

DECLARATION OF AFFORDABILITY COVENANTS WITH USE, REFINANCE, AND RESALE RESTRICTIONS AND PURCHASE OPTION

[FULL NAMES OF HOMEBUYERS], [each] an individual ([together, and] with permitted heirs, successors, and assigns the “**Homeowner**”) and the Milwaukee Community Land Trust Inc., its successors and assigns (the “**Program Manager**”), make this Declaration of Affordability Covenants with Use, Refinance, and Resale Restrictions and Purchase Option (this “**Declaration**”) as of [Month Date], 20[Year] (the “**Effective Date**”), for the purpose of encumbering the improved real estate described on attached Exhibit A (the “**Home**”), having an address of [Street Address, City, State, Zip Code].

RECITALS

A. The Program Manager is Milwaukee Community Land Trust Inc., a Wisconsin non-stock organization whose purposes include providing homeownership opportunities for low and moderate income people.

B. The Program Manager operates a program to preserve affordable homeownership opportunities through the stewardship of homes whose owners, at the time of purchase, have agreed to accept title subject to certain covenants, conditions, and restrictions in exchange for a reduced or subsidized purchase price (the “**Program**”).

C. The purpose of this Declaration is to include the Home in the Program. Consistent with the Program, the Declaration includes terms that affect the use and resale price of the Home and are designed to ensure that the Home continues to be affordable to low- and moderate-income households over an extended period of time and through a succession of owners and that limit the proceeds the Homeowner may receive from the Home.

D. The Homeowner wishes to purchase the Home for the reduced or subsidized purchase price as described below, and the reduced or subsidized purchase price is available only if the Homeowner accepts title to the Home subject to this Declaration.

ARTICLE I.

SUBMISSION OF REAL ESTATE; DEFINED TERMS

Section 1.01 Submission of Real Estate. By signing this Declaration, the Homeowner submits the Home to the covenants, conditions, and restrictions of this Declaration for the benefit

of the Program Manager. The Program Manager, together with any agent the Program Manager may appoint from time to time, will have the right to enforce this Declaration.

Section 1.02 Consideration; Value Given and Value Received. The Homeowner recognizes that the Initial Market Value of the Home is \$ [REDACTED], but the Homeowner is able to purchase the Home at the lower Base Price of \$ [REDACTED], due to the reduction in purchase price or subsidy provided by public resources and private philanthropy. The Homeowner may obtain the purchase price reduction or subsidy only if the Homeowner submits the Home to this Declaration, and the Homeowner wishes to submit the Home to the Declaration, and agree to its terms, in exchange for this benefit.

Section 1.03 Any Excess Proceeds of Transfer Go to Program Manager.

(a) The Homeowner recognizes that it would be contrary to the purposes of this Declaration if the Homeowner could receive more than the Maximum Resale Price as the result of an eminent domain proceeding, foreclosure, or other transfer of the Home. It would also be contrary to the purposes of this Declaration if the Homeowner could receive financial benefit by violating Section 2.03. Therefore, the Homeowner hereby irrevocably assigns to Program Manager all net proceeds of sale, eminent domain proceeding, foreclosure, lease, refinancing, or other transfer of the Home that would otherwise have been payable to the Homeowner after satisfaction of all Permitted Mortgages, if applicable, and that exceed the amount of proceeds that the Homeowner would have received if the property had been sold only for the Maximum Resale Price, refinanced only in accordance with Article VII, or used only in accordance with Section 2.03 (“**Excess Proceeds**”). The payment of any Excess Proceeds shall be secured by the Program Mortgage. For the avoidance of doubt, the Homeowner authorizes and instructs any party conducting any sale or eminent domain proceeding, foreclosure, refinancing, or other transfer, to pay such Excess Proceeds directly to Program Manager. If, for any other reason, Excess Proceeds are paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to Program Manager.

(b) In addition to the lien of the Program Mortgage, the Program Manager shall have, and the Homeowner hereby grants and consents to, a lien upon the Home for any Excess Proceeds. Such lien shall be prior to all other liens and encumbrances on the Home except (i) liens and encumbrances recorded before the recording of this Declaration, (ii) Permitted Mortgages; and (iii) liens for real property taxes and other governmental assessments or charges against the Home. For the avoidance of doubt, Homeowner’s assignment to Program Manager of Excess Proceeds in Section 1.03(a), and the Program Manager’s right to enforce collection of Excess Proceeds through foreclosure of its lien under the Program Mortgage and this Section 1.03(b), shall be subordinate in all respects to the lien of any Permitted Mortgagee under a Permitted Mortgage.

