



SHAW & LINES, LLC
COUNSELORS TO COMMUNITY ASSOCIATIONS

Attorneys

Augustus H. Shaw IV*†
Mark E. Lines
Michael C. Lamb**
Quinten T. Cupps

*Also licensed in Nebraska

**Also licensed in Colorado

† Member, College of Community Association Lawyers

Address

4523 E. Broadway Rd.
Phoenix, Arizona 85040

Phone/Fax/Web

p 480-456-1500
f 480-456-1515
www.shawlines.com

**THE COMMUNITY ASSOCIATION LAW
LUNCH & LEARN LECTURE SERIES**

**Know Your Act from a Hole in the Wall –
Understanding the Planned Community Act.**

Authored and presented by
Augustus H. Shaw IV, Esq., CCAL
Shaw & Lines, LLC.

This document is designed to provide a quick summary of the provisions of the Arizona Planned Communities Act. Specifically, this document will:

1. Alert you as to when the Planned Communities Act will trump provisions of the community association's governing documents;
2. Provide a brief summary of what issues are contained in the specific Section of the Planned Communities Act.

For more detailed explanation of certain Sections, please see our website, www.shawlines.com. Also, please see our website for a complete copy of the Planned Communities Act.

IMPORTANT PROVISIONS

THE ARIZONA PLANNED COMMUNITIES ACT ARIZONA REVISED STATUTES § 33-1801 *ET SEC.*

33-1801

Applicability; exemption

33-1802

Definitions – This Section provides the Defined Terms of the Statute including:

1. Association;
2. Community Documents;
3. Declaration; and
4. Planned Community

33-1803 (Statute
Trumps CC&Rs)

Penalties; notice to member of violation – This Section discusses a number of issues, such as:

1. Limitations on the increase of annual assessments (20% rule);
2. Provisions regarding late payment on annual assessments;
3. How annual assessment payments must be applied to

- the owner's account;
- 4. How and when fines may be imposed; and
- 5. Owner's rights concerning notices of violation.

**33-1804 (Statute
Trumps CC&Rs)**

Open meetings; exceptions – This Section discusses:

1. The requirement for Board meetings to be open to members or their designated representatives unless the meeting discusses:
 - a. Legal advice;
 - b. Pending or contemplated litigation;
 - c. Personal, health or financial information of a member;
 - d. Matters relating to the job performance of an employee or contractor
2. The requirement that a member or their designated representative be allowed to speak before the Association takes action at a Board meeting;
3. The requirement that Board meetings be held in the State of Arizona;
4. Requirements regarding proper notice of Board Meetings;
5. Requirement to call a Board Meeting at least once per year.

For more information on this Section, please see the Shaw & Lines Guide on How to Conduct a Board Meeting at www.shawlines.com.

**33-1805 (Statute
Trumps CC&Rs)**

Association financial and other records – This Section discusses: The member's ability or the ability of the member's designated representative to obtain certain records of the Association.

For more information on this Section, please see www.shawlines.com.

33-1806

Resale of units; information required; definition - This Section discusses resale disclosure statement requirements.

33-1807

Lien for assessments; priority; mechanics' and materialmen's liens - This Section discusses the Association's

Assessment Lien. **More details will come in our May 6, 2009 Lunch and Learn on Collections.**

33-1808 (Statute Trumps CC&Rs)

Flag display; political signs; caution signs; for sale signs; political petitions - This Section discusses various signs in the Association and their display, in addition to what flags may be displayed in the Association.

33-1809 (Statute Trumps CC&Rs)

Parking; public service and public safety emergency vehicles; definition – This Section discussed which types of Public Safety Vehicles may be parked in an Association.

33-1810 (CC&R Control Section)

Board of directors; annual audit – Unless any provision in the association’s documents requires an annual audit by a certified public accountant, the board of directors shall provide for an annual financial audit, review or compilation of the association. The audit, review or compilation shall be completed no later than one hundred eighty days after the end of the association’s fiscal year and shall be made available upon request to the unit owners within thirty days after its completion.

33-1811 (Statute Trumps CC&Rs)

Board of directors; contracts; conflict – This Section discusses when a conflict of interests exists and how the Board should handle the conflict.

33-1812 (Statute Trumps CC&Rs)

Proxies; absentee ballots; definition - This Section discusses the voiding of using proxies and how to conduct a meeting of the Members. For more information on this Section, please see the Shaw & Lines Guide on How to Conduct an Annual or Special Meeting of the Association at www.shawlines.com.

33-1813 (Statute Trumps CC&Rs)

Removal of board member; special meeting – This Section discusses how members may remove Board members and the proper steps to follow concerning said removal.

33-1814 (Statute Trumps CC&Rs)

Slum property; professional management – This Section requires planned communities to enforce a city’s requirement

**33-1815 (Statute
Trumps CC&Rs)**

for professional management of a “slum” planned community.
Association authority; commercial signage – This Section discusses rules concerning commercial signage.

**33-1816 (Statute
Trumps CC&Rs)**

Solar energy devices; reasonable restrictions; fees and costs
– This Section discusses the procedures concerning solar energy devices. For more information, see www.shawlines.com.