



DECLARATION OF RESTRICTIVE COVENANTS Title

Document Number

002125

This Declaration of Restrictive Covenants ("Declaration") is made and entered into as of the 22nd day of September, 2006 by and between [MACLT TROY GARDENS RESIDENTIAL PARCEL, LLC, a Wisconsin limited liability company] [MADISON AREA CLT CORPORATION, a Wisconsin nonstock corporation] and its successors and assigns ("Seller"), and J. [jointly and severally] and his, her or their heirs, personal representatives, legatees, devisees, successors and assigns ("Purchaser").

Name and Return Address: Gregory Rosenberg Madison Area CLT Corporation 305 South Paterson Street Madison, Wisconsin 53703

WITNESSETH:

Part of 281-0809-264-0802-5

Parcel Identification Number

WHEREAS, concurrent with the execution hereof, Seller is conveying to Purchaser the real property legally described as Unit Troy Gardens Condominium, being a condominium created under the Condominium Ownership Act of the State of Wisconsin by a "Declaration of Troy Gardens Condominium", dated as of the 7th day of September, 2006 and recorded on the 11th day of September, 2006 in the office of the Dane County, Wisconsin Register of Deeds as document number 4233651 and by a Condominium Plat therefore ("Property"); and

WHEREAS, [the sole member of Seller is Madison Area CLT Corporation, a Wisconsin nonstock corporation ("CLT"), and CLT] [Seller] is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing and the creation of homeownership opportunities for low- and moderate-income people who otherwise would be denied such opportunities because of limited financial resources; and

WHEREAS, a goal of Seller is to stimulate the conveyance of decent, affordable housing among low- and moderate-income people by providing access to housing for such persons at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the Property has been developed and constructed by Seller or its affiliate and is being sold to Purchaser in furtherance of these charitable purposes and for a purchase price below that which the fair market value of the Property would be if the Property was not encumbered by the restrictions imposed by this Declaration; and

WHEREAS, Purchaser shares the purposes and goals of Seller and has agreed to enter into this Declaration not only to induce Seller to sell the Property to Purchaser at a purchase price favorable to Purchaser, but also to further the charitable purposes of Seller; and

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WHEREAS, Seller and Purchaser recognize the special nature of the terms and conditions of this Declaration, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions that may affect the marketing and resale price of the Property;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Letters of Stipulation and Acknowledgment. Attached as Exhibit A LETTERS OF STIPULATION AND ACKNOWLEDGMENT and made part of this Declaration by reference are: (a) a Letter of Stipulation of Purchaser; and (b) a Letter of Acknowledgment of Legal Counsel of Purchaser, setting forth their respective review and understanding of this Declaration (in particular, Section 4, regarding the transfer, sale, or disposition of the Property) and related documents. Prior to acquiring the Property, Purchaser has reviewed this Declaration and all documents related to the acquisition with Purchaser's attorney, and Purchaser and Purchaser's attorney have completed, executed and delivered to Seller the letters of stipulation and acknowledgement.

2. Purchase of Property by Purchaser. Purchaser is purchasing the Property concurrent with the execution of this Declaration. Purchaser shall to occupy the Property as his or her principal residence for at least eight months of each calendar year during the term of this Declaration, unless otherwise agreed in writing by Seller. Occupancy by children or other immediate family members or dependents of Purchaser shall be considered occupancy by Purchaser.

3. Financing.

a. Permitted Mortgage. Purchaser may mortgage, or grant any other security interest in any portion of, the Property only with the prior written consent of Seller, which may be withheld by Seller in its sole discretion. Not less than thirty (30) days prior to the date on which Purchaser (or a prospective purchaser who has contracted to purchase the Property) requests Seller's consent to a mortgage to be effective, Purchaser (or prospective purchaser) shall furnish to Seller copies of every document to be executed in connection with the transaction represented by such mortgage. Seller may withhold consent for any reason, including, without limitation, if: (a) Purchaser is in default hereunder; (b) the mortgage so submitted is not a Standard Permitted Mortgage as defined in the attached Exhibit B PERMITTED MORTGAGES; (c) the principal amount of the obligation to be secured by such mortgage exceeds ninety-five percent (95%) of the Purchase Option Price, as defined below; or (d) the mortgage purports to secure generally past, present or future obligations of Purchaser to the lender other than one specified promissory note. Purchaser shall pay to Seller at Seller's option, all fees, costs, and expenses, including, without limitation, reasonable attorneys' fees, incurred by Seller in connection with any Permitted Mortgage. If Seller consents in writing to a mortgage, it shall be a "**Permitted Mortgage**".

b. Subordination. Upon request by the holder of a Permitted Mortgage ("**Permitted Mortgagee**") and Purchaser, Seller shall execute and deliver, in

recordable form, a subordination of this Declaration to the Permitted Mortgage and the debt explicitly identified therein and secured thereby.

c. Seller's Right to Proceeds in Excess of Purchase Option Price.

The parties recognize that it would be contrary to the fundamental concept of this Declaration and an incentive to abuse Purchaser's authorization to encumber the Property with a Permitted Mortgage if Purchaser could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly, Purchaser hereby irrevocably assigns to Seller any and all net proceeds of sale of the Property remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Purchaser, to the extent such net proceeds exceed the net proceeds that Purchaser would have received had the Property been sold for the Purchase Option Price established in Section 4. of this Declaration, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Seller. In the event that, for any reason, such excess proceeds are paid to Purchaser, Purchaser hereby agrees to promptly pay the amount of such excess proceeds to Seller.

d. Amendments Subject to Approvals. Any amendments to this

Declaration shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof. Any amendments to the Permitted Mortgage or documents secured thereby, other than any change in interest rate provided for therein, shall be subject to the written approval of Seller, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Seller of a proposed amendment without approval or disapproval by Seller shall be deemed approval thereof.

