

EXHIBIT A

Permitted Capital Improvements

The Owner of a deed restricted unit may add to the resale amount outlined in restrictive covenant the cost of certain permitted qualified capital improvements and maintenance items (“QCI’s”). The specific QCI’s that are permitted by the County are outlined in Section 1 below. These QCI’s are allowed in a total amount not to exceed 10% of the initial purchase price over every consecutive ten (10) year period with a few exceptions. Section 2 provides the process for submitting QCI’s to county for approval and Section 3 provides the Depreciation Table.

Section 1-QCI’s Permitted by the County

QCI’s with No Depreciation:

- Structural addition or additions of livable space including bathrooms, bedrooms, exterior door, interior doors, baseboard, window casing, insulation and plumbing (excluding fixtures) garages (detached or attached) and a storage shed requiring a building permit.
- Modifications or improvements to accommodate a person with a disability as defined in the Americans with Disabilities Act of 1990 (adding or removing).

QCI’s depreciated on a 20-year schedule:

- Renewable energy systems*
- Energy efficiency home improvements* (i.e. high efficiency boilers, energy efficient windows)

* Items that are excluded from the 10% maximum allowed QCI

QCI’s depreciated on 10-year schedule:

- Countertops of similar spec level
- Cabinets including vanities
- Windows
- Hard flooring
- Hot water heater

QCI’s depreciated on 5-year schedule:

- Replaced kitchen appliances
- Washer and dryer (including stackable)
- Carpet including pad
- Permanent fitted window blinds
- Plumbing fixtures including sinks and toilets
- Light fixtures

Items which are NOT Qualifying Capital Improvements:

- All work performed without the issuance of a required building permit.
- Maintenance and replacement items handled by the HOA and paid for by HOA dues or assessments.
- Jacuzzis, saunas, steam showers, hot tubs, etc.
- Maintenance or improvements to existing fixtures, appliances, plumbing, and mechanical systems.
- Painting, cleaning, etc.
- Decorative items including window coverings, lamps and lighting not affixed to walls or ceilings, bath towel bars and hooks, etc.
- Interior paint
- Light bulbs, LED or other
- Cost of tools
- Equipment Rental
- Removable items not attached to the unit.

Section 2-Process for Submitting QCI's

The process for submitting QCI's is outlined below.

- a. QCI's shall be approved by the Summit County Housing Department and calculated in accordance with this Amended and Restated Deed Restriction Agreement for the Occupancy and Resale of Units at Ophir Mountain Village.
- b. The cost of certain QCI's may be included in a unit's Maximum Resale Price. QCI depreciate under various schedules including a 20-year depreciation schedule, a 10-year depreciation schedule, and a 5-year depreciation schedule. There are other items that have been identified that are not be considered QCI.

For an owner to request that QCI be added to the Maximum Resale Price, he or she must comply with the following:

- a. Obtain any required building permits or property owners' association approval. Any fees associated with a building permit or property association approval will not be included as a QCI.
- b. Upon completion of the work, the Housing Department requests the following:
 - i. Legible copies of receipts and invoices including proof of payment to a third party.
 - ii. Owners must retain original receipts and invoices.
- c. In calculating the costs allowed as QCI, only the owner's actual out of pocket costs and expenses will be eligible for inclusion. Such amount shall not include an amount attributable to owner's labor, unless the work performed is conducted by owner's bona fide business or within owner's professional area of expertise, in which case such work shall be appropriately invoiced at the time the work is completed at no more than the

average going rate for services of that kind. The value of the QCI will be added to the appreciated value of the unit at the time of sale. No appreciation is allowed on QCI.

- d. If an owner pays cash for improvements, the owner must provide third party documentation of payment. An owner must have an invoice for improvements, but if no such documentation of proof of cash payment can be produced, the Housing Department can inspect the improvement completed in the unit. Up to 75% of the documented invoice value may be included after an inspection, subject to depreciation, at the Housing Department's sole discretion.
- e. Other improvements to the Affordable Housing unit are allowed subject to all applicable rules, regulations, and permitting requirements, but adjustments to the Maximum Resale Price will only be given for QCI.
- f. The Housing Department may accelerate depreciation or exclude items if damaged beyond ordinary depreciation.

If a QCI included in the base price of the unit is removed or is no longer operational, the actual cost of the improvement shall be deducted from the base price. No other categories or types of expenditures may qualify as QCI unless pre-approved in writing by the Housing Department.

Section 3-Depreciation Table

Schedule % of Cost	20 Year Depreciation QCI	10 Year Depreciation QCI	5 Year Depreciation QCI
100%	From completion to <24 months	From completion to <12 Months	From completion to <6 Months
90%	24 to <48 months	12 to <24 Months	6 to <12 Months
80%	48 to <72 months	24 to <36 Months	12 to <18 Months
70%	72 to <96 months	36 to <48 Months	18 to <24 Months
60%	96 to <120 months	48 to <60 Months	24 to <30 Months
50%	120 to <144 months	60 to <72 Months	30 to <36 Months
40%	144 to <168 months	72 to <84 Months	36 to <42 Months
30%	168 to <192 months	84 to <96 Months	42 to <48 Months
20%	192 to <216 months	96 to <108 Months	48 to <54 Months
10%	216 to <240 months	108 to <120 Months	54 to <60 Months
0%	From 240 months and beyond	From 120 Months and beyond	From 60 Months and beyond