### BAYDALINE & JACOBSEN LLP

**COMMUNITY ASSOCIATION** 

## LEGISLATIVE ALERT



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Newsletter

# Documents and Fee Disclosures to Sellers and Potential Purchasers

#### Effect on Associations

Assembly Bill 771 becomes law on January 1, 2012, and entitles owners to an estimate of fees for providing documents under Civil Code Section 1368. As well, buyers may obtain copies of board meeting minutes. Associations may continue to contract with outside parties to provide these documents.

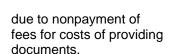
#### What's New?

AB 771 amends Civil Code Section 1368 and adds Civil Code Section 1368.2 to include the following changes:

❖ Upon written request, associations must provide sellers and/or recipients authorized by the seller with a written or electronic estimate of fees that will be charged for providing the documents, using the billing disclosure form in Civil Code Section 1368.2.

Associations may continue to collect a reasonable fee for the *actual* cost of providing the documents.

- Associations may <u>not</u> charge additional fees for electronic delivery of the documents.
- Associations may only withhold the documents



- Associations may contract with any person or entity to provide the documents on the Association's behalf.
- Upon written request, associations must provide sellers and/or recipients authorized by the seller, copies of documents specified in Civil Code Section 1368.
- ❖ Owners must provide potential buyers with the minutes from board meetings conducted over the previous 12 months, excluding executive session minutes, if requested.

Owners are required to provide statement of rental prohibition and its applicability to buyers.

#### Why Hire a Law Firm?

With the expansion of owners' rights to obtain specified documents, associations must ensure that their document production policies reflect these changes in legislation.

Baydaline & Jacobsen LLP has over 50 years of combined legal experience serving community associations. We are prepared to facilitate the implementation of new legislation, in order to best protect the association from preventable errors.