4. Transfer, Sale, or Disposition of Property.

a. Intent. It is the understanding of the parties that the terms of this

Declaration, and in particular of this Section 4, are intended to preserve the affordability of the Property for lower-income households and expand access to homeownership opportunities for such households.

b. Transfers to Income Qualified persons. Purchaser may transfer its

interest in the Property only to Seller or an Income-qualified Person, as defined below, or otherwise only as explicitly permitted by the provisions of this Section 4. All such transfers shall be subject to Seller's review and purchase option rights set forth in this Section 4. Any purported transfer done without following the procedures set forth below, except in the case of a transfer to a Permitted Mortgagee in lieu of foreclosure, shall be null and void.

c. Income-qualified Person. An "Income-qualified Person" shall

mean a person or group of persons whose household income does not exceed eighty percent (80%) of the median household income for Dane County, Wisconsin (or other geographic area that includes Madison) as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development or any successor.

d. Transfer to Purchaser's Heirs. Upon receipt of notice from the personal representative of the decedent's estate given within ninety (90) days of the death of Purchaser (or the last surviving Purchaser) Seller shall, unless for good cause shown, consent to a transfer of the Property to one or more of the possible heirs of such Purchaser listed below as "i," "ii," or "iii," provided that any such person first executes and delivers to Seller for recording against the Property a declaration, in substantially the form and substance of this Declaration, and a Letter of Stipulation, together with a Letter of Acknowledgment of legal counsel (similar to those described in Section 1 of this Declaration), setting forth the heirs' review, understanding and acceptance of the terms of the declaration, are submitted to Seller before the Property is transferred to the heirs.

- i. the spouse of Purchaser; or
- ii. the child or children of Purchaser; or
- iii. member(s) of Purchaser's household who have resided upon the Property for at least one year immediately prior to Purchaser's death.

Any other heirs, legatees or devisees of Purchaser must, in addition to submitting declaration, Letters of Stipulation and Acknowledgment as provided above, demonstrate to Seller's reasonable satisfaction that they are Income-qualified Persons as defined above, or, if unable to do so, shall not be entitled to possession of the Property but must transfer the Property in accordance with the provisions of this Section 4.

e. Purchaser's Notice of Intent to Sell. In the event that Purchaser wishes to sell the Property, Purchaser shall notify Seller, in writing, of such wish ("**Intent-To-Sell Notice**"). Such Notice shall include a statement as to whether Purchaser wishes to recommend a prospective buyer as of the date of the Notice.

f. Appraisal. No later than ten (10) days after Seller's receipt of Purchaser's Intent-To-Sell Notice, a market valuation of the Property ("**Appraisal**") shall be commissioned to be performed by a mutually acceptable and duly licensed appraiser. Seller shall commission and pay the cost of such Appraisal. The Appraisal shall be conducted by analysis and comparison of comparable properties, disregarding the restrictions of this Declaration on the use of the Property and the transfer of the Property. Copies of the Appraisal are to be provided to both Seller and Purchaser.

g. Seller's Purchase Option. Upon receipt of an Intent-to-Sell Notice from Purchaser, Seller shall have the option to purchase the Property ("**Purchase Option**") at the Purchase Option Price calculated as set forth below. The Purchase Option is designed to further the purpose of preserving the affordability of the Property for succeeding Income-qualified Persons while taking fair account of the investment by the Purchaser.

If Seller elects to purchase the Property, Seller shall exercise the Purchase Option by notifying Purchaser, in writing, of such election ("**Notice of Exercise of Option**") within forty-five (45) days of the receipt of the Appraisal, or the Option shall expire. Having given

such notice, Seller may either proceed to exercise the Purchase Option directly by purchasing the Property, or may assign the Purchase Option to an Income-qualified Person.

The purchase (by Seller or Seller's assignee) must be completed within sixty (60) days of Seller's Notice of Exercise of Option, or Purchaser may sell the Property as provided in Subsection 4.h. below. The time permitted for the completion of the purchase may be extended by mutual agreement of Seller and Purchaser.

Purchaser may recommend to Seller a prospective buyer who is an Income-qualified Person and is prepared to submit a declaration and Letters of Stipulation and Acknowledgment indicating informed acceptance of the terms of the declaration. Seller shall make reasonable efforts to arrange for the assignment of the Purchase Option to such person, unless Seller determines that its charitable mission is better served by retention of the Property for another purpose or transfer of the Property to another party.

h. If Purchase Option Expires. If the Purchase Option has expired or if Seller has failed to complete the purchase within the 60-day period allowed by Subsection 4.g. above, Purchaser may sell the Property to any Income-qualified Person, for not more than the then applicable Purchase Option Price, provided that person delivers to Seller a declaration and Letters of Stipulation and Acknowledgement. If, six months after the expiration of the Purchase Option or the expiration of said 60-day period, the Property still has not been sold, Purchaser may sell the Property, for not more than the then applicable Purchase Option Price, to any party regardless of whether that party is an Income-qualified Person, provided that person delivers to Seller a declaration and Letters of Stipulation and Acknowledgement.

i. Seller's Power of Attorney to Conduct Sale. In the event Seller does not exercise its option and complete the purchase of the Property as set forth above, and Purchaser: (a) is not then residing in the Property; and (b) continues to hold the Property out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent-to-Sell Notice, Purchaser does hereby appoint Seller its attorney-in-fact to seek a buyer, negotiate a reasonable price that furthers the goals set forth in this Declaration, sell the Property, and distribute proceeds of sale, minus Seller's costs of sale and any other sums owed Seller by Purchaser.

j. Purchase Option Price. In no event may the Property be sold for a price that exceeds the Purchase Option Price. The "**Purchase Option Price**" shall be the lesser of: (a) the value of the Property as determined by the Appraisal commissioned and conducted as provided in Subsection 4.f. above; or (b) the price calculated in accordance with the formula described below ("**Formula Price**").

k. Calculation of the Formula Price. The Formula Price shall be equal to Purchaser's Purchase Price, as stated below, plus 25% of the increase in market value of the Property, if any, calculated in the way described below.

i. Purchaser's Purchase Price. The parties agree that the "**Purchaser's Purchase Price**" for the Property as of the

commencement of the term of this Declaration is \$154,657.00.

- ii. Initial Appraised Value. The parties agree that the appraised value of the Property at the time of Purchaser's purchase ("**Initial Appraised Value**") is \$196,000.00, as documented by the appraiser's report attached to this Declaration as Exhibit C INITIAL APPRAISAL.
- iii. Increase in Market Value. The increase in market value of the Property equals the appraised value of the Property at time of sale, calculated according to Subsection 4.f. above, minus the Initial Appraised Value.
- iv. Purchaser's Share of Increase in Market Value. "**Purchaser's Share of Increase in Market Value**" of the Property equals twenty-five percent (25%) of the increase in market value as calculated above.
- v. Summary of Formula Price. The Formula Price equals Purchaser's Purchase Price plus Purchaser's Share of Increase in Market Value.

1. Qualified Purchaser's New Declaration. An Income-qualified Person who purchases the Property in accordance with the provisions of this Section 4 shall enter into a new declaration with Seller, which new declaration shall be substantially the same as this Declaration in the rights, benefits and obligations assigned to Purchaser and Seller.