Section 1.04 Term of Declaration is 99 Years.

(a) This Declaration shall remain in effect for 99 years after the Effective Date (the “**Term**”), unless terminated earlier by any of the following methods: (i) recordation of

a new Declaration upon transfer of the Home to an Eligible Buyer in accordance with Section 8.08; or (ii) foreclosure of a Permitted Mortgage and expiration of the Program Manager's Purchase Option under Article 7.

(b) Upon expiration of the full Term, the Homeowner shall have the option either to (i) record an amendment to this Declaration encumbering the Home for a second 99-year term; or (ii) pay to the Program Manager the Excess Proceeds that would be received by the Homeowner if the Homeowner, upon expiration of the Term, were to sell the Home unencumbered by this Declaration to a third party in a bona fide arm's length transaction. If the Homeowner does not elect option (i) by recording an amendment before expiration of the Term, the Homeowner will be deemed to have elected option (ii). Excess Proceeds will be calculated and paid under option (ii) as follows:

A. The Program Manager, at its sole cost and expense, will obtain an Appraisal of the Home;

B. The Program Manager will calculate the Maximum Resale Price as described in Article VIII;

C. The Program Manager will calculate Excess Proceeds by subtracting the Maximum Resale Price from the fair market value of the Home, as determined by the Appraisal; and

(i) If the calculation in subparagraph (C) results in a negative number (in other words, if the Maximum Resale Price is higher than the fair market value), the Homeowner will not owe any Excess Proceeds, and the Program Manager shall promptly record a release of this Declaration; or

(ii) If the calculation in subparagraph (C) results in a positive number (in other words, if the Maximum Resale Price is lower than the fair market value), the Homeowner shall pay the Excess Proceeds to the Program Manager within 90 days after receiving the Program Manager's calculation, and the Program Manager shall then promptly record a release of this Declaration.

Section 1.05 Covenants to Run with the Land. The Homeowner intends, declares, and covenants (a) that this Declaration, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Home for the Term, and are binding upon the Homeowner and the Homeowner's successors in title and assigns, (b) are not merely personal covenants of the Homeowner, and (c) shall inure to the benefit of and be enforceable by the Program Manager and their successors and assigns, for the Term. Because the Declaration runs with the land, it shall encumber the Home for the Term and be binding upon the Homeowner's successors in title and assigns regardless of whether such successors in title and assigns agree in writing to be bound by the Declaration or execute a new Declaration at the time of resale, as provided in Article VIII.

Section 1.06 Reserved.

Section 1.07 Defined Terms. Homeowner and Program Manager agree on the following

definitions of key terms used in this Declaration.

(a) “**Appraisal**”: A fair market valuation of the Home performed by a duly licensed appraiser, conducted by analysis and comparison of comparable properties, disregarding all of the restrictions of this Declaration.

(b) “**Base Price**”: The total price paid for the Home by the Homeowner, as set forth in Section 1.01.

(c) “**Eligible Buyer**”: A person or group of persons (i) when there are multiple household income earners in the household of Homeowner, where the household income is less than 80% of the median household income for the applicable Standard Metropolitan Statistical Area or County as calculated and adjusted for household size from time to time by the U.S. Department of Housing and Urban Development (“**HUD**”) or any successor (the “**AMI Eligibility Threshold**”). A household size is “appropriate for the Home” if the household size does not exceed the maximum number of occupants defined by the governing building code.

(d) “**Event of Default**”: Any violation of the terms of this Declaration or the Program Mortgage unless the violation has been corrected (“**cured**”) by the Homeowner or the holder of a Mortgage in the period of time specified in a written Notice of Default has been given by the Program Manager.

(e) “**Ineligible Buyer**”: A person or group of persons, or a person and his or her spouse, not meeting the requirements to be eligible as an Eligible Buyer.

(f) “**Initial Market Value**”: The fair market value of the Home, assuming no affordability or resale restrictions, at the time of Homeowner’s purchase, as set forth in Section 1.01.

(g) “**Intent-to-Sell Notice**”: Homeowner’s notification to the Program Manager that the Homeowner wishes to sell the Home.

(h) “**Maximum Resale Price**”: The maximum price for which the Homeowner can sell the Home, as calculated under Article VIII of this Declaration.

