

6.12. **Purposes for Which Association's Funds May Be Used.** The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Occupants by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without the Project; which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Occupants, and to the establishment and funding of reasonable reserves for replacements and contingencies. The following are some, but not all, of the areas in which the Association may seek to aid, promote and provide for such common benefit social interaction among Members and Occupants, maintenance of landscaping on Common Area and public right-of-way and drainage areas within the Project, construction, operation and maintenance of recreational and other facilities on Common Area, operation, maintenance, replacement and repair of Neighborhood Assessment Area and Improvements thereon, recreation, insurance, communications, ownership and operation of vehicle storage areas, education, transportation, health, utilities, public services, safety, indemnification of officers, directors and committee members of the Association, employment of professional managers, and hiring professional consultants such as architects, engineers, attorneys and accountants.

6.13. **Surplus Funds.** The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from a prior year, and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

6.14. **New Owner Capital Contribution.** Each Purchaser of a Lot (other than a Builder or Developer) shall pay to the Association immediately upon becoming the Owner of the Lot a sum equal to one-sixth (1/6th) of the then current Regular Assessment for the Lot. Funds paid to the Association pursuant to this section may be used by the Association for payment for operating expenses or any other purpose permitted under the Association Documents. Payments made pursuant to this section shall be nonrefundable and shall not be considered as an advance payment of any Assessments levied by the Association pursuant to this Declaration. Payments made pursuant to this section shall be deemed a contribution to the operating capital of the Association.

6.15. **Contribution to Capital Improvement.** Except as otherwise provided in this section, each Purchaser of a Lot (other than a Builder or Developer) shall pay to the Association immediately upon becoming the Owner of the Lot a sum equal to one-sixth (1/6th) of the then current Regular Assessment for an Assessable Lot (the "Capital Improvement Contribution") as a contribution to the Association's Capital Improvement Fund for the construction of additional association recreation facilities or amenities, the expansion or addition to existing community recreation facilities and amenities or the future periodic maintenance, repair or replacement of the Areas of Association Responsibility. The Capital Improvement Contribution shall be in addition to, and not in lieu of, any other Assessments or amounts payable to the Association by the Owner making the Capital Improvement Contribution, and the Capital Improvement Contribution shall be secured by the Assessment Lien. The Capital Improvement Contribution shall be deemed a contribution to the capital improvement fund of the Association.

No Capital Improvement Contribution shall be payable with respect to: (a) the transfer or conveyance of a lot by devise or intestate succession; (b) a transfer or conveyance of a Lot to a family trust, family limited partnership or other Person for bona fide estate planning purposes; (c) a transfer or conveyance of a Lot to a corporation, partnership or other entity in which the grantor owns a majority interest unless the Board determines, in its sole discretion, that a material purpose of the transfer or conveyance was to avoid payment of the Capital Improvement Contribution; or (d) the transfer or conveyance of a Lot as a result of a trustee's sale under a deed of trust, the foreclosure of a realty mortgage or the forfeiture or foreclosure of a purchaser's interest under a recorded contract for the conveyance of real property subject to A.R.S. § 33-741, et seq.

All Capital Improvement Contributions may only be used to pay costs and expenses related to the design or construction of recreational facilities and amenities on the Common Area, for the design and construction of additions to or expansions of existing community recreational facilities and amenities situated on the Common Area or the maintenance, repair or replacement of the Areas of Association Responsibility, unless the expenditure of any or all of the Capital Improvement Contributions for other purposes is approved by the vote of owners having two-thirds (2/3) of the eligible votes.

6.16. **Transfer Fee.** Each Purchaser other than a Builder or Developer of a Lot or Tract shall pay to the Association immediately upon becoming the Owner of the Lot or Tract a transfer fee in such amount as is established from time to time by the Board.