5. Right of First Refusal. Seller shall have a right of first refusal to purchase the Property, or any portion thereof, from time to time at the highest documented bona fide purchase price offer made to Purchaser. Such right shall be as specified in the Exhibit D FIRST REFUSAL. Any sale or transfer contrary to this section, when applicable, shall be null and void.

6. Assignment. Seller may assign all of its rights, titles, interests, obligations and liabilities in, to or under this Declaration at any time to the CLT, if Seller is not the CLT, or to any nonprofit or government entity. Seller shall provide written notice of any such assignment to Purchaser. Purchaser may not assign any of Purchaser's rights, titles, interests, obligations or liabilities in, to or under this Declaration at any time without the prior written consent of Seller, which may be withheld in Seller's sole discretion.

7. Term. The term of this Declaration shall continue for a period of ninety-eight (98) years from the date hereof.

8. General Provisions.

a. Membership in CLT. Purchaser shall automatically be a regular voting member of the CLT.

b. Notices. Whenever this Declaration requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

- i. If to Seller: [MACLT Troy Gardens Residential Parcel, LLC, c/o] Madison Area CLT Corporation, 305 South Paterson Street, Madison, Wisconsin 53703; Attention Executive Director; and
- ii. If to Purchaser: Justin O. Markofski and Anne M. Markofski, 518 Troy Drive, Madison, Wisconsin 53704.

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

c. No Brokerage. Purchaser warrants that Purchaser has not engaged any broker in connection with the acquisition of the Property, and in the event any claim is made against Seller relative to dealings with brokers Purchaser shall defend the claim against Seller with counsel of Seller's selection and save harmless and indemnify Seller on account of loss, cost or damage which may arise by reason of any such claim.

d. Severability and Duration of Declaration. If any part of this Declaration is unenforceable or invalid, such material shall be read out of this Declaration and shall not affect the validity of any other part of this Declaration or give rise to any cause of action of Purchaser or Seller against the other, and the remainder of this Declaration shall be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective rights under this Declaration shall continue in effect for the full term of this Declaration and any renewal thereof, and such rights shall be considered to be coupled with an interest. In the event it shall have been determined by a court of competent jurisdiction that any of the interests conveyed or assigned or purported to be conveyed or assigned herein are void as against any rule against perpetuities or Chapter 700 of the Wisconsin Statutes, or its successor, the live or lives of such interest or interest shall be deemed without any further action on the part of any party to be the longest life or lives possible without violation of any such rule or statute, as it is the intention of the parties hereto that the interest conveyed herein shall not be in violation of any such rule or statute.

e. Waiver. The waiver by Seller at any given time of any term or condition of this Declaration, or the failure of Seller to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of the Declaration. Seller may grant waivers in the terms of this Declaration, but such waivers must be in writing and signed by Seller before being effective.

f. Construction. Whenever in this Declaration a pronoun is used it shall be construed to represent either the singular or the plural, masculine or feminine, as the case shall demand.

g. Captions. The captions appearing in this Declaration are for convenience only, and are not a part of this Declaration and do not in any way limit or amplify the terms or conditions of this Declaration.

h. Parties Bound. This Declaration sets forth the entire agreement as of the date hereof between Seller and Purchaser with respect to the subject matter set forth herein. It is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, legatees, devisees, successors and assigns. This Declaration shall be "covenants running with the land," running with and being binding upon all of the future owners of Property. This Declaration may be altered or amended only by written notice executed by Seller and Purchaser or their legal representatives or, in accordance with the provisions of this Declaration, their successors in interest.

i. Governing Law. This Declaration shall be interpreted in accordance with and governed by the laws of Wisconsin. The language in all parts of this Declaration shall be, in all cases, construed according to its fair meaning and not strictly for or against Seller or Purchaser.

j. Recording. The parties agree, as an alternative to the recordation of this Declaration, to execute a so-called Memorandum of Declaration or Short Form Declaration in form recordable and complying with applicable law and reasonably satisfactory to Seller's attorneys. Any such document shall expressly state that it is executed pursuant to the provisions contained in this Declaration, and is not intended to vary the terms and conditions of this Declaration.

IN WITNESS WHEREOF, the parties have executed this Declaration at Madison, Wisconsin on the day and year first above written.

Signature [seal]

Printed Name

Signature [seal]

Printed Name

**[MACLT TROY GARDENS
RESIDENTIAL PARCEL, LLC
By Madison Area CLT Corporation,
Sole Member]**

**[MADISON AREA CLT
CORPORATION]**

By: Gregory Rosenberg
Gregory Rosenberg,
Executive Director

STATE OF WISCONSIN)
) SS.
COUNTY OF DANE)

This instrument was acknowledged before me on Sept. 22, 2006, 2006 by Gregory Rosenberg, to me known to be the Executive Director of Madison Area CLT Corporation, [the sole member of MACLT Troy Gardens Residential Parcel, LLC,] and to me known to be the person who executed the foregoing instrument and acknowledged the same.

Sharene J. Wilcox
(Signature)
Sharene J. Wilcox
(Printed Name)
Notary Public, Dane County, Wisconsin
My commission expires: 11/22/2009

[SEAL]

STATE OF WISCONSIN)
) SS.
COUNTY OF DANE)

This instrument was acknowledged before me on Sept. 22, 2006 by Justin O. Markofski and Anne M. Markofski to me known to be the person(s) who executed the foregoing instrument and acknowledged the same.

[Signature]
(Signature)
Courtney B Pettit
(Printed Name)
Notary Public, Dane County, Wisconsin
My commission expires: 12-10-06

[SEAL]



This instrument was drafted by Gregory Rosenberg, Madison Area CLT Corporation, 305 South Paterson Street, Madison, Wisconsin 53703, (608) 280-0131.

LETTERS OF STIPULATION AND ACKNOWLEDGMENT

LETTER OF STIPULATION

To: [MACLT Troy Gardens Residential Parcel, LLC, a Wisconsin limited liability company] [Madison Area CLT Corporation, a Wisconsin nonstock corporation] (“Seller”)

Property: 518 Troy Drive, Madison, Wisconsin

Date: 9.22.06

This letter is given to the Seller to become an exhibit to a Declaration between the Seller and me. I will be purchasing the Property identified above from the Seller. I will therefore become what is described here as a “CLT homeowner.”

My legal counsel, _____, has explained to me the terms and conditions of the Declaration of Restrictive Covenants between Seller and me (“Declaration”) and other legal documents that are part of this transaction. I understand the way these terms and conditions will affect my rights as a CLT homeowner, now and in the future.

