

the votes of a quorum of the Members voting in Person or by proxy at a meeting of the Master Association duly called for such purpose. Special Assessments shall be assessed uniformly among the Owners.

**8.10 Transfer Fee.** Each Person who purchases a Lot from a Person other than Declarant shall pay to the Master Association immediately upon becoming the Owner of the Lot a transfer fee of at least \$200.00 or in such greater amount as is established from time to time by the Board.

**8.11 Working Capital Fund.** To insure that the Master Association shall have adequate funds to meet its expenses or to purchase necessary equipment or services, each Person who purchases a Lot from a Person other than Declarant shall pay to the Master Association immediately upon becoming the Owner of a Lot a sum equal to one-sixth (1/6<sup>th</sup>) of the current Annual Assessment for such Lot. Funds paid to the Master Association pursuant to this **Section 8.11** may be used by the Master Association for payment of operating expenses or any other purpose permitted under this Declaration. Payments made pursuant to this **Section 8.11** shall be nonrefundable and shall not be offset or credited against or considered as advance payment of the Annual Assessment or any other Assessments levied by the Master Association pursuant to this Declaration. Payments made pursuant to this **Section 8.11** shall not be used in calculating the Maximum Annual Assessment pursuant to **Section 8.8** hereof.

**8.12 Capital Reserve Fund.** To assist the Master Association in establishing adequate funds to meet its Capital Expenses, each Owner who purchases a Lot from a Person other than Declarant shall pay to the Master Association immediately upon becoming the Owner of a Lot a sum equal to one-sixth (1/6<sup>th</sup>) of the then current annual assessment for such Lot (the "Capital Reserve Fee"). Such payment shall be required upon each transfer of title to each Lot. Funds paid to the Master Association pursuant to this **Section 8.12** are to be used by the Master Association for payment of establishing reserves, provided that so long as there is a Class B Membership, such funds may only be used to establish a replacement and repair reserve account or to apply towards repair and reconstruction of Capital Improvements within the Master Common Areas. Payments made pursuant to this **Section 8.12** shall be nonrefundable and shall not be considered as an advance payment of any other Assessments levied by the Master Association pursuant to this Declaration. When there is no longer a Class B Membership, the Board shall have the right, by an affirmative vote of the majority of the members of the Board, and based upon the Board's analysis of replacement and repair reserves, using a cash flow method calculation and not a fully funded method, to permanently or temporarily cease to assess the Capital Reserve Fee, and having ceased to assess the Capital Reserve Fee, the Board shall have the right to reinstate the assessment of such fee at any time thereafter, it being the intent that the Board shall have the right to begin or cease assessment of the Capital Reserve Fee as the Board deems appropriate from time to time. Declarant shall not be liable for any past or future Capital Reserve Fund contributions. By agreeing to be bound by this Declaration, each Owner who purchases a Lot from a Person other than Declarant agrees and acknowledges that this method of establishing and maintaining a Capital Reserve Fund is adequate to meet anticipated costs to maintain and replace Capital Improvements.