

**HIGH LONESOME RANCH ESTATES
PO BOX 215
ELFRIDA, AZ 85610**

25 October 2021

SUBJECT: President's Report – October 2021

I contacted Jason Smith, the association's attorney, on 8 October 2021 to discuss questions raised by two directors regarding the authority of the Board of Directors to establish fees not specifically addressed in the association's governing documents. The specific question asked was “does ARS 33-1803 allow the association to establish 'late fees' for late or non-payment of association assessments even though our governing documents do not mention late fees?” His answer was, “Yes. The statute empowers associations to impose late fees, even if your CC&Rs or other governing documents are silent on the issue.”

That discussion led to the broader question of other areas where our governing documents are silent but which are addressed by state law. Jason's response was:

“This applies also to things like imposing fines for violations of use restrictions or the right to a lien on the property. The legislature has given specific authority to associations to do things even if the association’s documents do not speak to the issue. It is on the same plane but the inverse of the legislature denying certain rights or discretionary authorities that may be in your governing documents by enacting statutes that say “no matter what your documents say, you shall not do” this or that.”

Respectfully Submitted,

RW Barfield
President, HLR POA