In particular I understand and agree with the following points:

1. One of the goals of the Seller is to keep homes affordable for lower-income households from one CLT homeowner to the next. I support this goal as a CLT homeowner and as a member of the Madison Area CLT Corporation.
2. The terms and conditions of the Declaration will keep my home affordable for future “Income-qualified Persons” (as defined in the Declaration). If and when I want to sell my home, the Declaration requires that I sell it either to the Seller or to another income qualified person. The terms and conditions of the Declaration also limit the price for which I can sell the home, in order to keep it affordable for such Income-qualified Persons.
3. It is also a goal of the Seller to promote resident ownership of homes. For this reason, the Declaration requires that if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
4. I understand that I can leave my home to my child or children or other members of my household and that, after my death, they can own the home for as long as they want to live in it and abide by the terms of the Declaration, or they can sell it on the terms permitted by the Declaration.
5. As a CLT homeowner and a member of the Madison Area CLT Corporation, it is my desire to see the terms of the Declaration and related documents honored. I consider these terms fair to me and others.

Sincerely,

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LETTER OF ACKNOWLEDGMENT

I, _____ have been independently engaged by _____ ("Client") who intends to purchase Property from [MACLT Troy Gardens Residential Parcel, LLC] [Madison Area CLT Corporation] ("Seller"). The Property is located at 518 Troy Drive, Madison, Wisconsin.

In connection with the contemplated purchase of the Property, I reviewed with the Client the following documents relating to the transaction:

- a. this Letter of Acknowledgment and a Letter of Stipulation from the Client;
- b. the proposed Deed conveying the Property to the Client;
- c. the Declaration of Restrictive Covenants executed by the Client and Seller;
- d. the Amended and Restated Ground Lease between Madison Area CLT Corporation and MACLT Troy Gardens Residential Parcel, LLC, as amended, relating to the ground underlying the Property;
- e. the Articles of Incorporation and Bylaws of Troy Gardens Condominium Association, Inc., each as amended;
- f. the Declaration of Troy Gardens Condominium and related Plat, each as amended; and
- g. other written materials provided by Seller.

The Client has received full and complete information and advice regarding this conveyance and the foregoing documents. My advice and review has been given to reasonably inform the Client of the present and foreseeable risks and legal consequences of the contemplated transaction.

The Client is entering the aforesaid transaction in reliance on his/her/their own judgment and upon his/her/their investigation of the facts. The full and complete advice and information provided by me was an integral element of such investigation.

Name _____

Date 9/27/06

Title _____

9/22/06

Firm/Address _____

PERMITTED MORTGAGES

The provisions set forth in this Exhibit shall be understood to be provisions of Section 3 of the Declaration of Restrictive Covenants ("**Declaration**") to which the Exhibit is attached and in which the Exhibit is referenced. All terminology used in this Exhibit shall have the meaning assigned to it in the Declaration.

1. Standard Permitted Mortgage. A "**Standard Permitted Mortgage**," as identified in Subsection 3.a. of the Declaration to which this Exhibit is attached, shall be a mortgage that meets the following requirements.

a. Such Mortgage shall run in favor of either: (i) a so-called institutional lender such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union, but not including a mortgage banker), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision; or (ii) a "community development financial institution" as certified by the U.S. Department of the Treasury, or similar nonprofit lender to housing projects for low- and moderate-income persons.

b. Such Mortgage shall be a first lien on all of the Property ("**Security**").

c. Such Mortgage and related documentation shall not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the Madison, Wisconsin area by institutional mortgagees.

d. Such Mortgage and related documentation shall not contain any provisions which could be construed as rendering Seller or any subsequent holder of the Seller's interest in and to this Declaration, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such note and such Mortgage or any part thereof.

e. Such Mortgage and related documentation shall contain provisions to the effect that the holder of such Mortgage shall not look to Seller, but will look solely to Purchaser or the Property for the payment of the debt secured thereby or any part thereof. (It is the intention of the parties hereto that Seller's consent to such Mortgage shall be without any liability on the part of Seller for any deficiency judgment.)

f. Such Mortgage and related documentation shall provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award shall be paid over to the holder of the Mortgage (with any surplus to be applied in accordance with Subsection 3.d. of this Declaration).

Summary Appraisal Report

Individual Condominium Unit Appraisal Report

Act #4515010603 File # #3028

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 518 Troy Drive Unit # Est. 3 City Madison State WI Zip Code 53704
 Borrower Justin O. & Anne M. Markofski Owner of Public Record Madison Area CLT Corp. County Dane
 Legal Description Troy Gardens Condominium, Unit 3 (per offer to purchase & MACLT)
 Assessor's Parcel # Not yet assigned, per assessor's office Tax Year 2006 R.E. Taxes \$ See Lender
 Project Name Troy Gardens Condos./North Madison Phase # 1 Map Reference E03 Census Tract 23.02
 Occupant Owner Tenant Vacant Special Assessments \$ NoneKwnn HOA \$ 150 per year per month
 Property Rights Appraised Fee Simple Leasehold Other (describe)
 Assignment Type Purchase Transaction Refinance Transaction Other (describe)
 Lender/Client AnchorBank, fsb Address 25 W. Main Street, Madison, WI 53703
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). Per MACLT and its website, base asking price of subject unit is \$139,500. Marketing of units began approx. early 2006.
 I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. Contract appears typical for our market.
 Contract Price \$ 154,837 Date of Contract 6/06 Is the property seller the owner of public record? Yes No Data Source(s) Tax Records
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? YES NO
 If Yes, report the total dollar amount and describe the items to be paid.
Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			Condominium Unit Housing Trends			Condominium Housing			Present Land Use %			
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	60 %	
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	10 %	
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	109	Low	New	Multi-Family	5 %
Neighborhood Boundaries	General neighborhood is considered the area south and west of Northport Dr., northeast of C&NW RR Tracks, and east of Mendota Health Center.						245	High	New	Commercial	5 %	
Neighborhood Description	The subject is located in a new condominium project on Madison's north side, surrounded by older existing housing with some scattered new. Other land use stated above includes subject's project and the land that is included with it. Location near and access to numerous amenities adds to appeal. Lake Mendota located a short distance to the south.						150+	Pred.	New	Other	20 %	
Market Conditions (including support for the above conclusions)	MLS data indicates that most sales are conventional financing without seller concessions. Average overall marketing time of sales is estimated at between 3-6 months; subject's exposure time considered the same.											

Topography Basically level Size Large Condo. Site Density Average View Average/Good
 Specific Zoning Classification PUD/GDP Zoning Description See website: www.ci.madison.wi.us
 Zoning Compliance Legal Legal Nonconforming - Do the zoning regulations permit rebuilding to current density? Yes No
 No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	Asphalt	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	None	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone C FEMA Map # 550083 0021 D FEMA Map Date 9/18/86
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
 None known. However, the appraiser is not an environmental inspector and would advise obtaining professional service if more definitive information is needed.

