

When Recorded, Please Mail to:

OPAL Community Land Trust
PO Box 1133
Eastsound, WA 98245

MEMORANDUM OF LEASE

This Memorandum of Lease is entered into between OPAL Community Land Trust ("OPAL CLT"), and

«HOMETRACKER SERVICE FILE HOMETRACKER A»«HOMETRACKER SERVICE FILE HOMETRACKER C»"=" " " " and «HOMETRACKER SERVICE FILE HOMETRACKER C»" * MERGEFORMAT and «HOMETRACKER SERVICE FILE HOMETRACKER C»("Homeowner(s)").

1. MEMORANDUM OF LEASE: OPAL CLT in consideration of the rents reserved, and the terms, conditions, covenants and agreements as fully set forth in this document and in the OPAL Community Land Trust Master Ground Lease recorded under San Juan County Auditor's file No. «HOMETRACKER SERVICE FILE DOCUMENT VERSI», does hereby lease to the Homeowner, and Homeowner agrees to lease from OPAL CLT, that real property described as:
«TableStart:ReportData»«ABBREVIATED LEGAL DESCRIPTION»«TableEnd:ReportData», and more fully described in Exhibit A and referred to as the Leased Land. The Homeowner acknowledges receipt of copies of both the OPAL Master Ground Lease and the most current title report obtained by OPAL CLT for the Leased Land.

**PROVISION OF SPECIFIC TERMS LEFT BLANK
IN THE MASTER GROUND LEASE**

- Page 6: THIS LEASE (“Lease”) entered into
«HOMETRACKER SERVICE FILE CLOSE DATE» between OPAL Community
Land Trust (“OPAL”), and
«HOMETRACKER SERVICE FILE HOMETRACKER A»
«HOMETRACKER SERVICE FILE HOMETRACKER C»"=" " " " and
«HOMETRACKER SERVICE FILE HOMETRACKER C»" *
MERGEFORMAT and
«HOMETRACKER SERVICE FILE HOMETRACKER C» (“Homeowner”).
- Page 8: 3.1 TERM: TERM OF THE LEASE IS 99 YEARS: This Lease shall remain in effect for the
life of the Homeowner, or 99 years, whichever is longer, beginning on
«HOMETRACKER SERVICE FILE RESTRICTION ST», and ending on the
«HOMETRACKER SERVICE FILE RESTRICTION EN», unless terminated
sooner or renewed as provided below.
- Page 24: 10.2 HOMEOWNER MAY TRANSFER HOME ONLY TO INCOME QUALIFIED
PERSONS: “Income-Qualified Person” shall mean a person or group of persons whose
household income does not exceed
«HOMETRACKER SERVICE FILE MAXIMUM ALLOWA»% of the median
household income for San Juan County as calculated and adjusted for household size from
time to time by the U.S. Department of Housing and Urban Development (HUD) or any
successor.
- Page 26: 10.8 PURCHASE OPTION PRICE EQUALS THE LESSER OF THE FORMULA
PRICE or A PERCENTAGE OF THE APPRAISED FEE SIMPLE MARKET VALUE:
In no event may the Home be sold for a price that exceeds the Purchase Option Price,
and the Purchase Option Price is not a guarantee, but is a maximum price. The
Purchase Option Price shall be the lesser of:
 (a) the Formula Price calculated in accordance with Section 10.10 below, or
 (b) 80% of the Appraised Fee Simple Market Value of the Home and Land,
unless at the time of initial purchase the Base Price exceeds 80% of the Appraised Fee
Simple Market Value.
 At the time of initial purchase, the Homeowner and OPAL agree that the
Homeowner’s Base Price is
«HOMETRACKER SERVICE FILE EFFECTIVE PURC», and that the
Appraised Fee Simple Market Value is
«HOMETRACKER SERVICE FILE APPRAISED UNRE» so the
Homeowners Base Price equals
«HOMETRACKER SERVICE FILE EFFECTIVE PURC»/«HOMETRAC
KER SERVICE FILE APPRAISED UNRE»*100) \# #0% !Unexpected
End of Formula of the Appraised Fee Simple Market Value.

In the event the Base Price is more than 80% of the Appraised Fee Simple Market Value at the time of initial purchase, the Homeowners Purchase Option Price shall be the lesser of:

- (a) the Formula Price or
- (b) _____ % of the Appraised Fee Simple Market Value.

In the event no appraisal was commissioned for the initial purchase, the Base Price will be presumed to be less than 80% of the Appraised Fee Simple Market Value.

If OPAL, at the time of resale, does not choose to commission an appraisal to determine the Appraised Fee Simple Market Value of Homeowner's Ownership Interest, then the Purchase Option Price shall be the Formula Price.

Page 32: 14.02 NOTICES

If to Homeowner:

«HOMETRACKER SERVICE FILE HOMETRACKER A»
«HOMETRACKER SERVICE FILE HOMETRACKER C»=" " " " "and
«HOMETRACKER SERVICE FILE HOMETRACKER C»" *
MERGEFORMAT and
«HOMETRACKER SERVICE FILE HOMETRACKER C»
«TableStart:ReportData1»«MAILING_ADDRESS_LINE_1»«TableEnd:ReportData1»
«TableStart:ReportData1»«MAILING_CITY»,
«MAILING STATE/PROVINCE»
«MAILING ZIP/POSTAL CODE»«TableEnd:ReportData1»

Page 32: 14.3 NO BROKERAGE: Homeowner warrants that Homeowner has not dealt with any real estate broker other than N/A in connection with the purchase of the Home. If any claim is made against OPAL regarding dealings with brokers other than N/A, Homeowner shall defend OPAL against such claim with counsel of OPAL's selection and Homeowner shall reimburse OPAL for any loss, cost or damage that may result from such claim.

