

**RESOLUTION REGARDING ESTABLISHMENT OF ASSESSMENTS
FOR LOT CONSOLIDATIONS**

WHEREAS, the following definitions are used in this Resolution:

- a. The term "Assessments" means dues and assessments and special assessments.
- b. The term "Lot" as used herein refers either to an originally platted lot in Sudden Valley or a lot that has been previously consolidated.
- c. The term "Initial Consolidation" means a consolidation of two originally platted lots within Sudden Valley.
- d. The term "Secondary Consolidation" as used herein means (i) a consolidation of two Lots where at least one of the Lots being consolidated was previously involved in an Initial Consolidation or (ii) a consolidation involving more than two Lots.
- e. The term "Developed Lot" means a Lot that has a structure placed on it.
- f. The term "Developed Lot Assessment" means the Assessments imposed on a Developed Lot.

WHEREAS, Article VI, Section 6(a)(ii) of the Bylaws allows an owner who undertakes an Initial Consolidation to pay the Assessments for a single lot; and

WHEREAS, pursuant to Article VI, Section 6(a)(v), when an owner wishes to undertake a Secondary Consolidation, the Bylaws authorize the Board either to deny the Secondary Consolidation or to approve the requested Secondary Consolidation and to establish the reduction in Assessments, if any; and

WHEREAS, as SVCA members continue to consolidate lots within Sudden Valley, SVCA foregoes revenue that is critical to its ability to fulfill its responsibilities of maintaining the common areas and facilities for the benefit of all of its members; and

WHEREAS, the Board desires to strike a balance between density reduction (by continuing to allow Secondary Consolidations to occur) and revenue needs; and

WHEREAS, it is recognized that an *ad hoc* approach to establishing the reduction in Assessments for Secondary Consolidations does not allow members to adequately plan and, further, has the potential to result in inconsistent levels of assessments for similarly situated members; and

WHEREAS, the Board desires to establish a consistent framework for Assessments to be imposed with regards to Secondary Consolidations.

NOW, THEREFORE, it is hereby resolved as follows:

1. **Effective Date.** This resolution shall take effect on 11, 2017 (the "Effective Date").
2. **Prospective Effect.** In order not to disturb the settled expectations of SVCA members who undertook Secondary Consolidations prior to the Effective Date, the Board has determined that it is fair and equitable for this resolution to operate prospectively only. Thus, all Secondary Consolidations completed prior to the Effective Date shall not be affected by this resolution.
3. **No Change to Bylaws.** Nothing herein is intended to alter the Bylaws or to diminish or alter the Board's discretion to deny an application for a Secondary Consolidation.
4. **Assessment Adjustment for Secondary Consolidations.** Each completed Secondary Consolidation approved by the Board shall be subject to the total of the Assessments imposed on each of the Lots involved in the Secondary Consolidation, less a dollar amount equal to 50% of the Developed Lot Assessment. This calculation shall be performed according to the following formula:


Annual Assessment for Consolidated Lot = (Assessment for Lot A + Assessment for Lot B) – 50% of Developed Lot Assessment.

4.1 If more than two Lots are being consolidated, the formula would be adjusted to add any additional Lots on the right side of the equation. For example, in a four lot consolidation, the formula would be as follows:

Annual Assessment for Consolidated Lot = (Assessment for Lot A + Assessment for Lot B + Assessment for Lot C + Assessment for Lot D) – 50% of Developed Lot Assessment.

5. This Resolution was approved by a majority of the Board members in attendance at the regularly scheduled meeting on the date set forth below.

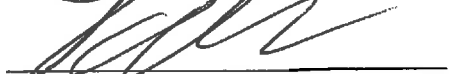
DATED this 14th day of September, 2017.




Director



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