



CONSTRUCTION SECURITY DEPOSIT POLICY

Adopted: May 18, 2009

Amended: December 21, 2009

The following Construction Security Deposit Policy shall be followed for the Mirabel Community Association, Inc.:

Pursuant to Section 12.9 of the Declaration, the Mirabel Design Review Committee (DRC) may require security deposits to ensure compliance with the Design Review Guidelines. After the DRC approves an Owner's plans and prior to commencing Construction Activity, a Construction Security Deposit in the amount of \$25,000.00 shall be delivered to the Association. This deposit serves as security for the timely completion of the project as approved by the DRC and in conformity with the Design Review Guidelines. The Association may use, apply, or retain any part of the Construction Security Deposit to defray expenses for damage to Association property that occur in connection with Construction Activity. The Construction Security Deposit may also be used for payment of any outstanding fines for violation of the Guidelines or Construction Rules in connection with the Construction Activity. In this event, the Owner of the Homesite shall reimburse that portion of the Construction Security Deposit expended so that the Construction Security Deposit is restored to its original amount. All Construction Activity shall be halted until the Owner has complied with this requirement.

The Owner or other party who delivers the Construction Security Deposit shall have no right to demand the Construction Security Deposit and the Association shall have no obligation to pay over the Construction Security Deposit until 30 days after the issuance of a Notice of Completion from the Association. At that point, the Owner or other party who delivers the Construction Security Deposit shall be entitled to receive the current amount of the Construction Security Deposit without any interest thereon.

In the event discrepancies with construction are noted any time during construction and/or during the Final Walk-through, the Owner will be allotted a maximum of 90 days to rectify all discrepancies. Should the Owner fail to correct all discrepancies at the second inspection or Final Walk-through, the Owner will be charged \$500.00 for every subsequent inspection or Final Walk-through that becomes necessary.

If the Owner fails to rectify the discrepancies within the allotted 90 day time period referenced above, or if all Construction Activity is not completed within 24 months of being commenced or Construction Activity ceases for a period of six (6) months, whichever occurs first, then the Construction Security Deposit will be forfeited and a Notice of Non-Compliance will be recorded against the property. If the Owner conveys ownership of the Homesite to a new Owner prior to obtaining a Notice of Completion from the Association, then the new Owner must deliver a new Construction Security Deposit to the Association and the existing Construction Security Deposit will be returned to the original Owner or other party who paid it to the Association, assuming that no forfeiture of the existing Construction Security Deposit has taken place.

Accepted: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted: \_\_\_\_\_

Date: \_\_\_\_\_