Data source(s) for project information MACLT/Condo. Website/Plans & Specs.

Project Description	General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
<input type="checkbox"/> Detached <input checked="" type="checkbox"/> Row or Townhouse <input checked="" type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input type="checkbox"/> Other (describe)	# of Stories 1 or 2 Story	Exterior Walls FbrCemr	# of Units 30	# of Phases N/A	# of Planned Phases 2
	# of Elevators 0	Roof Surface AsphShn	# of Units Completed 0	# of Units N/A	# of Planned Units 30
	<input type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking 50+	# of Units For Sale 30	# of Units for Sale N/A	# of Units for Sale 30
<input checked="" type="checkbox"/> Under Construction	Ratio (spaces/units) 1-2/Unit	# of Units Sold *24	# of Units Sold N/A	# of Units Sold *24	
Year Built 2006	Type PrkngLot	# of Units Rented 0	# of Units Rented N/A	# of Units Rented 0	
Effective Age New	Guest Parking Minimal	# of Owner Occupied Units 0	# of Owner Occupied Units N/A	# of Owner Occupied Units 0	

Project Primary Occupancy Principle Residence Second Home or Recreational Tenant *Approximate # of units pending/under contract-no closed sales yet.
 Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No
 Management Group - Homeowners' Association Developer Management Agent - Provide name of management company.
 Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, Describe
 The Madison Area Community Land Trust(MACLTL) is developing the project and retains ownership of the land that improvements are on; thus they will be co-owners of all the units in the project.
 Was the project created by the conversion of existing building(s) into a condominium? Yes No If Yes, describe the original use and date of conversion.
 Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? Yes No If No, describe
 Project is in early stages of development with first units estimated to be completed around 9/06. Per MACLT, condo. units are phase 1 and common house is phase 2.
 Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space.

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Describe the condition of the project and quality of construction. Condition of the project is new/good; construction quality varies from unit to unit depending on upgrades.
Describe the common elements and recreational facilities. See addendum regarding land lease. Common elements include grounds, common house, community gardens/farm/prairie.
Are any common elements leased to or by the Homeowners' Association? [X] Yes [] No
Is the project subject to a ground rent? [] Yes [X] No
Are the parking facilities adequate for the project size and type? [X] Yes [] No
I [] did [X] did not analyze the condominium project budget for the current year.
Are there any other fees (other than regular HOA charges) for the use of the project facilities? [] Yes [X] No
Compared to other competitive projects of similar quality and design, the subject unit charge appears [] High [X] Average [] Low
Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? [X] Yes [] No
Unit Charge \$ 150 per month X 12 = \$ 1,800.00 per year Annual assessment charge per year per square feet of gross living area = \$ 1.09
Utilities included in the unit monthly assessment [X] None [] Heat [] Air Conditioning [] Electricity [] Gas [] Water [] Sewer [] Cable [] Other (describe)
General Description Interior materials/condition Amenities Appliances Car Storage
Floor # 1 Floors Brmb-Linol-Cpt-TV/Gd [] Fireplace(s) # [P] Refrigerator [] None
of Levels 2 Walls Drywall/Gd [] WoodStove(s) # [P] Range/Oven [] Garage [] Covered [] Open
Heating Type FWA Fuel NG Trim/Finish Oak-Stained/Gd [] Deck/Patio [X] Disp [] Microwave # of Cars
[X] Central AC [] Individual AC Bath Wainscot Modular/Gd [X] Porch/Balcony Porch [X] Dishwasher [X] Assigned [] Owned
[] Other (describe) Doors Hollow Core/Gd [X] Other Crtyrd [P] Washer/Dryer Parking Space # 1-2 Spaces
Finished area above grade contains: 6 Rooms 3 Bedrooms 2 Bath(s) 1,650 Square Feet of Gross Living Area Above Grade
Are the heating and cooling for the individual units separately metered? [X] Yes [] No
Additional features (special energy efficient items, etc.) Est. 100-200 AMP electrical panel; solar hot water system; open entry porch; rear courtyard area w/ fence.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). Subject is of average to good construction quality and in new/good condition-no deferred maintenance.
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [] Yes [X] No
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [] Yes [X] No
Subject does not conform to the rest of the neighborhood in that it is a "one of a kind" project within Madison, because of the layout/concept.
I [X] did [] did not research the sale or transfer history of the subject property and comparable sales.
My research [] did [X] did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.
Data source(s) MLS/Tax Records/MACLT
My research [] did [X] did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.
Data source(s) MLS/Tax Records
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).
ITEM SUBJECT COMPARABLE SALE #1 COMPARABLE SALE #2 COMPARABLE SALE #3
Date of Prior Sale/Transfer N/A-New Constr. N/A-New Construction N/A-New Construction N/A-New Construction
Price of Prior Sale/Transfer N/A N/A N/A N/A
Data Source(s) MLS/Tax Records/MACLT MLS/Tax Records MLS/Tax Records MLS/Tax Records
Effective Date of Data Source(s) 8/06 8/06 8/06 8/06
Analysis of prior sale or transfer history of the subject property and comparable sales. Subject and sales are new construction with no prior sales history.

