

Sitka Community Land Trust

CAPITAL IMPROVEMENTS POLICY

CONSTRUCTION AND ALTERATION: Any post-purchase construction in, about or to the Property requiring issuance of a permit is subject to the following conditions:

- a. All costs shall be born and paid for by the Homeowner;
- b. All construction shall be performed in a good and professional manner and shall comply with all applicable laws, codes and ordinances;
- c. All construction shall be consistent with the permitted uses set forth in the Ground Lease;
- d. Any construction shall not be built or installed on the Leased Land without the prior written consent of SCLT;
- e. Homeowner shall provide to SCLT, along with a request to SCLT, a written statement of the reasons for undertaking the construction; a set of drawings (floor plans and elevations) showing the dimensions of the proposed construction; a list of the necessary materials, with the quantities needed and a statement of who will do the work;
- f. If permission is granted to do a capital improvement, copies of all permits and governmental approvals necessary for such construction must be provided to the SCLT prior to commencing construction.

Such construction shall not commence without the prior written consent of SCLT's Executive Director.

1. The SCLT's Executive Director shall be the point of contact with the Homeowner for all Capital Improvements.
2. The SCLT's Executive Director and the Development Committee of SCLT's Board of Directors shall review all relevant information from the Homeowner and make a decision regarding the approval (or denial) of the construction.
3. The SCLT's Executive Director shall send an Approval Letter (or Denial Letter) under her signature, informing the Homeowner of approval or denial to commence the project.
4. Upon completion of the project, the SCLT's Executive Director shall inspect the property and all construction permits for signatures.

The Homeowner shall not receive any financial credit for such improvements beyond what a new appraisal shall show at time of resale and in accordance to the resale formula.

DEFINITION OF CAPITAL IMPROVEMENTS: A "Capital Improvement" is a permanent improvement to the Property made during Homeowner's ownership of the Property in which the improvement:

- a. Increases the utility of gross built interior living space of the Property (including finishing previously unfinished attic and basement spaces, and heated building additions); AND
- b. Has been made with all required permits and approvals, including without limitation homeowner's association and governmental approvals obtained prior to the construction or installation of the Capital Improvement(s); AND
- c. Is the subject of a written authorization by SCLT to proceed with Capital Improvement.

DEFINITION OF CAPITAL SYSTEM REPLACEMENT/UPGRADE: A "Capital System Replacement/Upgrade" is replacement (or upgrade for safety or energy efficiency) of a major capital system listed in the table below valued at over \$1,000 made during Homeowner's ownership of the Property which:

- a. Has been made with all required permits and approvals, including without limitation, governmental approvals obtained prior to the construction or installation of the Capital Improvement(s); AND
- b. Is the subject of a written authorization by SCLT to proceed with Capital Improvement; AND
- c. Has a value of \$1,000 or more.

Capital systems replacements are intended to be investments that increase the home's safety, efficiency or durability. Generally, maintenance and replacement of systems such as roofs; exterior and interior painting; fixtures; flooring, floor coverings and other finishes; interior carpentry or masonry; and any other item that may be expressly listed by SCLT are excluded from approved Capital Systems Replacements.