

CONSTRUCTION DEPOSIT AGREEMENT

WHEREAS:

a. The Indian Lake Association, Inc. ("ILA") is charged by the Declaration of Covenants and Restrictions and other governing documents with approving all plans for construction and excavation at Indian Lake Estates; and

b. _____ ("Owner") owns Lot ___ at Indian Lake Estates, and has submitted plans for construction and/or excavation, and said plans have been approved by the appropriate ILA Committee, subject to the execution of this Escrow Agreement and the provision of funds hereunder;

c. ILA regulations require, as a condition of the approval of any construction or excavation, the provision of a Construction Deposit in an amount which, in the present case, is _____;

It is hereby agreed between ILA and Owner as follows:

1. Owner is herewith depositing the amount of _____ as a Construction Deposit pursuant to ILA regulations.

2. ILA will hold these funds (less any amounts expended hereunder) until final written approval of the construction or excavation by the ILA Lot Committee or its designated inspector. Upon receipt of said written approval, ILA will release any balance of said funds to Owner. No interest will be payable on said funds.

3. ILA may take funds from the deposit and expend them to compensate ILA for any expenses (including legal or other expert costs and fees) it incurs in:

a. remedying or seeking to remedy any violations of the ILA governing documents (including the Declaration, the Bylaws, and any Rules and Regulations);

b. remedying or seeking to remedy any violations of the terms of approval of the construction or excavation;

c. remedying any nonconformance with the approved plans.

Before said funds shall be expended, Owner shall have been given written notice of the violation and a reasonable opportunity to correct it.

4. This Agreement shall not be modified except in writing signed by both parties hereto.

INDIAN LAKE ASSOCIATION

By: _____

_____, Owner