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There are 30 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ *109,500 to \$ *194,500				
There are N/A comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ N/A to \$ N/A				
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address and Unit #	518 Troy Drive, Madison	208 East Hill Parkway Madison	4218 Kennedy Road Madison	6424 Maywick Drive Madison
Project Name and Phase	Troy Gardens Condos. Phase 1	Bayberry Condominiums	Northport Commons	Maywick Condominiums
Proximity to Subject		6.94 miles	0.46 miles	6.20 miles
Sale Price	\$ 154,837	\$ 209,900	\$ 185,000	\$ 199,900
Sale Price/Gross Liv. Area	\$ 93.84sq. ft.	\$ 123.47sq. ft.	\$ 123.01sq. ft.	\$ 115.15sq. ft.
Data Source(s)		MLS #1413018	MLS #1421400	MLS #1426729
Verification Source(s)		Tax Records	Tax Records	Tax Records
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing Concessions		Conventional	WHEDA Seller Points -800	Conventional
Date of Sale/Time		Clsd 5/19/06	Clsd 5/18/06	Clsd 7/7/06
Location	Troy Gardens	Bayberry Condo +7,500	NorthportComm +10,000	Maywick Condo. +7,500
Leasehold/Fee Simple	Leasehold	Fee Simple See Addendum	Fee Simple See Addendum	Fee Simple See Addendum
HOA Mo. Assessment	\$150	\$125 No Adj	\$15+/- No Adj	\$95 No Adj
Common Elements and Rec. Facilities	Gardens/Farm Prairie/House	Grounds Adj Incl Abv	Grounds Adj Incl Abv	Grounds Adj Incl Abv
Floor Location	1st & 2nd Floor	1st & 2nd Floor	1st & 2nd Floor	1st & 2nd Floor
View	Average/Good	Average Adj Incl Abv	Average Adj Incl Abv	Average Adj Incl Abv
Design (Style)	Twnhse/EndUnit	Twnhse/EndUnit	Twnhse/EndUnit	Twnhse/EndUnit
Quality of Construction	Average/Good	Average/Good	Average +5,600	Average +6,000
Actual Age	New	New	New	New
Condition	Good	Good	Good	Good
Above Grade Room Count	Total Bdrms. Baths 6 3 2	Total Bdrms. Baths 6 3 2.5	Total Bdrms. Baths 6 3 2.5	Total Bdrms. Baths 6 3 2.5
Gross Living Area	1,650 sq. ft.	1,700 sq. ft.	1,504 sq. ft.	1,736 sq. ft.
Basement & Finished Rooms Below Grade	Full/Exposed Unfinished	Full Unfinished	Full Unfinished	Full Unfinished
Functional Utility	Average	Average	Average	Average
Heating/Cooling	FWA/CAC	FWA/CAC	FWA/CAC	FWA/CAC
Energy Efficient Items	Est. Stnd. Pkg.	Est. Equal	Est. Equal	Est. Equal
Garage/Carport	1-2 Spaces	2 Car Garage -6,000	2 Car Garage -6,000	2 Car Garage -6,000
Porch/Patio/Deck	Open Porch	None +1,000	Open Porch +1,000	None +1,000
Features	Courtyard/Fnce	Patio +1,000	None +1,500	Patio +1,000
Features	Solar Upgrade	None +6,500	None +6,500	None +6,500
Days on Market	Unk.	114	55	100/Fireplace -3,000
Net Adjustment (Total)		⊗ + □ - \$ 7,400	⊗ + □ - \$ 22,500	⊗ + □ - \$ 8,900
Adjusted Sale Price of Comparables		Net 3.5 % Gross 13.6 % \$ 217,300	Net 12.2 % Gross 22.2 % \$ 207,500	Net 4.5 % Gross 19.6 % \$ 208,800
Summary of Sales Comparison Approach See attached addenda.				
Indicated Value by Sales Comparison Approach \$ 196,000				
INCOME APPROACH TO VALUE (not required by Fannie Mae)				
Estimated Monthly Market Rent \$	N/A	X Gross Rent Multiplier	N/A = \$	N/A Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) Income Approach is not required and not provided since subject will be owner occupied and has no past rental history; deemed not applicable.				
Indicated Value by: Sales Comparison Approach \$ 196,000 Income Approach (if developed) \$ N/A				
See attached addenda.				
RECONCILIATION				
This appraisal is made <input type="checkbox"/> "as is", <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input checked="" type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. See attached addendum on conditions. Appraisal also made subject to completion/plans & specs.				
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 196,000, as of August 4, 2006, which is the date of inspection and the effective date of this appraisal.				

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This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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002141

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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- 21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
- 22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
- 23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
- 24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
- 25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
- 3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
- 4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
- 5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature *Heather S. Petersen-Waddell*
 Name Heather S. Petersen-Waddell
 Company Name Equitable Appraisal Service
 Company Address 6080 Whalen Road Fitchburg, WI 53593
 Telephone Number 608-848-6686
 Email Address equitableappraisalservice@charter.net
 Date of Signature and Report August 08, 2006
 Effective Date of Appraisal August 4, 2006
 State Certification # WI CRA #654
 or State License # _____
 or Other _____ State # _____
 State WI
 Expiration Date of Certification or License 12/14/2007
 ADDRESS OF PROPERTY APPRAISED
518 Troy Drive, # Est. 3
Madison, WI 53704
 APPRAISED VALUE OF SUBJECT PROPERTY \$ 196,000
 LENDER/CLIENT
 Name Renee Stafslie
 Company Name AnchorBank, fsb
 Company Address 25 W. Main Street, Madison, WI 53703
 Email Address rstafslie@anchorbank.com

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Supplemental Addendum

File No. #3028

Borrower/Client Justin O. & Anne M. Markofski			
Property Address 518 Troy Drive			
City Madison	County Dane	State WI	Zip Code 53704
Lender AnchorBank, fsb			

Sales Comparison Comments

Above sales stated as N/A since there are no true comparable sales to compare subject to. All listings are units within project-some are pending with no closed sales. All list prices shown are base units without any added upgrades, with the lower value being income restricted/below market price. Upgrades can take unit cost up to the mid \$200,000s. Subject does not conform to rest of neighborhood in that it is a "one of a kind" project within Madison, because of the layout/concept. Some construction materials are also not typical to the area-nothing considered adverse, only superior.

The subject condominium project is called Troy Gardens, which is a unique development within Madison. It sits on over 30 acres on Madison's north side. 4.9 acres is the housing site for 30 condo. units-10 market rate units & 20 below market units-and a common/community house that will in part house the Friends of Troy Gardens, have a kitchen, and recreation space. The additional approx. 25.62 acres is a conservancy site that consists of a restored prairie, trail system, an organic community farm, and a community garden in which each condo. unit has a reserved plot. The project landscaping will include rain gardens and retention areas for storm water.

Subject unit is offered for sale at substantially below market in order to provide affordable housing. The subject's identical unit within the project has a market rate base price of \$194,500; substantially more than the subject's base price of \$139,500. Subject floorplan and square footage provided by project website. Condo. docs. unavailable at time of appraisal-project just underway. Also, per assessors office, no parcel # has been provided to them yet or assigned to subject's individual unit. Legal description/unit # taken from offer to purchase, provided by MACLT.

Troy Gardens is a green built project with units built solar ready. It is also built with accessibility features. Each unit has a private exposed basement that could be finished into additional family room/bedroom/bath (bath rough-in). Units also have open entry porches and rear private courtyard with optional privacy fence. There are an abundance of upgrades to choose from over and above the base features and quality, enough to have all 30 units different from one another. Subject has upgraded flooring, including bamboo, as well as upgraded maple cabinets, and stainless steel appliance package. Subject unit includes hot water solar upgrade. The hot water system, priced at \$6,500 & \$6,915 depending on location, is considered to have value equal to its cost, based in part on the rebate & tax credit which account for approx. 1/2 of its cost-that is the solar upgrade adjusted for on the grid.

