

1 **Final agency action regarding decision below:**

2  
3 **ALJFIN ALJ Decision final by statute**

4  
5 **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

6  
7 In the Matter of:

8 Aracelys M Morel,

9 **Petitioner,**

10 v.

11 Northwood Park Homeowners Association,

12 **Respondent.**

No. 25F-H116-REL

**ADMINISTRATIVE LAW JUDGE  
DECISION**

13  
14 **HEARING:** February 20, 2026 at 1:00pm

15 **APPEARANCES:** Petitioner Aracelys Morel appeared on her own behalf.  
16 Attorneys Neil Berglund and Jeffrey McLerran of Freeman Mathis & Gary, LLP  
17 represented Respondent Northwood Park Homeowners Association with observer Lynn  
18 Sharp. Spanish Interpreter Luigui Melenciano with Language Connect

19 **ADMINISTRATIVE LAW JUDGE:** Nicole Robinson

20 **EXHIBITS ADMITTED INTO EVIDENCE:** Arizona Department of Real Estate  
21 Packet ("Packet") Exhibits 1 through 22. Petitioner's Exhibits C through I and L through  
22 O.

23 **FINDINGS OF FACT**

24 **BACKGROUND AND PROCEDURE**

25 1. The Arizona Department of Real Estate ("Department") is authorized by  
26 statute to receive and to decide petitions for hearings from members of homeowners'  
27 associations and from homeowners' associations in Arizona.



1           7.       Respondent is a planned community association whose members own  
2 properties in the Northwood Park residential real estate development located in Mesa,  
3 Maricopa County, Arizona.<sup>8</sup> The community is managed by Thrive Community  
4 Management, LLC.<sup>9</sup>

5           8.       Petitioner is a property owner, has owned her townhouse for  
6 approximately six years, and is a member of the Association. Petitioner's townhouse  
7 has two bedrooms and has about 1,125 square feet. Petitioner last lived at the  
8 townhouse in November 2024 and began to Airbnb the unit. On occasion, Petitioner  
9 would also host family and friends at the unit. Currently, Petitioner lives in a different  
10 unit in the community.

11           9.       The governing law ARIZ. REV. STAT. § 33-1806.01, Rental property;  
12 member and agent information; fee disclosure provides, as follows:

13           **33-1806.01. Rental property; member and agent information; fee;**  
14           **disclosure**

15           A. A member may use the member's property as a rental property unless  
16 prohibited in the declaration and shall use it in accordance with the  
17 declaration's rental time period restrictions.

18           B. A member may designate in writing a third party to act as the member's  
19 agent with respect to all association matters relating to the rental property,  
20 except for voting in association elections and serving on the board of  
21 directors. The member shall sign the written designation and shall provide  
22 a copy of the written designation to the association. On delivery of the  
23 written designation, the association is authorized to conduct all association  
24 business relating to the member's rental property through the designated  
25 agent. Any notice given by the association to a member's designated  
26 agent on any matter relating to the member's rental property constitutes  
27 notice to the member.

28           C. Notwithstanding any provision in the community documents, on rental  
29 of a member's property an association shall not require a member or a  
30 member's agent to disclose any information regarding a tenant other than  
the name and contact information for any adults occupying the property,  
the time period of the lease, including the beginning and ending dates of  
the tenancy, and a description and the license plate numbers of the  
tenants' vehicles. If the planned community is an age restricted

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<sup>8</sup> See Packet at Arizona Corporation Commission Record – Northwood Park.

<sup>9</sup> *Id.*

1 community, the member, the member's agent or the tenant shall show a  
2 government issued identification that bears a photograph and that  
3 confirms that the tenant meets the community's age restrictions or  
4 requirements.

4 D. On request of an association or its managing agent for the disclosures  
5 prescribed in subsection C of this section, the managing agent or, if there  
6 is no managing agent, the association may charge a fee of not more than  
7 twenty-five dollars, which shall be paid within fifteen days after the  
8 postmarked request. The fee may be charged for each new tenancy for  
9 that property but may not be charged for a renewal of a lease. Except for  
10 the fee permitted by this subsection and fees related to the use of  
11 recreational facilities, the association or its managing agent shall not  
12 assess, levy or charge a fee or fine or otherwise impose a requirement on  
13 a member's rental property any differently than on an owner-occupied  
14 property in the association.

