

Dues Calculation Policy
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This policy outlines the definitions and calculations used to compute annual dues for all members of the Natural Lakes Owners Advancement Association, Inc. This policy as written is in effect until changed or replaced by the NLOAA Board of Directors, as specified in the NLOAA Bylaws, Article III, Section C – Dues.

Definitions

- **Base Dues:** These are the annual dues paid by all members.
- **Improved Parcel Surcharge:** Members owning improved parcels (as defined in Article III, Section C – Dues, of the NLOAA Bylaws) pay an additional surcharge to reflect greater use of Natural Lakes Natural Lakes common lands and infrastructure, e.g. roads and boat landings. The Improved Parcel Surcharge is calculated by dividing the year’s annual budget by 1000 (one-thousand) rounded up to the nearest dollar.

For example, if the annual budget is \$200,000, then the Improved parcel Surcharge is \$200.

- **Improved Member Count:** This is the number of members who own a single improved parcel, plus 2 (two) for each member who owns multiple improved properties when dues are calculated.

For example, if there are 150 members who own a single improved parcel and 4 members who own multiple improved parcels, then the Improved Member Count is 158 ($150 + (4 \times 2) = 158$).

- **Total Member Count:** This the total number of Natural Lakes members when annual due are calculated.

There are three categories of annual dues based upon the type of parcel(s) owned by a member:

- **Unimproved:** A Member who owns one or more unimproved parcels is charged Base Dues
- **Improved:** A Member who owns one or more parcels, of which only one is considered improved (as defined in Article III, Section C – Dues, of the NLOAA Bylaws), is charged Base Dues plus an Improved Parcel Surcharge.
- **Double Improved:** A Member who owns multiple parcels, of which more than one is considered improved (as defined in Article III, Section C – Dues, of the NLOAA Bylaws), is charged Base Dues plus double the Improved Parcel Surcharge.

Base Dues are calculated as follows:

$$\text{Base Dues} = \frac{\text{Annual Budget} - (\text{Improved Member Count} \times \text{Improved Parcel Surcharge})}{\text{Total Member Count}}$$

As an example, if the annual budget is \$200,000, the total number of Members is 300, and the number of Improved Members is 200, then the Improved parcel Surcharge is \$200 and Base

Dues are \$534. Therefore, Unimproved Dues is \$534 (base dues), Improved Dues is \$734 (Base Dues + Improved Parcel Surcharge), and Double Improved Dues is \$934 (base dues + 2x Improved Parcel Surcharge).