

# LAKE FORREST HOMEOWNERS ASSOCIATION

## **BOND POLICY**

Pursuant to the Lake Forrest Declaration, a performance bond must be posted for all lots. This must remain in place until the home is completed and inspected and determined to be in conformance with approved plans and specs or on a temporary basis as detailed herein.

### **Bond Amounts:**

Estate lots: \$3,000.00

Pointe lots: \$5,000.00

### **Posting of Bond:**

The purchaser of any vacant lot, or for a home that has not had a satisfactory bond inspection completed must post a payment in the amount indicated above at the closing of the lot.

### **Use of Bond by the HOA:**

The Declaration allows use of the bond by the Association for uses listed therein. Any such use of the bond will be done after written notification to the lot owner, and the costs incurred shall be documented by the Association. Any such costs incurred will be deducted from the total bond posted. If such costs exceed the total bond posted, a Bond Deficit will result, which eliminates the posted bond and will be considered a receivable upon the lot.

### **Bond Deficits:**

Pursuant to the Seventh Amendment to the Declaration, if a bond deficit exists from conditions described above, the deficit balance must be paid in full prior to requesting any ARC approval, or upon the sale of the lot.

### **Release of Bond (Completed Home):**

A written request for an inspection must be made on the approved Bond Inspection Request form. No inspections are considered for any lot with a balance due. Also, no inspections can be made during winter months when snow is present.

At the inspection, the owner must provide a copy of the approved plans, colors, and approved landscaping plan. The inspector will verify conformance with, but not limited to, the approved plans, installation of an approved mailbox, as well as determine that no damage to infrastructure such as sewer inlets, etc. exists. If the owner does not possess the approved house or landscaping plans, the inspector will be limited to using his judgment on the completeness of the improvements. The determination of the inspector and Board of Directors is final.

Each inspection will have a fee of \$150.00. If the inspection is acceptable, the bond will be returned less the inspection fee and any authorized deductions as noted above. If any deficiencies exist they will be noted in writing to the lot owner. Please allow 30 days from the date of the HOA's receipt of the Request to complete the inspection and process either the payment return or the documentation of deficiencies.

**Temporary Return (Vacant lots only):**

Pursuant to the Declaration, the bond may be temporarily returned if all public improvements to the parkway have been installed and are in acceptable condition.

A written request for an inspection must be made on the approved Bond Inspection Request form. No inspections are considered for any lot with a balance due. Also, no inspections can be made during winter months when snow is present. Each inspection will have a fee of \$150.00.

The inspection will be made to verify the lot and parkway is in acceptable condition, including, but not limited to, all parkway trees are alive, sidewalks and parkway seeding are in acceptable condition, and no debris or spoils are present on the lot. If all conditions are acceptable the bond shall be returned less the \$150.00 inspection fee. If any items are not acceptable, the owner will be notified in writing, the bond will not be returned and any further inspections subject to written request and additional inspection fees.

This bond must be replaced in full prior to the owner requesting ARC approval. Please note no ARC approval for any improvement will be considered for a lot with any balance due. Please allow 30 days from the date of the HOA's receipt of the Request to complete the inspection and process either the payment return or the documentation of deficiencies.

**Lot Closings**

The purchaser of any vacant lot, and any built lot that has not had an approved bond release inspection, shall post a bond at closing in the amounts indicated above. The management company should be contacted to verify if a built house has an outstanding bond in place.

The new owner is responsible for the conditions of the lot and all improvements at the time of closing and may request an inspection and return of the bond pursuant to the conditions of the section(s) above.

The previous owner may request the return of the original bond with a written request. Upon confirmation of the closing of the lot the bond shall be returned. No inspections or fees are required for the return of a bond to a previous owner. Please allow 30 days from the date of the HOA's receipt of the Request to process the payment return.