The appraisal of the subject is challenging in that there are no true comparable condominium projects within the city to compare it to. Due to the lack of more similar sales, greater than suggested guideline percentage adjustments were exceeded. In researching sales, the appraiser looked at condo. unit sales in the subject's general area and sales with similar features/layout on the general east side. Appraiser also looked for sales within a condo. plat on the near west side with a somewhat similar community feel and common house, with no recent sales found. The sales provided are considered similar to the subject in general layout, and in that all have a private basement-not typical to most condos. in Madison.

All sales are 3 bedroom units in rowhouse style buildings, similar to subject. Sale 2 is located in the general neighborhood to the north. It's an end unit with an open porch and a full basement, similar to the subject. Its quality is inferior, with a 3% adjustment made, based on approximate amount of the upgrades to subject. Sale 1 is located in a developing area on Madison's far east side. The location is dissimilar, but the unit is very similar, having a full basement and being close in size. It's also most similar in overall quality (has bamboo floors & fiber cement exterior like subject). Sale 3 is also located in a developing east side area, and also having a private basement. Its overall quality features is considered inferior, with a 3% adjustment made.

All the sales were adjusted for subject's superior location/view and project amenities (gardens/prairie/farm/common house) with lesser adjustment to sales 1 and 3 based on higher site prices in their areas. Square footage adjustments were made based on documented method of averaging the sale price/gross living area of the 3 sales and then multiplying by between 30%-40%; appraiser chose 35%. Additional adjustments were made for differing amenities.

The fee simple opinion of value for the subject based on the range of value on the sales comparison analysis is \$212,000.

The appraisal is made subject to the following condition: see this attachment for development of capitalization rate and an expanded discussion of the comparable sales used and considered. This appraisal is made on the basis of a hypothetical condition that the property rights being appraised are the leasehold interest without resale and other restrictions that are removed by the uniform Community Land Trust Ground Lease rider.

The subject will be owned by both the borrower/buyer and the Madison Area Community Land Trust Corp., which retains ownership of the land to be transferred by a long-term ground lease; thus the property rights being appraised are leasehold, not fee simple. The MACLT Corp. is involved in other properties within the subject's neighborhood, but because appraiser is unaware of sales of similar properties in the neighborhood that are subject to leasehold estates by other groups, the capitalization rate used to determine the subject's leasehold value is based on appraiser's research of low-risk investment rates, as suggested by the leasehold guidelines. Rates varied from the mid 2's to the upper 3's; therefore, appraiser chose to use 3.75% cap. rate.

In determining the fee simple value of the subject, the appraiser utilized the most similar, most recent fee simple sales in the subject's area. In determining the leasehold value of the subject, the monthly ground lease fee was provided by MACLT (no assessed value listed on city tax records for individual site). Lease fee is \$50/month, which is \$600/year (fee included in monthly condo. dues/fee). This is the MACLT way of calculating the annual payment. That \$600 annual ground lease/rent is divided by 3.75% cap. rate (\$600/3.75%), which = a leased fee value of \$16,000. This value is then subtracted from the fee simple opinion of value to get the leasehold value (\$212,000-\$16,000 = \$196,000). Again, the fee simple opinion of value based on comparable market sales is \$212,000, and the opinion of leasehold value is \$196,000.

Supplemental Addendum

File No. #3028

Borrower/Client Justin O. & Anne M. Markofski			
Property Address 518 Troy Drive			
City Madison	County Dane	State WI	Zip Code 53704
Lender AnchorBank, fsb			

THIS APPRAISAL REPORT IS NOT A HOME INSPECTION AND SHOULD NOT BE RELIED UPON TO DISCLOSE ANY PROPERTY CONDITIONS AND /OR DEFECTS.

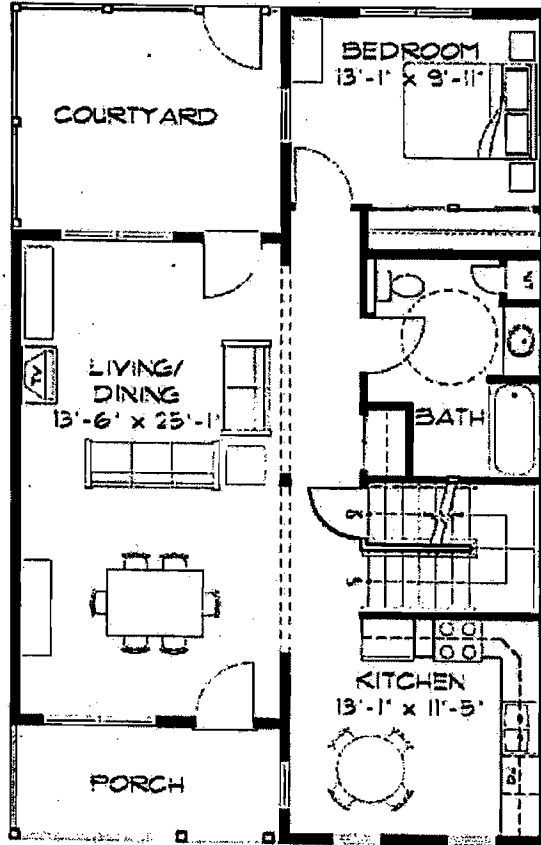
TERMS OF COMPARABLE SALES, OVER AND ABOVE WHAT IS PROVIDED US IN MLS, ARE CONFIDENTIAL AND BROKERS/AGENTS MUST MAINTAIN CONFIDENTIALITY OF SALE UNLESS THEY GET CONSENT OF THEIR CLIENT TO DISCLOSE. OTHERWISE, THEY ARE ADVISED NOT TO DISCLOSE, BASED ON THEIR STANDARDS. BUYERS AND SELLERS HAVE NO INCENTIVES TO GIVE US THAT INFORMATION.

