

ISSUE #1

Section 1: [Article VI, Section 4] Foreclosure of Assessment Lien and Late Charges

Any assessment not paid within fifteen (15) days after the due date shall bear a late charge of twenty-five dollars (\$25.00) per month and interest at eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Unit at any time after an assessment remains unpaid for sixty (60) days.

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. 1 (p. 1): Assessment Lien Foreclosure Lacks Mandatory A.R.S. § 33-1807(A) Threshold: Clause authorizes lien foreclosure without the mandatory 1-year or \$1,200 principal-assessment threshold and exclusion of fines/late charges.

Statutory / Legal Reference: A.R.S. § 33-1807(A) (\$1,200 / 1-Year Assessment Foreclosure Floor)

Statutory Comparison: Under A.R.S. § 33-1807(A), a planned community association may not foreclose an assessment lien unless the owner has been delinquent in the payment of assessments for a period of one year or in the amount of \$1,200 or more (whichever occurs first), excluding reasonable collection fees, attorney fees, charges for late payment, and monetary penalties.

CURRENT WORDING IN DOCUMENT:

[Article VI, Section 4] Foreclosure of Assessment Lien and Late Charges Any assessment not paid within fifteen (15) days after the due date shall bear a late charge of twenty-five dollars (\$25.00) per month and interest at eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Unit at any time after an assessment remains unpaid for sixty (60) days.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section 1 to conform strictly to A.R.S. § 33-1807(A) (\$1,200 / 1-Year Assessment Foreclosure Floor).