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Proposal to Perform Work regarding the 2017 Exclusive Use Common Area Law

Dear Community Association Board Members and Managers:

You may be aware that effective January 1, 2017, State law at Civil Code Section 4775(a) will provide that, unless an association's cc&rs otherwise provide, the allocation between individual owners and associations of the responsibilities to maintain, repair, and replace exclusive use common areas, such as balconies, patios, and carports will be split as follows:

1. Individual owners will be responsible to maintain exclusive use common areas.

2. Associations will be responsible to repair and replace exclusive common areas.

And unfortunately, the new law does not define the terms "maintenance," "repair," or "replacement."

Accordingly, unless your association's cc&rs clearly allocate these responsibilities and define the forgoing terms, then, commencing January 1, 2017, your association's obligations to repair and replace exclusive use common areas might automatically be increased. At the least, this could result in disputes between the association and individual owners.

This new law could also result in your association facing other problems. You may have to hurriedly attempt to obtain the owners' approval to amend the cc&rs. Your association might even need to defend itself in litigation by an owner claiming that the association is responsible to replace components, such as a balcony, patio, or carport, that you did not previously consider were the Association's responsibility. You may need to have your association's reserve report modified to include additional components, increase the funding of the reserves, and then increase assessments to cover the funding.

In order to avoid these problems, we are proposing the following procedure where we will provide the following discounted flat-fee services.

1. For a discounted flat fee of \$800, we will review your association's cc&rs and provide a written opinion of whether the new law will automatically change the current allocation of the responsibilities to maintain, repair, and replace the exclusive use common areas, and, if so, then inform you of whether a cc&r amendment and/or or a rule is necessary to keep the foregoing allocations unchanged. If a cc&r amendment or rule is not necessary, then you will have the letter to provide to owners in the event that they argue that the association has increased repair and replacement responsibilities.

2. If a cc&r amendment is necessary, then for a discounted flat fee of \$1,500, we will provide you with the necessary amendment, ballots, and letters to the owners (and, if necessary, letters to the mortgage lenders).

3. If a rule is necessary, then for a discounted flat fee of \$500, we will provide you with the necessary rule and notice to the owners.

In order to authorize Angius & Terry LLP to do the foregoing services, please

have the board president countersign below, and then email this agreement back to us at bepstein@angius-terry.com. We will then commence the services immediately.

The association hereby authorizes Angius & Terry LLP to do the foregoing flat fee services.

Dated: _____

Association Name: _____

By Board President: _____

(sign name)

(print name)



Very truly yours,
Bradley J. Epstein
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916.567.1400

Community associations have placed their *trust* in **ANGIUS & TERRY
LLP** to solve their legal problems for over 30 years.

Through the years **ANGIUS & TERRY LLP** has had a single mission: To provide our clients with exceptional service and superior legal representation built on the solid bedrock of long term *relationships*.

For *results*, contact us today.

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