

# Lake Forest-Summit Owners Association

## DEPOSIT DISCLOSURE, INDEMNITY AGREEMENT, AND RELEASE OF CLAIMS

Prior to commencing an improvement on any lot (including clearing, grubbing, tree removal, grading, landscaping, or any form of construction activity), the Owner shall make a deposit in the amounts shown below:

1. House Construction	\$4,000 <sup>1</sup>
2. Front Landscaping or Front and Rear Landscaping	\$1,000 <sup>2</sup>
3. Rear Landscaping	\$500 <sup>2</sup>
4. Pool	\$500
5. Other Improvements costing less than \$20,000	\$500
6. Other Improvements costing \$20,000 or more	\$1,000

*Make deposit check payable to: “The Summit Deposit Account” and identify the lot number and purpose for the deposit on the check, i.e., Memo: Lot 001 – House Construction Deposit.*

The Owner agrees to be responsible for the activities of contractors, guests, and invitees and is, therefore, responsible for all damage to the Lake Forest-Summit Owners Association’s (Association) common areas or other owner’s properties that may result from any construction activity. If an Owner fails to bring all damaged property back to its original condition, the Owner agrees that the deposit can be used to pay for remedial procedures. The Owner also agrees that the deposit can be used to pay for any cleaning or maintenance to the Owner’s property done by the Association, if Owner has failed to maintain the site as required by the CC&Rs. The Owner accepts responsibility to pay all fines resulting from violations of the Construction Rules or CC&Rs during the course of construction and that said fines may be withdrawn by the Association from the deposit, following a hearing by the Board of Directors. The Owner also agrees that fees and costs related to the work covered by this deposit and conducted by the Association’s Board of Directors, Architectural Control Committee (ACC), agents, employees, and/or independent contractors may be withdrawn from the deposit by the Association. It is further agreed that if the deposit is insufficient to cover the cost of fees, fines or other costs allowed, as stated previously, the excess amount shall be added to the Owner’s assessments.

Upon completion of all construction and corrective repairs, the Owner shall 1) report completion of the work and 2) request that the ACC approve return of the deposit (less fees, fines and costs) by sending a letter to the management company: *Kocal Management Group, Inc. 950 Iron Point Road, Suite #100, Folsom, CA 95630*. Upon inspection and approval by the ACC, the deposit will be returned less any fees, fines or other costs incurred by the Association. It is understood and agreed to by the Owner that the Association will retain any and all interest earned during the time that the deposit is held by the Association, and that deposits will be forfeited if all improvements are not completed within one year of commencement, unless an extension of time is approved by the ACC.

Notwithstanding the approval of the ACC of any plans or specifications for any structure or improvement, each Owner, or agent of such Owner, submitting plans or specifications to the ACC shall be solely responsible for the sufficiency thereof, as submitted, as modified prior to approval, or as modified as a condition of approval.

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<sup>1</sup> \$375 of this amount is for review by a professional architect and is non-refundable.

<sup>2</sup> \$325 of this amount is for review by a professional architect and is non-refundable.

## THE SUMMIT

### Deposit Disclosure Form

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Owner and the Owner's agents, successors, or assigns hereby release the Association, its members, its Board of Directors, its ACC, and its agents, employees, and independent contractors from any and all claims, demands, and causes of action for loss or damage from or relating to any defect, or alleged defect, in such plans and specifications. Owner further waives the benefit of Section 1542 of the California Civil Code relating to the release of unknown claims which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Owner further agrees to indemnify, hold harmless, and defend the Association, its members, its Board of Directors, its ACC, and its agents, employees, and independent contractors, of and from each or any claim asserted by third parties arising out of any such defects.

I, \_\_\_\_\_ and \_\_\_\_\_  
(Print Owner's name) (Print Co-Owner's name, if applicable)

have read, understand and agree to abide by the Association's CC&Rs, the Construction Rules, and this Deposit Agreement. I further agree to indemnify the Lake Forest-Summit Owners Association, its members, its Board of Directors, its ACC, and its agents, employees, and independent contractors to defend with counsel of the Association's choice, and to indemnify and hold the Association harmless from all expense, loss, damage, and claim, including Attorney's fees, if necessary, arising out of the acts or omissions of my/our contractor(s), his sub-contractor(s), agents, employees, and assigns, whether willful or negligent, occurring during construction of, or related in any way to the work on, improvements on my lot(s) within The Summit. This indemnification shall include without limitation, the following:

- a. All foreseeable and unforeseeable consequential damages, directly or indirectly arising out of disturbance of or damage to underground cables whether telephone, television, electrical, landscaping and appurtenances, drainage systems, curbs, sidewalks, streets, and
- b. The cost of any required or necessary repair, clean-up, removal or restoration of any of the above.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Summit Lot #

\_\_\_\_\_  
Current Mailing Address

\_\_\_\_\_  
City, State, ZIP

\_\_\_\_\_  
Telephone (Home)

\_\_\_\_\_  
Telephone (Work)

\_\_\_\_\_  
e-mail address

