

OPAL Community Land Trust
Exterior Home Maintenance Reserve Policy

In 2005, OPAL implemented a new lease that established an Exterior Home Maintenance Reserve for each OPAL home under the new lease. The relevant section of the lease reads as follows:

5.02 Exterior Home Maintenance Fee

- a) The parties acknowledge that the Lessee is responsible for all maintenance and repair of the Improvements, as set forth in the Lease. As an additional assurance that all Lessees are able to comply with their maintenance and repair obligations, OPAL CLT and Lessee agree that an Exterior Maintenance Fee will be collected from each Lessee as part of the Ground Lease Fee, as provided in Section 5.01(b), and held as a reserve by OPAL CLT for any significant required maintenance and repair of the roof, exterior siding, exterior paint and finishes or similar features of the Improvement.
- b) The Exterior Home Maintenance Fee shall be held in a separate fund for each Improvement and shall only be released by OPALCLT at its sole discretion for each individual property for which the Exterior Home Maintenance was paid. Lessee may request release of the funds, and OPAL CLT shall release funds at its sole discretion, if the requested use is found to be necessary and in accordance with the fund's intended use. OPAL CLT may reasonably withhold Maintenance Fee funds if the requested use is for purely aesthetic exterior alterations (such as a change in paint color when existing paint is still in good condition) or to repair items damaged by neglect.
- c) Lessee acknowledges that the Exterior Home Maintenance Fee is intended for, and shall remain with, the Improvement and not the Lessee. In the event the Improvement is sold or transferred by Lessee, the unused Exterior Home Maintenance funds will be retained in the fund by OPAL CLT for future maintenance and repair needs to the Improvement and will not be recoverable by or returned to the Lessee for any purpose other than those described in Section 5.02(a). It is the Lessee's responsibility to fund from Lessee's resources all required maintenance and repair needs of the Improvement that are not, or cannot be, covered by the Exterior Maintenance funds held by OPAL CLT.

In order to effectively implement section 5.02 of OPAL's Ground Lease, the following policy has been adopted.

Purpose: OPAL's Home Maintenance Repair Reserve Fund was established to help homeowners maintain the integrity of the exterior shell of their home over time. Since all owners of a home "consume" a portion of various building components during their tenure (for example a roof), OPAL created a reserve program that will enable all owners over time to contribute to the replacement of certain building components that they "consumed" while they owned the home. OPAL acknowledges

that this reserve fund will not be adequately capitalized to pay for these expenses in full and the homeowner that incurs the cost is solely responsible for the repair or replacement such components and any costs not covered by the Home Maintenance Repair Reserve.

1. Acceptable uses of the Home Maintenance Repair Fund include the following:
 - a. Painting (including scraping & caulking) the exterior of the house, providing the existing paint has reached the end of its useful life.
 - b. Siding repairs.
 - c. Siding replacement, providing the existing siding has reached the end of its useful life.
 - d. Roof repairs, this does not include maintenance such as moss removal.
 - e. Roof replacement, providing the existing roofing has reached the end of its useful life.
 - f. Window replacement, providing the window has reached the end of its useful life.
 - g. Additional items may be approved by OPAL staff providing they are in keeping with the intent of protecting the exterior integrity of the home.
2. The funding within each Home Maintenance Reserve Fund shall be distributed across building elements based on a reserve analysis of the cost and the expected life of each building component.
3. When funds are distributed, the maximum amount distributed for any specific building component (i.e. roofing, painting, siding/windows) shall be limited to the amount in that portion of the fund, not the fund as a whole.
4. In order for funds to be distributed to a homeowner, the homeowner must provide OPAL with a request for funding along with applicable receipts for materials and labor.
5. Funds must be requested within 12 months of completion of work.