THE INTENDED USER OF THIS APPRAISAL REPORT IS THE LENDER/CLIENT, AS WELL AS WHEDA IN ORDER TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL REPORT FOR A MORTGAGE FINANCE TRANSACTION, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THIS APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

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Grantor/Agent Corr

Three Bedroom Townhome (1st Floor)

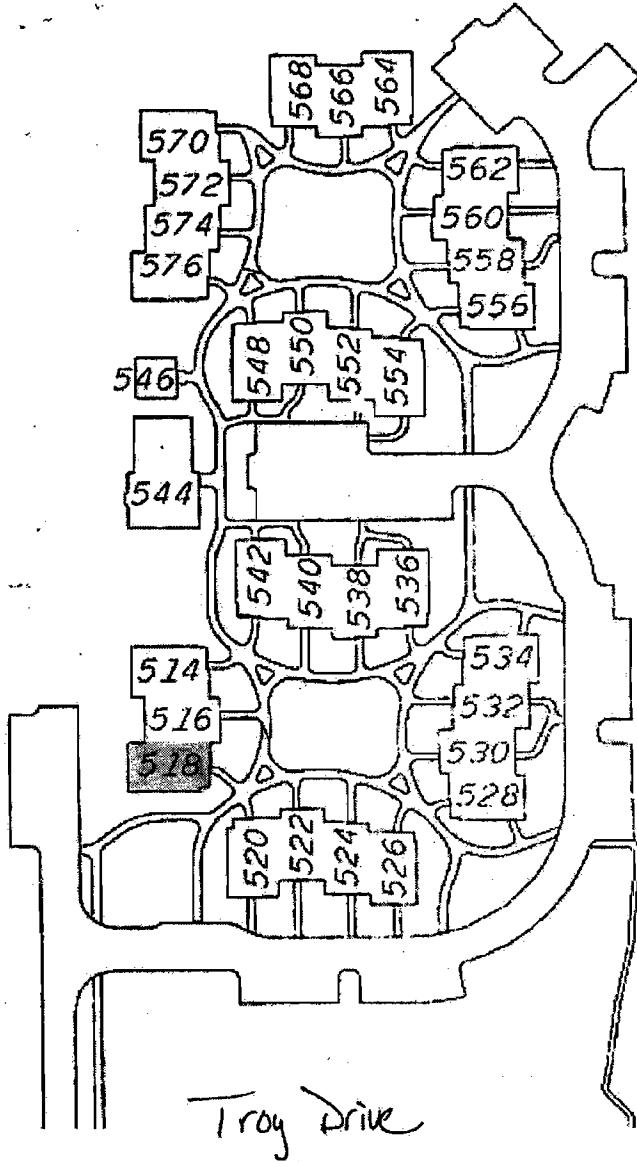
002145



1,650 Sq. Ft. Total
➤

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002147



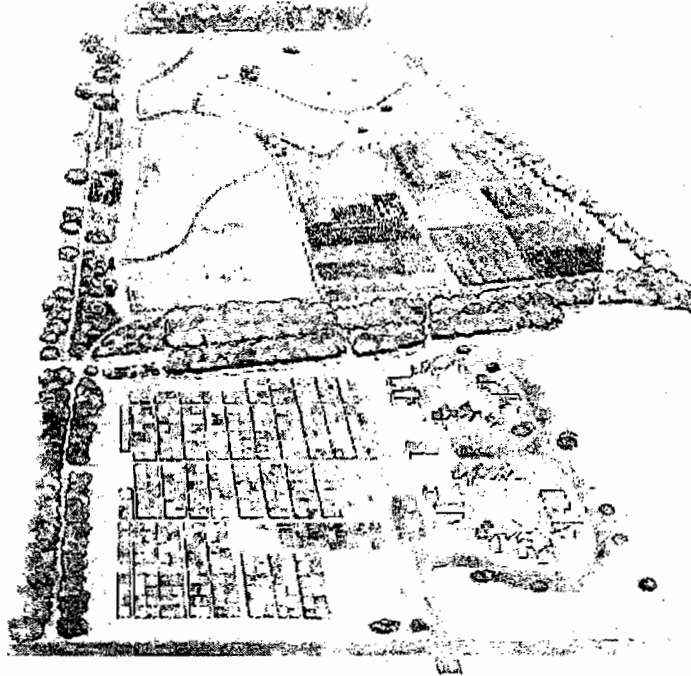
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002148

Troy Gardens Interpretive Map

Troy
Prairie --
restored
prairie with
sunken
stone
council ring

Troy
Community
Gardens --
where
people of all
incomes and
ethnicities
grow food
together



Troy
Community
Farm --
organic CSA
farm

Troy
Gardens
Homes --
30 mixed-
income
townhomes
with
Common
House

Illustration by John Miller

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 Grantor/Agent *l v*

Location Map

Borrower/Client Justin O. & Anne M. Markofski			
Property Address 518 Troy Drive			
City Madison	County Dane	State WI	Zip Code 53704
Lender AnchorBank, fsb			

00214



Viewers are advised to ignore the illegible text on this map. It is presented to show spatial relationships only.
 Authorized by: *l v*

FIRST REFUSAL

Whenever Seller shall have a right of first refusal as to the Property, the following procedures shall apply. If the owner of the property offering it for sale ("**Offering Party**") shall receive a bona fide, third-party offer to purchase the Property that such Offering Party is willing to accept, the holder of the right of first refusal (the "**Holder**") shall have the following rights:

1. Offering Party shall give written notice of such offer ("**Notice of Offer**") to Holder setting forth: (a) the name and address of the prospective purchaser of the Property; (b) the purchase price offered by the prospective purchaser; and (c) all other terms and conditions of the sale. Holder shall have a period of forty-five (45) days after the receipt of the Notice of Offer ("**Election Period**") within which to exercise the right of first refusal by giving notice of intent to purchase the property ("**Notice of Intent to Purchase**") for the same price and on the same terms and conditions set forth in the Notice of Offer. Such Notice of Intent to Purchase shall be given in writing to the Offering Party within the Election Period.

2. If Holder exercises the right to purchase the property, such purchase shall be completed within sixty (60) days after the Notice of Intent to Purchase is given by Holder (or if the Notice of Offer shall specify a later date for closing, such date) by performance of the terms and conditions of the Notice of Offer, including payment of the purchase price provided therein.

3. Should Holder fail to exercise the right of first refusal within the Election Period, then the Offering Party shall have the right (subject to any other applicable restrictions in the Ground Lease) to go forward with the sale which the Offering Party desires to accept, and to sell the Property within one (1) year following the expiration of the Election Period on terms and conditions which are not materially more favorable to the purchaser than those set forth in the Notice. As a condition of any such sale, the purchaser shall first deliver to Seller a signed declaration, in substantially the form and substance as the Declaration, and letters of Stipulation and Acknowledgement, in substantially the form of Exhibit A to the Declaration, for recording before any deed of conveyance. If the sale is not consummated within such one-year period, the Offering Party's right so to sell shall end, and all the foregoing provisions of this section shall be applied again to any future offer, all as aforesaid. If a sale is consummated within such one-year period, the purchaser shall purchase subject to a renewed right of first refusal in said Property.