

**Section 6. Conservancy Fee.** The Association shall have the authority and discretion to establish and collect on behalf of the Association a fee from the transferring Owner upon the resale of a Lot or Unit, which fee shall be used to fund the conservancy effort, including without limitation, the creation and maintenance of Hiking Trails, Bridle Paths, maintenance of the Conservancy Lands, and construction, maintenance and operation of a nature preserve building or facility. The amount of the initial fee shall not exceed 0.5% of the gross sales price of the Lot or Unit, unless an increase is approved by a majority of the total Association vote and the consent of the Developers. Any approved changes shall only apply to conveyances of Lots or Units occurring after the adopted change.

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Notwithstanding the above, no Conservancy Fee shall be levied upon the transfer of title to a Lot or Unit:

- (a) by a co-Owner to any person who was a co-Owner immediately prior to such transfer;
- (b) to the Owner's estate, surviving spouse, or child upon the death of the Owner;
- (c) inter vivos transfer to trusts, family partnerships, or similar entities used in the course of the Owner's estate planning;
- (d) to an entity wholly owned by the Owner, provided that upon any subsequent transfer of an ownership interest in such entity, the transfer fee shall become due;
- (e) exchanges of Lots or Units for other Lots or Units, except to the extent that additional consideration is paid in the exchange;
- (f) to an institutional lender pursuant to a Deed of Trust or upon foreclosure of a Deed of Trust;
- (g) to a nonprofit entity for cultural, community, or environmental preservation purposes,
- (h) to the Association for recreational or habitat preservation; or
- (i) to initial sales by the Developers.

Section 7 Assessment Rate