they did it for two reasons.

One, they did it because it was bundled in with a bunch of other things they didn't agree with and, two, they were trying -- the HOA was trying to amend the minimum setbacks to ten feet and they -- you know, if they voted for it, my clients would be in violation of that.

So they -- you know, they're going all in on arguing that their fence, where it stands now, is in compliance with the covenants as written and, you know, it would be -- the amendment to clarify what the

Decision 11

setback is for fences would have put their fence in violation, and then, you know, they would basically kind of shoot themselves in the foot.

So that's their reasoning there.

(Pause)

THE COURT: Give me just a second.

(Pause)

THE COURT: I'm just trying to pull up the original of what -- you know, of how close in space -- under Section 8 of the bylaws, how close they were together, if you will.

All right. Okay.

(Pause)

THE COURT: All right. So this matter is before the Court. It's on competing motions for summary judgment.

The central issue really concerns the construction of a fence by the defendants on their property, and the issue that is presented before the Court is whether or not their covenant in Section 8.1(c) is applicable or whether it's 8.1(dd) that's applicable.

It really has to do with the setback requirement of the fence itself.

The defendants posit that the setback

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Decision
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       requirement under Subsection (dd) is not applicable,
 2
       and that the defendants did everything that they were
 3
       required to do for approval, if you will, of the fence
 4
       and to have the fence put up, and that Subsection
 5
       8.1(c) says that -- it gives a general description.
 6
       It's talking about fences, walls, hedges, or shrubs.
 7
                       "No fence, wall, hedge,
 8
                       or shrub planting which
 9
                       obstructs sight lines at
10
                       elevations between two
11
                       and six feet above the
12
                       roadways..."
                                     So that's one section that
13
                 Blah, blah, blah.
14
       nobody really talks about.
15
                 We have the (dd) section, which says,
16
                       "No accessory building,
17
                       shed, shack, porch, or
18
                       other similar type of
19
                       structure or exterior
20
                       improvement, whether
21
                       temporary or permanent,
22
                       shall be constructed,
23
                       erected, placed, or
24
                      maintained on lot for use
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                       other than by the owner
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Decision
                                                               13
 1
                       and his immediate family.
 2
                       In addition."
 3
                  Yadda, yadda, yadda.
 4
                  And then they talked in terms of the 30-foot
 5
       setback requirement.
 6
                  So Subsection 8.1(c), just to go back up to
 7
       that, which is what the defendants rely on, it says,
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                       "No fence, wall, hedge,
 9
                       or mass planting or
10
                       similar continuous
11
                       structure shall be
12
                       erected or maintained in
13
                       the front yard of the
14
                       main house structure."
15
                  That's not the issue.
16
                       "If the owner elects to
17
                       erect a fence, wall,
18
                       hedge, or mass planting
19
                       to the rear or side of
20
                       the main house structure,
21
                       such fence, wall, hedge,
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                       or mass planting must be
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                       a maximum of four feet in
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                       height, or such lesser
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                       amount required by
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	Decision 1	4
123456789012345678901 111111111222	municipal ordinance, be approved by the architectural control committee, not be in conflict with any municipal ordinance, with respect to fences be constructed of wood, white PVC, or black aluminum tubing, and be of an open style, such as a split rail or estate fence. "A wood fence may be kept in a natural, unpainted condition, or may be treated with a clear, waterproofing material. "Owners shall be allowed to affix open-hole screen to a permitted fence."	4
22 23 24 25	So when the defendants went to erect their fence, they looked at subsection (c) and they felt as if they were in compliance, which means it's four feet in height or less, it was approved by the actually,	

1 they have an architectural control committee. 2 approved by them. 3 It was constructed in a fashion of black 4 aluminum tubing and in such style as was required. 5 6 And they even went so far as to make certain that the local zoning ordinance was being followed, and 7 went for the zoning ordinance, got the zoning ordinance 8 and they placed it four inches from the property line, 9 which is what's required in the ordinance. 10 So they followed the ordinance requirements, 11 as well, of Carney's Point. 12 On the other hand, the plaintiffs opine that 13 in some fashion, under 8.1(dd), 14 "No accessory building, 15 shed, shack, porch, or 16 other similar type of 17 structure or exterior 18 improvement, whether 19 temporary or permanent, 20 shall be constructed, 21 erected, placed, or 22 maintained on lot for use 23 other than by the owner

or his immediate family.

