

April 27, 2026

VIA EMAIL AND CERTIFIED MAIL

Board of Directors
Santa Rita Ranch III Homeowners Association
c/o AAM, LLC
1600 W. Broadway Rd., Ste. 200
Tempe, Arizona 85282

**Re: Transmittal of Formal Notices Regarding Material Legal Defects in Association
Collection and Fine Policies**

Dear Board Members:

Enclosed please find two formal notices concerning material legal defects in Santa Rita
Ranch III Homeowners Association's enforcement policies:

1. **Formal Notice of Material Legal Defects in Resolution No. 2018-001 — Assessment
Collection Policies & Procedures; and**
2. **Formal Notice of Material Legal Defects in the January 1, 2024 Fine Policy and
Appeal Process.**

These notices are submitted together because the defects in the two policies overlap in
several important respects. The assessment collection policy contains outdated and overbroad
foreclosure, lien, payment-application, attorney-fee, and collection-language provisions. The fine
policy contains separate statutory defects concerning notice, response time, hearing rights, appeal
language, fine enforcement, treatment of member expenses, and adoption procedure. Both
notices request that the Board review the challenged policies, suspend enforcement of defective

provisions, place the matters on the agenda for a properly noticed open Board meeting, and adopt corrected policies that conform to current Arizona law.

This correspondence should not be construed as a refusal to pay valid assessments or a request that the Association abandon lawful enforcement. The Association has the right to collect valid assessments and enforce valid community rules. The issue is that the Association's current written policies appear to authorize or imply enforcement steps that are inconsistent with Arizona law, including the Arizona Planned Communities Act.

The enclosed notices identify the specific statutory and legal concerns, including but not limited to:

- foreclosure language inconsistent with the current requirements of **A.R.S. § 33-1807**;
- failure to incorporate the mandatory statutory notice requirements before outside collection activity;
- improper or unclear treatment of fines, penalties, attorney fees, and other "member expenses" as though they may be collected in the same manner as assessments;
- failure to track mandatory statutory payment-application rules;
- fine procedures that do not accurately conform to **A.R.S. § 33-1803(B)–(E)** and **A.R.S. § 32-2199.01**;
- reliance on policy language and management-contract fee provisions that may exceed what Arizona law permits;
- procedural vulnerability where enforcement policies of general application were adopted or implemented outside a properly noticed open Board meeting.

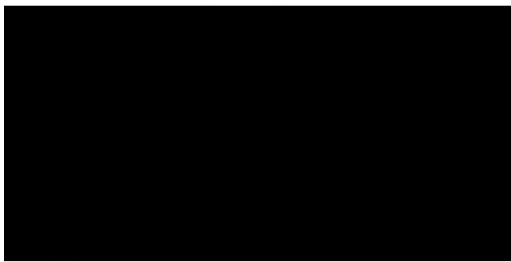
I respectfully request that the Board treat these notices as formal demands for corrective action and records preservation. Please preserve all records relating to the adoption, notice, implementation, amendment, enforcement, and application of both policies, including agendas, minutes, written consents, resolutions, management directives, violation notices, fine notices, collection letters, lien notices, owner ledgers, attorney-referral records, payment-application records, appeal/hearing records, and communications with AAM or legal counsel.

I further request that the Board provide a written response identifying what corrective action it intends to take, including whether the Board will:

1. place both policies on the agenda for the next properly noticed open Board meeting;
2. suspend enforcement of defective provisions pending review;
3. direct AAM and counsel to cease using noncompliant templates or ledger practices;
4. audit prior fines, charges, payment applications, lien notices, and collection actions for compliance;
5. adopt corrected policies in open session; and
6. provide the records requested in the enclosed notices.

Please understand that these notices are intended to give the Association a fair opportunity to cure the identified defects before they create avoidable disputes, improper charges, invalid lien claims, unlawful collection activity, or unnecessary expense to the Association and its members.

Nothing in this cover letter or the enclosed notices waives any right, claim, remedy, objection, defense, statutory hearing right, record-inspection right, or challenge available under the Governing Documents or Arizona law. All such rights are expressly reserved.



Santa Rita Ranch III Homeowner

Enclosures:

1. Formal Notice of Material Legal Defects in Resolution No. 2018-001 — Assessment
Collection Policies & Procedures
2. Formal Notice of Material Legal Defects in the January 1, 2024 Fine Policy and Appeal
Process