

## 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
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, e.g., Memo: Lot 1 – 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from violations of the Construction Rules or CC&Rs during the course of construction and that said fines may be withdrawn by the Association from the deposit, following a hearing by the Board of Directors.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Board of Directors, Architectural Control Committee (ACC), agents, employees, and/or independent contractors may be withdrawn from the deposit by the Association.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: The Management Trust, P.O. Box 1459, Folsom, CA 95763. 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

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

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