"In addition, no

24

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Decision

Decision 16

accessory building, shed, shack, porch, or other similar type of structure or exterior improvement, whether temporary or permanent, shall be located on any lot closer to the front side of your property boundaries than a minimum setback shown in the plan, or the minimum setback as required by ordinance, whichever is more restrictive."

And then there's some other language in there about meeting the requirements and all that really is discussing the requirements of the sheds, if you will, and they have that 30-foot setback requirement.

So really the issue before the Court is which is applicable here.

So the defendants present two alternative arguments regarding the applicable section, primarily focusing on Section 8.1(c).

They do assert that the covenants are

Decision 17

unequivocal. Section 8.1(c) explicitly addresses fences and establishes a clear setback requirement, which would be the ordinance requirement.

Secondly, in the event that the Court determines that 8.1(dd) introduces ambiguity or conflict regarding fence setback regulations that obscures the applicability of 8.1(c), they advocate for the application of a contra proferentum doctrine, which dictates that any ambiguity within language should be construed against the drafter of the document, which would be the HOA.

In response, the plaintiff invokes covenant 8.1(dd), arguing that the defendant's fences encroaches the setback area and has to be relocated.

The plaintiff, which is a New Jersey nonprofit corporation, operates the homeowner's association for The Estates of Layton's Lakes Homeowner's Association, posits that the language of 8.1(dd) referring to accessory building, shed, shack, or similar type of structural or exterior improvement encompasses the fences, and they're seeking summary judgment declaring that Section 8.1(dd) of the by-laws are valid setbacks regarding fences and also require the defendants to move their fence out of the setback

They agree on the factual aspects concerning the fence's location, construction materials, and the procedural history that led to the current dispute, and the crux of that lies in the interpretation of the covenant's provisions, each urging the Court to adjudicate which understanding is more appropriate.

I think the facts are pretty clear. I don't think that there is any genuine issue of material fact. The real issue is how should this be interpreted.

Summary judgment has to be granted if the pleadings, depositions, answers to interrogatories, and admissions on file show that there is no genuine issue as to any material fact challenged and that the moving party is entitled to a judgment or order as a matter of law.

The function is not to weigh the evidence and determine the truth, but to determine whether there is a genuine issue for trial.

The trial judge has to consider whether competent evidence presented, when viewed in the light most favorable to the non-moving party, are sufficient to prevent a rational fact finder to resolve the alleged disputed issue in favor of the non-moving party.

When the facts present a single non-avoidable

Decision 19

resolution and the evidence is so one-sided that one party must prevail as a matter of law, then the trial court is required to grant summary judgment.

I can't go into the facts to resolve factual issues. I believe that this is just a simple matter of interpretation of the by-laws.

The fact of the matter is that the fences --my clear reading, and I think anybody reading these bylaws -- a clear, unambiguous reading of these bylaws reveals that Section 8.1(c) pertains to fences. Section 8.1(dd) pertains to other structures.

And I realize that counsel has said well, you know, they define structure in a certain way.

If that, in fact, was the case, then it should have been all in one paragraph together. It shouldn't be Section 8.1(c) that deals only with fences and 8.1(dd), which involves structures and sheds.

I mean, any clear wording of 8.1(dd) is an accessory building, chicken coop, whatever it might be -- a shed, a shack, a porch, a similar type of structure or exterior improvement.

I don't know if you can say that a fence is an exterior improvement or not, whether temporary or permanent. This -- that (dd) was meant for the wood shacks, the metal shacks, a porch that's kind of

permanent in nature. It's a structure. It's not a fence.

Nobody can interpret this language, building, shed, shack, porch, or a similar type of structure as including the fence when fences are directly addressed under a prior section.

