

COMPLIANCE DEPOSIT AGREEMENT

In addition to the \$_____ Design Review Fee payable at the Preliminary Design Review, and in compliance with rules adopted, _____ Owner, does hereby Deposit with the Association, the sum of \$_____, hereinafter called the "Compliance Deposit" and agrees to the following terms and conditions.

1. The Compliance Deposit shall be held as security against any damage caused to the Association's common area, streets, or Owner's Lots and all improvements, structures, landscaping and personal property attached thereto or located thereon; which damage is caused by the act and/or omissions of the Owner, his general contractor and/or any employee, agent, or subcontractor of the Owner or general contractor in connection with construction of improvements on the Owner's Lot, and as security for reimbursement to the Association for all reinspections, charges incurred due to the Owner's/Builder's failure to comply with the Final Design Approval and/or the Construction Regulations.
2. Upon the occurrence of such damage, or charges, the Master Architectural Committee from time to time, and without prejudice to any other remedy, may use the Compliance Deposit to the extent necessary to repair such damage, correct compliance failures, or to pay the cost of such damage, fees or charges. It is expressly understood that the use of any or all of the Compliance Deposit shall not be considered a measure of the damage nor release the Owner from paying additional amounts if the total exceeds \$_____.
3. The Master Architectural Committee must approve any expenditures of the Compliance Deposit.
4. Prior to making the expenditures or paying the damage, fees or charges out of the Compliance Deposit, as set forth in Section 2 above, the Master Architectural Committee shall provide notice to the Owner/Builder pursuant to the requirements of Chapter 209, Texas Property Code, whereupon the Owner/Builder will have the opportunity to request a hearing.
5. The Master Architectural Committee shall not be liable to the Owner or to any other person for any loss, damage, or inquiry arising out of the payment of nonpayment of the Compliance Deposit funds unless such loss, damage, or injury is due to the willful misconduct or bad faith of the Master Architectural Committee.
6. It is the Owner's/Builder's responsibility to carry necessary hazard and liability insurance.
7. No interest shall be paid on the Compliance Deposit.
8. The Compliance Deposit will be refunded upon the successful completion of Inspections required by Barton Creek North. This includes complete site clean up and installation of Landscaping. The Compliance Deposit shall be refunded to the owner on record as of the date of the refund.

Owner _____ Date _____
Lot _____ Block _____
Address _____

Barton Creek North Master Architectural Committee Representative
