

**SNELL & WILMER WINS IN CALIFORNIA COURT OF APPEAL FOR
150 HOMEOWNERS IN SANTA ANA**

COSTA MESA (November 4, 2010) – Snell & Wilmer L.L.P. attorneys Rick Derevan, Steve McHolm and Todd Lundell recently won a reversal in the Court of Appeal of the State of California in a case concerning ground rents for individual homes in a 150-unit condominium project in the city of Santa Ana. *Abers v. Rounsavell* (2010) 189 Cal.App.4th 348.

In early 2005, it was time to adjust the monthly ground rent owed for each of the units. The rent was to be a percentage of the value of the “leased land.” When the landowner sought to adjust the rent for the condominium units, there was a dispute between the homeowners of the individual condominiums and the trustees who owned the land on which the complex was built as to the meaning of the term “leased land.” The trustees argued that “leased land” should cover the entire acreage of the condominium community, including a recreation center. The homeowners countered it only encompassed their individual units plus a fraction of the common areas.

Under the ground owners’ definition of the “leased land”, the homeowners would have to pay \$2,000 per month per unit. This is up from the original price of \$42 per month per unit. With this increase, the majority of the tenants would likely lose their homes.

The trial court ruled in favor of the trustees and determined that “leased land” meant the entire condominium complex not just the tenants’ property. The homeowners appealed and the trustees sought attorneys’ fees

The Snell & Wilmer team, led by Rick Derevan, who is a Certified Specialist in Appellate Law by the California State Bar Board of Legal Specialization, was able to convince the Court of Appeal to reverse the judgment in favor of the trustees. The Court ruled in favor of the homeowners that the ground rent should be based on each individual’s condominium unit and his or her portion of the common area. The trial court was also directed to award costs at trial in favor of the tenants and to vacate as moot the motion brought by the trustees for attorney fees.

“While an increase in the amount the homeowners pay per unit each month may still take effect, and the amount remains to be determined, it should be much more modest and manageable,” said Rick Derevan. “We are very pleased with the Court of Appeal’s decision to reverse the judgment in favor of the condominium tenants. I am proud to have served our clients in this case and am grateful for the tireless effort by the Snell & Wilmer team.”

About Snell & Wilmer L.L.P.

Founded in 1938, Snell & Wilmer is a full-service business law firm with more than 400 attorneys practicing in nine locations throughout the western United States and in Mexico, including Phoenix and Tucson, Arizona; Los Angeles and Orange County, California; Denver, Colorado; Las Vegas and Reno, Nevada; Salt Lake City, Utah; and Los Cabos, Mexico. The firm represents clients ranging from large, publicly traded corporations to small businesses, individuals and entrepreneurs. For more information, visit www.swlaw.com.