

Dear Mr. Harker and the SVRA Karaoke group.

Please understand that the Board of Directors of Star Valley Ranch discussed at length the weekly SVRA funded Karaoke night as well as other Association funded activities. While we have enjoyed being able to provide an evening of Karaoke for our Members and their guests on a weekly basis, the cost associated with providing that entertainment has continued to increase over the years. The Association has also been faced with paying unexpected expenses that force us to evaluate all H&E events, as well as the costs associated with golf and swimming.

While we feel attendance at Karaoke has increased over the past few years, we acknowledge that some are Members who have been coming for years, while many other attendees are guests and or walk-in, non-Member participants who just come to have fun, without any cost or obligation to them. An accounting of Duffer's sales on Karaoke evenings showed that the bar revenue on those nights was not substantial enough to cover the increasing costs of Karaoke.

During our discussion about Karaoke we also discussed other Association funded events, such as Movie in the Park and our Pot Luck dinner and dance evenings. The Association pays roughly the same amount for **one** night of Movie in the Park, which occurs **one night a month** for 3 to 4 months as it does for **one** night of Karaoke, which occurs **every Sunday** during the summer months, or roughly **16-18 times** during the summer season. We also spend about the same amount to provide the meat dish for our Pot Luck dinners, where Members bring the balance of the meal. Those events generally happen **only twice** during the summer. The cost of a band on the evenings we have dances is greater than the cost of Karaoke or Movie in the Park, and that is why we are looking to find other ways to be able to provide music at those functions. In light of all these things, we made the decision to have the Association pay to cover the same amount it pays for other Association funded functions which is one Karaoke, one Movie in the Park and one Pot Luck meat meal for Members each month during the summer.

We also discussed during our Board Workshop that Members who play golf **pay** to play golf, whether by annual passes, Member rate punch passes or walk on rates. Their guests and walk-on golfers **pay an even higher** rate. The fees for Members and guests to golf have been increased again this year. Members and guests pay to swim, which fees have also been increased for the 2019 year. Everyone is affected by the changes being made, and we feel it was fair to all Members to make these changes to keep our Association strong.

Perhaps the Karaoke group could talk about charging regular attendees an annual pass or punch card fee that would allow entry to Karaoke night, charging more for guest passes than the Member passes. Or, maybe the group could form a Karaoke Club, where officers could collect a 'club fee' or 'entrance fee' that would allow access on any given Karaoke night. Charging at the door would keep non-Member guests from getting a free night of entertainment and allow the additional costs of Karaoke to be defrayed by those who choose to attend. These ideas may benefit your group and help you find ways to collect enough money to keep Karaoke a weekly event. We know those of you who have enjoyed it for years would like to help see it continue.

While we would like for the Association to be able to cover the expense of all activities for our Members and their guests, we know that is only a dream. Our annual dues would have to be at least ten times what we pay in order to provide free everything to our Members. The Association wants to be fair to all Members and we believe all Members should be treated equally. Having a weekly Association funded activity leaves our 'lot only' owners and part-time neighbors out. These are the reasons we elected to have the Association pay for Karaoke only one night per month.

Thank you.

SVRA Board of Directors and General Manager