And referring to the zoning ordinance, I believe that fences are governed under 8.1(c). I don't find that there's any material fact that can be disputed as to which part of this agreement provides for where the fence can be. It's a zoning ordinance.

They complied with -- they went and got a zoning permit and they did it.

I think 30 feet for a fence I think is -- it's a disingenuous position to take because the fence itself, 30 feet back -- I think Mr. Napuda is right.

Thirty feet -- I don't know the size of the lots over there, but unless you've got a couple acres, 30 feet back off your property line is a pretty significant distance.

Frankly, it wouldn't be very aesthetically pleasing if you look at it that way, which is what these HOA rules are meant to provide.

They want the front -- they want to keep the community a certain way and a 30-foot setback

Decision 21

requirement for a fence is just something -- it's unheard of.

I've never seen it anywhere. I've never heard of any association having a 30-foot setback requirement from a property line for a fence.

Drive around South Jersey. They're all -- a lot of the fences, as Mr. Napuda said, they're often at the property line, but you've got to get them off your neighbor's line unless you get their permission.

So I don't find that there is any material fact here. I think fences are specifically addressed under 8.1(c). If they wanted a setback requirement to be required, 8.1(c) should have had a setback requirement contained within that area.

Otherwise, it should have been all under (dd), and it should have mentioned fences as well, but it did not.

They separated them and there's a reason for that. Fences in one and the structures in another, the accessory buildings and shacks.

I think it's pretty clear. And if there is any ambiguity, as Mr. Napuda said, you resolve that against the drafter and Mr. -- I think the defendants in this matter, they followed exactly what they were supposed to do under 8.1(c). The fence can stay.

I'm going to grant summary judgment in favor of the defendants. I'm going to dismiss the claim as to the plaintiff's request for summary judgment. I'm going to deny that and then the order -- I will enter the orders accordingly. Okay.

MR. NAPUDA: Thank you, Your Honor. THE COURT: All right. Very good.

Mr. Sander --

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MR. MALATESTA: Thank you.

THE COURT: Ms. Linder has her hand up.

Can you hear me?

MS. LINDER: Yes. I can hear you.

THE COURT: What's your hand up for, ma'am?

MS. LINDER: I just want to ask if there was an opportunity for me to speak with Mr. Malatesta, but I believe we are moving forward with --

THE COURT: I am -- I'm going to hang up -- I'm not going to hang up. I've got other matters.

Mr. Malatesta is going to hang up.

Mr. Malatesta, do you have a few minutes you can call Ms. Linder?

MR. MALATESTA: Absolutely.

THE COURT: Okay. Ms. Linder?

MS. LINDER: Um-hum.

THE COURT: He's going to give you a call.

Decision 23

You can exit out of Zoom program and speak with Mr. Malatesta, okay?

MS. LINDER: Thank you.

THE COURT: Mr. Sander, do not leave.

Before the attorneys hang up, Mr. Sander, I need to have a chat with you off the record. The attorneys know what I'm going to talk to you about.

Counsel, do you have any objection if I speak to Mr. Sander about this issue that we discussed before --

MR. NAPUDA: No, Your Honor.

THE COURT: -- outside of your presence?

MR. SANDER: Your Honor, I have a question

also with regard to the motion that's pending before we go off the record with regard to the motion.

THE COURT: Yes.

MR. SANDER: I was wondering how that deals with it at all, the counterclaim.

THE COURT: The counterclaim by --

MR. SANDER: We filed an answer with regard to the counterclaim. There's also two other suits that have been filed, but -- I don't know, maybe even three.

THE COURT: Well, the other two suits are -- we're going to have to deal with in some fashion.

 $\,$ MR. SANDER: But as far as this suit is concerned, there is a counterclaim that we have filed an answer with regard to.

THE COURT: Well I just entered summary judgment in favor of the defendants, right?

MR. MALATESTA: I believe that disposed of the counterclaim.

THE COURT: I think it does.

MR. SANDER: Well then are there going to be counsel fees and costs assessed?

