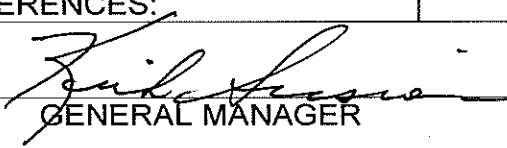




OPERATING POLICY

POLICY TITLE: BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS					
SECTION	SVRA ORIGIN AND PURPOSE	NUMBER	1.3.1	DATE	2/18/12
REPLACES POLICY NUMBER:		TITLE:			
DATE ADOPTED:					
DATE REVISED:					
CROSS REFERENCES:					
APPROVED:					
 GENERAL MANAGER		2-18-12 DATE			
SVRA CHAIRPERSON		DATE			

The Board of Directors will be guided by the DCCRs in setting the annual assessment for all plats and lots of Star Valley Ranch.

Basis and Maximum of Annual Assessments: On January 1, 1972, the maximum annual assessment was SEVENTY-FIVE DOLLARS (\$75.00) per Lot. This is the basis used to establish maximum annual assessments based on the following protocol.

The maximum annual assessment may be increased effective January 1 of each year by the Board of Directors, without a vote of the membership, in conformance with the increase, if any, of the Consumer Price Index as published by the United States Department of Labor for the immediately preceding month of July.

The Maximum Annual Assessment is determined using the formula above as follows:
 $(\$75) \times (\text{CPI index for July, 2011}^*/\text{CPI index for July, 1972}) = (\$75) \times (225.922^*/41.9) = \404.40 , 2012 Maximum Annual Assessment.

**Note: The example reflects the 2012 formula using the July 2011CPI. The appropriate CPI for each successive future year will be utilized as required. Please refer to the historical calculations from 1972 forward on the next page of this Policy.*

The maximum annual assessment is calculated as in the above example, and the actual assessment is set. After consideration of current maintenance costs and future needs of the Association, the Board of Directors shall fix the annual assessment at an amount not in excess of the maximum established for the subject year.

Historical Reference

<u>YEAR</u>	<u>CPI BASE NUMBER</u>	<u>ASSESSMENT</u>	<u>NEW MAX. ASSESSMENT FOR THE FOLLOWING YEAR</u>
1972	41.9	\$75.00	N/A
2010	218.011	\$275.00	\$390.23
2011	225.922	\$295.00	\$404.40
2012	229.104	\$350.00	410.09
2013			