EXHIBIT C

City of Lakes Community Land Trust
Qualified Capital Improvements Procedure Policy

Qualified Capital Improvements
Qualified Capital Improvements means those certain improvements made to the Improvements on the Premises at Land Lessee’s expense which add significant value to the Improvements and which are capital in nature. However, expenditures for maintenance, such as roof replacement, and the updating or replacement of appliances such as furnaces, water heaters and kitchen appliances, would not qualify as Qualified Capital Improvements herein. The CLCLT has the right to approve/disapprove any proposed Capital Improvement. As a general rule, the CLCLT will approve proposed Capital Improvements provided the Homeowner follows the process outlined in this Exhibit, proposed funding of project is reasonable, and the proposed work does NOT significantly impact the future affordability of the property or be perceived as a luxury item.

Examples of generally accepted Qualified Capital Improvements:
- Kitchen remodel
- Bathroom remodel
- Build-out or conversion of a basement/attic to living space
- Garage
- Small addition to an existing home

Examples of proposed Qualified Capital Improvements not likely to be approved:
- Swimming pool, hot tub
- Deck/porch
- Major addition or alteration that would impact affordability
- Alterations to the structure that would reduce the number of bedrooms

Land Lessee Qualified Capital Improvement Steps

1. Submit the following pre-construction estimates to the CLCLT Project Director:
   a. Detailed plans of Capital Improvement(s) to property per contractor scope(s) and inclusive of detailed drawings.
   b. Budget of projected costs.
   c. Source(s) and amounts of Capital Improvement funding. If through a loan, CLCLT will want evidence that loan will amortize over fixed period of time with a defined end-date (MHFA Fix-up Fund, NRP Loans, etc.). The CLCLT reserves the right to require additional reserve funds of Homeowner.
   d. List of required City of Minneapolis permits to be requested.
   e. Name(s) of proposed contractor(s).
   f. If, in the event, licensed contractors are not required, the Homeowner will need to demonstrate knowledge and experience of proposed Capital Improvement.
   g. A pre- and post Capital Improvements appraisal conducted by a mutually accepted (Homeowner and CLCLT) Appraiser. The appraisal will be paid for by
the Homeowner.

2. Once all items are submitted to the CLCLT Director, he/she will evaluate materials and make recommendation(s) to the CLCLT Project Development Committee.

3. The CLCLT Project Development Committee will respond within 20 days (from time that all requested items were received) of Homeowner Capital Improvement request.
   a. If approved, the Homeowner, CLCLT Project Director, and contractor(s) will meet to define timeline and process. Homeowner can move forward with the next steps.
   b. If not approved, the Homeowner has the option to appeal the CLCLT Board of Directors.

4. Homeowner can begin Qualified Capital Improvement construction.
   a. The CLCLT Project Director or designee will review work and progress on Capital Improvement work at agreed upon intervals of construction.
   b. Homeowner will be responsible for documenting all Qualified Capital Improvement work (invoices, scope of work, permits, approvals, etc.) and ensuring copies are made for CLCLT files.

5. The Homeowner will notify the CLCLT once Qualified Capital Improvement work is complete. All Qualified Capital Improvement work must be completed within one year of CLCLT approval.