

The Hidden Springs CC&Rs (Article 3, Section 3.1.7.7) describe the Transfer Fee funding authority and process.

lines or pipes, and any similar public or quasi-public improvements or facilities; and

3.1.7.6.3 Any service facility, berm, fencing and landscaping abutting Common Area, public and private streets or land conveyed for any public or quasi-public purpose including, without limitation, pedestrian and bicycle pathways.

The right to grant such licenses, easements and rights-of-way are hereby expressly reserved to the Town Association and may be granted at any time prior to twenty-five (25) years after the death of the last to survive of all of the lawful descendants who are living at the effective date of this Master Declaration of the members of Congress of the United States of America.

3.1.7.7 Transfer Fees. In order to fund its environmental education and stewardship programs, the Town Association is authorized to charge a fee ("Transfer Fee") commencing with the sale of the first Lot to a Person (exclusive of Town Founder) and on each subsequent sale or resale of a Lot.

The Town Association shall have the sole discretion to determine the amount and method of determining any such Transfer Fee, which may, but is not required to, be determined based upon a percentage of the "Gross Selling Price" of the Lot or another factor as determined by the Town Association; provided, however, that the Transfer Fee shall not be greater than one-half of one percent (0.50%) of the Gross Selling Price of the Lot. For the purpose of determining the amount of the Transfer Fee, the Gross Selling Price shall include the total cost to the purchaser of the Lot and of the Improvements thereon, including, without limitation, all residential or commercial buildings, but excluding taxes and title transfer fees. Each Person buying a Lot shall provide the Town Association with a copy of the purchase and sale agreement for the Lot and/or Improvements thereon or similar materials requested by the Town Association, as necessary to allow the Town Association to calculate the Gross Selling Price. In the event a Lot does not have Improvements constructed thereon, the Gross Selling Price shall be the total cost to the purchaser of the Lot plus the estimated cost of the improvements based on purchaser's available plans and specifications, and if none, based on the Town Association's fair and reasonable estimate of the value of such Improvements. Monies obtained from such Transfer Fee shall be placed in a fund ("Conservation and Preservation Fund") and may be used by the Town Association for any of the following purposes: (1) the administrative costs incurred by the Town Association in creating and updating the current property rolls for

Owners of Lots within the Hidden Springs Property and as otherwise needed for the operation of the Town Association's business; (2) the maintenance, improvement, operation, repair, replacement and management of the Conservation Area created by the Conservation Easement pursuant to the terms contained therein and education programs concerning the Conservation Area; and (3) acquisition of additional property to be maintained consistent with the environmental objectives of the Conservation Easement. All purchasers of Lots acknowledge that the Town Council has, in its sole discretion, the right to transfer the Conservation and Preservation Fund and monies contained therein or collected hereunder to either (1) a private tax exempt, not for profit organization, as defined in Section 170(h) of the Internal Revenue Code of 1986 or (2) a public agency among whose purposes it is to preserve, protect and enhance the Conservation Area pursuant to the terms and conditions of the Conservation Easement.

The foregoing Transfer Fee shall be levied notwithstanding the fact that the Town Association or Conservation and Preservation Fund may have then accumulated a balance. In no event will any Owner have a right of set-off against any such Owner's responsibility to pay Assessments as provided under this Master Declaration. Funds in the Conservation and Preservation Fund may also be used for such other purposes as the Town Association shall deem appropriate from time to time.

Notwithstanding the above, a Transfer Fee shall not be levied in the following instances:

(i) Conveyance of a Lot from Town Founder to a Builder;

(ii) Conveyance of a Lot to a trust, partnership, limited liability company, corporation, or other entity so long as such entity is wholly owned by the Owner conveying such Lot at the time of conveyance or by such Owner and the Owner's spouse and/or children and the trust, partnership, limited liability company, corporation or other entity continues to be owned after the conveyance by such Person(s); provided, however, if the immediately preceding conveyance of the Lot was exempted from payment of the transfer fee pursuant to this subsection, then this exception shall not apply and the Lot shall be subject to the payment of the Transfer Fee;

(iii) Conveyance of a Lot by an Owner or such Owner's estate to the Owner's spouse and/or legal children

and/or legal grandchildren; provided, however, if the immediately preceding conveyance of the Lot was exempted from payment of the Transfer Fee pursuant to this subsection, then this subsection shall not apply and the transfer of the Lot shall be subject to payment of the Transfer Fee;

(iv) A transfer of a Lot to the beneficiary under a deed of trust, the mortgagee under a mortgage by trustee's sale proceedings, the foreclosure of the mortgage or by deed in lieu of a trustees sale or mortgage foreclosure; and

(v) The conveyance of any Lot to Town Founder.

All transfer fees shall be paid at the closing of the transfer and shall be a continuing lien upon each Lot until paid. For the purposes of this subsection, the sale or transfer of a Lot shall mean the transfer of fee title to a Lot, or a leasehold interest or other possessory right exceeding sixty (60) months cumulative, in duration.

3.1.7.8 Emergency Powers. The power, exercised by it or by any Person authorized by it, to enter upon any portion of the Hidden Springs Property (but not inside any building constructed thereon) in the event of any emergency involving potential danger to life or property or when necessary in connection with any maintenance, improvement, operation, repair or replacement for which the Town Association is responsible. Such entry shall be made with as little inconvenience to the Owner as practicable, and any damage caused thereby shall be repaired by the Town Association.

3.1.7.9 Traffic Reduction. Establish, implement and enforce regulations, restrictions controls, strategies and programs including ride sharing strategies as necessary or appropriate to achieve the "Trip Reduction Strategy" identified in Section 3, 3-17, of the Town Plan and also enter into contracts, agreements or cooperative arrangements with appropriate regulatory agencies, including the "Hidden Springs Transportation Management Plan" entered into with the Ada County Highway District on January 13, 1998 (as amended from time to time), as appropriate to manage and minimize traffic impacts on roadways within or abutting the Hidden Springs Property and concentrate traffic flow through designated traffic corridors.

3.1.7.10 Cultural Programs. Coordinate, support and sponsor the arts, cultural programs and activities benefitting the residents of Hidden Springs and the greater Ada County community.