THE COURT: I'm not going to approach any counsel fees or costs. I'm going to abide by, generally, the American rule.

Listen, something is rotten in the state of Denmark with this Layton's Lakes that I need to chat with you about but, you know, the litigation -- at some point we're going to have to move forward with it.

But I do have -- just give me one second here because I got a note from my law clerk while I was on here.

(Pause)

THE COURT: Okay. Scheduled case management conference for this one today, which we'll need to do.

We also have a case management conference for 46-22. Hold on a second.

Decision

(Pause)

THE COURT: I'm sorry. All right. Those are the two claims. I don't know when they're coming back up again -- 20 and 21.3.

MR. SANDER: I may be confusing this with another case, but May 17th stands out in my mind. Does Your Honor's calendar show anything on May 17th for either?

A SPEAKER: I have mediation on May 17th. Okay. I have -- I have a case management conference scheduled for 1:30 on May 17th and that's for --

A SPEAKER: May 21.

THE COURT: -- both of them. MR. SANDER: I guess it's --

THE COURT: Answering docket 20-23 or 21-23.

MR. SANDER: Okay. That's what I was

thinking.

THE COURT: Has there been service on 20?
MR. SANDER: There was recently service, yes.
I can answer that. There was service on April 2nd,

which would mean the answer is due May 7th.

I believe I've -- I'm preparing an answer with regard to that by the insurance carrier.

MR. MALATESTA: Your Honor, do you need me

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                               Decision
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       for anything else, or should I sign off?
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                 MS. LINDER:
                             Oh, if at all possible, may I
 3
       ask one more question for clarity?
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                 THE COURT: Yes.
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                 MS. LINDER: This is Ms. Linder. One
 6
       question I do have, and I know, you know, I'm not too
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       well-versed of what happened prior as I was not on the
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       previous calls.
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                 But my question was, and this will be to
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       Judge Malestein, Your Honor, was there ever any review
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       of the actual resolutions for the development that
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       talked about the fences?
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                 And also, in the Township Code book, were
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       there any consideration for what the Township defines
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       fences as because I believe I did provide some
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       information about our --
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                 THE COURT: Again, I talked about that, that
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       they indicated that the Township ordinance defines
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       structure to include fence. That doesn't do that.
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                 I'm not taking that approach here.
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                 MS. LINDER: Okay. The rest --
22
                                 Ms. Linder, I'm advising you
                 MR. MALATESTA:
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       to --
24
                 THE COURT: Yeah.
                 MR. MALATESTA: -- just stop and give me a
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Decision
                                                               27
 1
       call.
 2
                 MS. LINDER: Okay.
 3
                             All right.
                 THE COURT:
                                         Thank you.
 4
                        Anything else before I talk to
                 Okay.
 5
       Mr. Sander? All I'm going to do is tell him exactly
 6
       what I told you guys, okay?
 7
                 MR. NAPUDA:
                              Thank you, Your Honor.
 8
                 MR. MALATESTA:
                                 It has nothing to do with me,
 9
       Your Honor.
10
                 THE COURT:
                             Perfect.
                                        Okay. Thank you.
11
                 MR. MALATESTA:
                                  Okay.
12
                              All right. You guys can log out.
                 THE COURT:
13
       Mr. Sander, stay with us.
14
                (Proceeding adjourned at 2:13:41 p.m.)
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28 Decision 1 2 CERTIFICATION 4 5 6 I, PATRICIA A. LAMONICA, the assigned transcriber, do hereby certify the foregoing transcript of proceedings 7 on CourtSmart, Index No. from 1:44:11 p.m. to 2:13:41 8 p.m., is prepared to the best of my ability and in full 9 compliance with the current Transcript Format for 10 Judicial Proceedings and is a true and accurate 11 compressed transcript of the proceedings, as recorded. 12 13 14 15 /s/ Patrícia A. LaMonica AD/T 326 16 Patricia A. LaMonica AOC Number 17 18 19 05/01/2024 <u>VOX Transcription Services</u> 20 Agency Name Date 21 22 23 24