12 E. Notwithstanding any provision in the community documents, the  
13 association is prohibited from doing any of the following:

- 13 1. Requiring a member to provide the association with a copy of the  
14 tenant's rental application, credit report, lease agreement or rental  
15 contract or other personal information except as prescribed by this  
16 section. This paragraph does not prohibit the association from  
17 acquiring a credit report on a person in an attempt to collect a debt.
- 17 2. Requiring the tenant to sign a waiver or other document limiting the  
18 tenant's due process rights as a condition of the tenant's occupancy  
19 of the rental property.
- 19 3. Prohibiting or otherwise restricting a member from serving on the  
20 board of directors based on the member's not being an occupant of  
21 the property.
- 21 4. Imposing on a member or managing agent any fee, assessment,  
22 penalty or other charge in an amount greater than fifteen dollars for  
23 incomplete or late information regarding the information requested  
24 pursuant to subsection C of this section.

23 F. Any attempt by an association to exceed the fee, assessment,  
24 penalty or other charge authorized by subsection D or E of this  
25 section voids the fee, assessment, penalty or other charge  
26 authorized by subsection D or E of this section. This section does  
27 not prevent an association from complying with the housing for older  
28 persons act of 1995 (P.L. 104-76; 109 Stat. 787).

1           10.    On September 8, 2025, Petitioner received a Courtesy Notice<sup>10</sup> from  
2 Respondent that stated in pertinent part, as follows:

3           During a recent community inspection, September 8, 2025 the following  
4 violation was noted on your property:

5           **Title:** Use – Tenant Information

6           **Description:** As your residence has an offsite address, we believe it may  
7 be occupied by a tenant.

8           **CC&R Reference:** ARIZ. REV. STAT. § 33-1806.01(c)

9           **Resolution:** In accordance with ARIZ. REV. STAT. § 33-1806.01(c), please  
10 provide the names and contact information for all adult tenants occupying  
11 the property, the time period of the lease including the beginning & end  
12 dates of the tenancy, and a description of and the license plate number for  
13 all tenant’s vehicles.

14           Please be aware that the next occurrence or continuation of this violation  
15 will result in fines being levied against your account in accordance with  
16 your community's Fine Policy. The Association is hopeful the situation can  
17 be remedied without imposing additional fines or instituting legal action.  
18 We hereby request that you resolve this situation before the follow-up  
19 inspection that will be conducted within 21 days. You have the right to  
20 appeal this penalty in person, or by submitting a written appeal to the  
21 Board of Directors...Please contact the Community Compliance  
22 Department...if you wish to be placed on the Agenda for a hearing at the  
23 next Board of Directors meeting.<sup>11</sup>

24           11.    Petitioner appealed the notices to the HOA. On September 15, 2025,  
25 Respondent replied and sent an email to Petitioner which stated as follows:

26           Hi there,  
27           Thank you for reaching out about this.  
28           The specific AZ state statute that is being referred to is the one on the  
29 violation letter you received.  
30           If you would like more information on it you can google the statue that has  
            been provided and read the law.  
            In addition, I have attached the form that must be filled out for your  
            tenants.  
            Please let me know if you have any questions or if I can be of further  
            assistance.  
            Thank you and have a great day!<sup>12</sup>

<sup>10</sup> See Packet at Exhibit 1 – Compliance Courtesy Notice.

<sup>11</sup> *Id.*

<sup>12</sup> See Packet at Exhibit 12 – Letter from Compliance.



1 association. The owner or association may petition the department for a hearing  
2 concerning violation of community documents or violations of the statutes that regulate  
3 planned communities as long as the petitioner has filed a petition with the department  
4 and paid a filing fee as outlined in ARIZ. REV. STAT. § 32-2199.05.

