

SECTION II – MEMBERSHIP

SUBSECTION 3. ANNUAL DUES, ANNUAL DUES INSTALLMENT PAYMENT PLAN, INITIAL FEES, FEES FOR SERVICES (updated 4/19/2016)

A. General

All Fees, Annual Dues, Service Fees and Delinquency charges shall be established each year by the approval of **a majority of Directors in office**. ~~at least seven members of the Board of Directors. The Board also has the right to approve assessments, as long as they are not special assessments for any purpose, by a vote of a minimum of seven Board members.~~ Special assessments for any purpose shall require approval of **a majority of Directors in office** ~~at least seven members of the Board of Directors~~, and a vote of at least a majority of the Members voting.

B. Annual Dues

1. The Board shall establish membership dues for each fiscal year on or before December 10. In establishing annual dues, the Fiscal Affairs Committee and the Board of Directors shall use the following formula as a starting point. The sum of 50% of the CPI (W) percentage increase/decrease through September of the current year and 50% of the Social Security percentage increase/decrease for the current year. To the extent permitted by law, the Committee and Board may deviate from this formula in establishing the dues after taking into consideration all relevant factors including, but not limited to, projected operating costs, maintenance projects, and appropriate reserves. These dues are payable on or before January 1 of that same fiscal year.
2. Upon the initial purchase of a property in a deed-restricted subdivision, the annual dues shall be prorated as of the date of closing. When an owner of property in a subdivision which is not master deed restricted subjects his property to a GVR deed restriction, the annual dues shall be prorated as of the date the property is made subject to the voluntary deed restriction.
3. ~~Annual Dues is synonymous with the terms “regular assessments” or “assessments”, but not “special assessments.”~~
3. 4. Commercial Residential/Care Facility (CRCF) membership properties shall pay annual dues in an amount equal to the then-current annual dues multiplied by the number of units in the facility, regardless of whether or not such units are occupied.

EXPLANATION

The term “assessments” versus “special assessments” became an issue when the attorney representing GVR in the NMCF erroneously characterized GVR as a Planned Community and the judge in his ruling made a finding that GVR was a “Planned Community” (an HOA). Under title 33 of the Arizona Revised Statutes, HOA’s pay an annual “assessment” not dues. There is no distinction between an “assessment” and a “special assessment”. Our bylaw makes it clear that a Special assessment would be “for any purpose”. Seven Directors changed to majority of directors in office.