
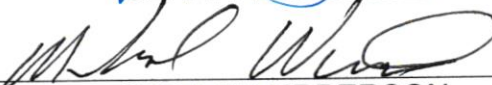




OPERATING POLICY

POLICY TITLE: Annual Assessments					
SECTION	SVRA Origin and Purpose	NUMBER	1.3.4	DATE	3/16/2023
REPLACES POLICY NUMBER: 1.3.3		TITLE: BASIS AND MAXIMUM OF ANNUAL ASSESSMENTS UP TO 10%			
DATE ADOPTED:					
DATE REVISED:					
CROSS REFERENCES:					
APPROVED:				3/16/2023	
 GENERAL MANAGER				DATE	
 SVRA CHAIRPERSON				3/16/2023	
				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.

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 rise, if any, of the Consumer Price Index as published by the United States Department of Labor for the preceding month of July.

The Maximum Annual Assessment is determined using the formula below as follows:

$$\begin{aligned}
 & \text{(Current Year Maximum Assessment (per DCC\&R base) x (CPI index for} \\
 & \quad \text{July, Current Year/CPI index for July, Previous Year)} \\
 & = \text{Following Year Maximum Annual Assessment (per DCC\&R base)}
 \end{aligned}$$

Example

$$\begin{aligned}
 & \text{(2021 Maximum Assessment (per DCC\&R base) x (CPI index for July, 2021/CPI index for} \\
 & \quad \text{July, 2020)} \\
 & = \text{2022 Maximum Annual Assessment (per DCC\&R base)}
 \end{aligned}$$

**Note: The example reflects the 2022 formula using the July 2021 and July 2020 CPI. The appropriate CPI for each successive future year will be utilized as required.*

The maximum annual assessment is calculated as in the above example. 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.

Should the operating and future needs budget of the Association, in any said year, prove that the maximum annual assessment is not required by one or more plat groupings to attain financial solvency for the same, the Board of Directors will then initiate a reduction to the current year's calculated maximum(s) for the aforementioned plat(s) and set the thresholds for each plat grouping accordingly.

Additionally, as a means to prevent excessive year-over-year increases, should one or more of the plat groupings be levied an annual assessment that is below the maximum threshold, the Board of Directors will not, in the following year, increase said plat(s) more than the CPI Index or 10%, whichever is greater.