EXHIBIT A

LEASED LAND

The full legal description for the land referred to here in is:

«TableStart:ReportData»«HOMETRACKER__SERVICE_FILE_LEGAL_DESCRIPT»«Table
End:ReportData»

The current Tax Parcel on this Parcel is

«TableStart:ReportData»«Tax_ID_Number»«TableEnd:ReportData»

EXHIBIT B
(i) Letter of Stipulation

TO: OPAL Community Land Trust

This letter is an exhibit to a lease between myself and the OPAL Community Land Trust (hereafter "OPAL"), owner of the land located on Orcas Island, San Juan County, Washington on which I am purchasing a home. I agree to abide by the lease freely, without pressure from other parties, and with the intent of receiving certain benefits as described here.

I have chosen _____ as my legal counsel.

I have chosen to waive my right to legal counsel.

I have read the terms and conditions of the Lease and other legal documents that are part of this transaction and/or had them explained to me by my legal counsel. I understand the effects of these terms and conditions on my rights of ownership of the buildings erected on the leased property.

I understand that the following documents describe the special nature of my ownership of my home.

- a) this letter of stipulation and the Attorney's Declaration, if utilized
- b) a Deed of the Property to OPAL and other title information,
- c) the Ground Lease to which this is an exhibit,
- d) the Conditions, Covenants and Restrictions referenced in the Ground Lease, and
- d) the Articles of Incorporation and By-laws of OPAL.

The purpose of this Letter of Stipulation is to show to anyone who examines this transaction in the future that I understand and agree to the goals, terms, and conditions set out in these documents, and summarized as follows:

1. OPAL was founded to develop and preserve long-term affordable homeownership for people of limited resources.
2. The goal of OPAL is to encourage the transfer of decent affordable housing between people of low and moderate income as defined in the Ground Lease through the long-term leasing of the land on which housing is situated.
3. OPAL is the owner of the land on which the home I am buying is located.
4. OPAL is the owner of all infrastructure improvements on the land.
5. The maximum price at which I may resell the house I am purchasing is limited by a resale formula defined in the Ground Lease, in particular Article VII on Improvements, and Article X on Transfers and Sales. The price must be affordable to a household earning less than **«HOMETRACKER SERVICE FILE MAXIMUM ALLOWA»%** of area median income.
6. I eagerly and freely accept the ownership of this home on these terms and conditions.
7. Both OPAL and I agree that the terms and conditions will make it more likely that if the home is sold at some time in the future it will be sold either directly or indirectly, at an affordable price to another low or moderate income person.
8. I intend to occupy the home according to the terms of the Ground Lease. OPAL will encourage this occupancy in all reasonable ways and provide me the rights and privileges normally associated with homeownership as stated in the Ground Lease.

It is my desire for reasons both of private motivation and sound public policy that the terms of the Ground Lease and the other documents be honored. I consider these terms fair and equitable to me.

Sincerely,

(Date)

(Date)

EXHIBIT D

CONDITIONS, COVENANTS AND RESTRICTIONS

for «TableStart:ReportData»«HOMEOWNERS'_ASSOCIATION»«TableEnd:ReportData»

Filed in San Juan County Auditor's File #

«TableStart:ReportData»«CCR_RECORDING_NUMBER»«TableEnd:ReportData»

EXHIBIT H
PURCHASE OPTION PRICE

This Exhibit sets forth the formula by which the Formula Price shall be determined pursuant to Article 10.10 of the Ground Lease

10.10 HOW THE FORMULA PRICE IS CALCULATED: The Formula Price shall be equal to:

1. the amount of the Homeowner's Base Price, plus
2. interest at a rate of 1.875% compounded annually, plus
3. Added Value, if any, which shall be calculated in accordance with OPALs' Added Value Policy. Added Value may include:
 - (a) the value of approved additional heated space added to the HOME in accordance with Section 7.3 calculated as:
 - (1) the Homeowner's Base Price multiplied by 1.875%, compounded annually for the period of ownership,
 - (2) divided by the original square footage,
 - (3) multiplied by 50%, and
 - (4) multiplied by the approved additional heated square footage, plus
 - (b) the value of certain structural improvements as derived by the method prescribed in OPAL's Added Value Policy, plus
 - (c) the approved value of certain non-square footage improvements identified in OPAL's Added Value Policy that shall be capped at 5% of the Formula Price (not including (a) or (b) above).

In no event shall the addition of Added Value result in a Formula Price that is unaffordable to Income-Qualified Purchasers.

HOMEOWNER: _____

By «HOMETRACKER SERVICE FILE HOMETRACKER A»

Homeowner's Notary Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF _____)

On this _____ day of _____, _____, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged to me that he signed and sealed the said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

(print name) _____
NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires _____

HOMEOWNER: _____

By «HOMETRACKER SERVICE FILE HOMETRACKER C»

Homeowner's Notary Acknowledgment

STATE OF WASHINGTON)
) ss.
COUNTY OF SAN JUAN)

On this _____ day personally appeared before me _____, to me known to be the individual, or individuals, described in and who executed the within and foregoing instrument, and acknowledged that he/she/they signed the same as his/her/their free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this _____ day of _____, _____.

(print name) _____
Notary Public in and for the State of Washington
My Appointment Expires _____