5 2. Pursuant to ARIZ. REV. STAT. §§ 32-2199(2), 32-2199.01(A), 32-  
6 2199.01(D), 32-2199.02, and 41-1092 *et seq.*, OAH has the authority to hear and  
7 decide the contested case at bar. OAH has the authority to interpret the contract  
8 between the parties.<sup>14</sup>

9 3. In this proceeding, Petitioner bears the burden of proving by a  
10 preponderance of the evidence that Respondent violated the aforementioned ARIZ. REV.  
11 STAT. § 33-1806.01.<sup>15</sup>

12 4. A preponderance of the evidence means “proof which leads the [trier of  
13 fact] to find that the existence of the contested fact is more probable than its  
14 nonexistence.”<sup>16</sup>

15 5. Under the Arizona Residential Landlord and Tenant Act, ARIZ. REV. STAT.  
16 § 33-1310 defines these terms as follows:

17 13. “Rental Agreement” means all agreements, written, oral or  
18 implied by law, and valid rules and regulations adopted under  
19 section 33-1342 embodying the terms and conditions  
20 concerning the use and occupancy of a dwelling unit and  
21 premises.

22 . . . .  
23 17. “Tenant” means a person entitled under a rental agreement to  
24 occupy a dwelling unit to the exclusion of others.

25 . . . .

26 6. The HOA expressly allows owners to operate short-term rentals in its  
27 community and are tasked with keeping the community safe and clean. How  
28 sustainable would it be for every short-term operator within the community to provide a  
29 tenant information sheet for every Airbnb guest, may be a question for a future agenda

30 <sup>14</sup> See *Tierra Ranchos Homeowners Ass'n v. Kitchukov*, 216 Ariz. 195, 165 P.3d 173 (App. 2007).

<sup>15</sup> See ARIZ. ADMIN. CODE R2-19-119.

<sup>16</sup> *In re William L.*, 211 Ariz. 236, 238 (App. 2005) (quoting *Matter of Appeal in Maricopa Juv. Action No. J-84984*, 138 Ariz. 282, 283 (1983)).

1 item at an HOA meeting. However, in this case, there are no HOA CC&Rs that speak  
2 to this matter, as such, Arizona statute is the guiding authority. Petitioner has not  
3 provided any persuasive policy or documents from Airbnb, in this matter. In fact,  
4 Petitioner provided that she was legally registered as a short-term rental operator<sup>17</sup> with  
5 the State of Arizona, however, no evidence regarding this relationship was provided to  
6 the Tribunal. Hence, the definitions of “rental agreement” and “tenant” provided in ARIZ.  
7 REV. STAT. § 33-1310, clearly define the Airbnb guests, especially, because the Arizona  
8 law speaks to no durational requirement.

9 7. Accordingly, the Association was permitted to charge Petitioner \$25.00 for  
10 each new tenancy/Airbnb guest stay pursuant to ARIZ. REV. STAT. § 33-1806.01.

11 8. Therefore, the undersigned Administrative Law Judge concludes that  
12 because Petitioner failed to meet her burden of proof that Respondent committed the  
13 alleged violation, her petition must be denied.

#### 14 **ORDER**

15 Based on the foregoing,

16 **IT IS ORDERED** that Petitioner’s petition be DENIED.

17 **IT IS FURTHER ORDERED** pursuant to ARIZ. REV. STAT. § 32-2199.02(A),  
18 Respondent shall not reimburse Petitioner’s filing fee as required by ARIZ. REV. STAT.  
19 § 32-199.01.

#### 20 **NOTICE**

21 **Pursuant to ARIZ. REV. STAT. §32-2199.02(B), this Order is binding on**  
22 **the parties unless a rehearing is granted pursuant to ARIZ. REV. STAT.**  
23 **§ 32-2199.04. Pursuant to ARIZ. REV. STAT. § 41-1092.09, a request for**  
24 **rehearing in this matter must be filed with the Commissioner of the**  
**Department of Real Estate within 30 days of the service of this Order**  
**upon the parties.**

25 Done this day, March 26, 2026.

26 /s/ Nicole Robinson  
27 Administrative Law Judge

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<sup>17</sup> See Packet at Exhibit 4 – HOA Request Letter.

1 Transmitted by either mail, e-mail, or facsimile March 26, 2026 to:

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