(i) “**Permitted Mortgage**”: A loan secured by a lien or security interest in the Home, for which the Homeowner has obtained the written permission of the Program Manager pursuant to Section 7.01, together with any modifications, which may be made from time to time, by agreement between the Homeowner and the Permitted Mortgagee.

(j) “**Permitted Mortgagee**”: The lender shown on the security instrument securing a Permitted Mortgage, its assignees and the owner of such Permitted Mortgage.

(k) “**Program Fee**”: There is no Program Fee.

(l) “**Purchase Option**”: As described more fully in Article VIII, Program Manager’s option to purchase the Home at the Maximum Resale Price, which is triggered by (i) Program Manager’s receipt of an Intent-to-Sell Notice from Homeowner, (ii)

Program Manager’s receipt of notice of a Foreclosure Action under Article VII, (iii) any sale or transfer resulting from a Foreclosure Action under Article VII, and/or (iv) an Event of Default under Article IX (any of the foregoing, an “**Option Trigger Event**”).

(m) “**Repair Reserve Fee**”: There is no Repair Reserve Fee.

(n) “**Resale Fee**”: There is no Resale Fee.

(o) “**Program Mortgage**”: The mortgage or deed of trust executed by the Homeowner in favor of the Program Manager, dated and recorded the same date as this Declaration, for purposes of securing the Homeowner’s monetary and non-monetary obligations under this Declaration, including without limitation Excess Proceeds.

ARTICLE II.

USE OF HOME

Section 2.01 Homeowner Must Use Home as Primary Residence. The Homeowner must use the Home as Homeowner’s principal place of residence. Homeowner may use the Home, and allow others to use the Home, only for residential purposes and any activities related to residential use that are permitted by local zoning law.

Section 2.02 Homeowner Must Use and Maintain the Home Responsibly and in Compliance with the Law and Other Recorded Documents. The Homeowner must use the Home in a way that will not cause harm to others or create any public nuisance, and must maintain all parts of the Home in good working order, in a safe, sound and habitable condition, and in full compliance with all laws and regulations. Homeowner shall comply, and cause the Home and all occupants to comply, with all declarations, easements, Permitted Mortgages (defined in Article VII (Financing)), and other documentation recorded against the Home in the local real estate records. If the requirements of any recorded documents are inconsistent with the requirements of this Declaration, the Homeowner shall comply, and shall cause the Home and all occupants to comply, with the stricter requirement.

Section 2.03 Home May Not be Leased, Encumbered, Sold, or Transferred Except as Provided in Articles VII and VIII. No interest in the Home, including without limitation a fee simple interest, tenancy in common, joint tenancy, community property, tenancy by the entireties, life estate, limited estate, leasehold estate, tenancy, easement, mortgage, deed, lien, security interest, or other encumbrance, whether voluntary or involuntary, may be granted, sold, assigned, conveyed, or transferred except in accordance with Articles VII and VIII of this Declaration.

ARTICLE III.

ROLE OF PROGRAM MANAGER

Section 3.01 Program Manager Has a Right to Conduct Annual Meetings with the Homeowner. The Program Manager may conduct annual meetings with the Homeowner in the offices of the Program Manager or in the Home or some other mutually convenient location (or via mutually convenient electronic means) for purposes of obtaining occupancy certifications, confirming insurance renewals, collecting proof that taxes and assessments have been paid, and addressing any other Program requirements. The Homeowner will cooperate with the Program

Manager in scheduling and attending these meetings and will provide Program Manager with the requested information. The Program Manager may opt to request such information from the Homeowner by phone, mail, email, or some other method instead of conducting an in-person (or electronically facilitated) meeting, and the Homeowner will then promptly provide the Program Manager with the requested information using the alternative method.

Section 3.02 Program Manager Has a Right to Inspect the Home. The Program Manager or its agent may inspect any exterior part of the Home on an annual basis at any reasonable time, after notifying the Homeowner at least 2 day[s] before the planned inspection. In addition, if the Program Manager has received an Intent-to-Sell Notice (as described in Article VIII below), then the Program Manager or its agent has the right to inspect the interior and exterior of the Home to determine its condition prior to the sale. Program Manager must notify the Homeowner at least 2 day[s] before carrying out such inspection. In either case (an annual inspection or an inspection after an Intent-to-Sell Notice), the Homeowner will cooperate with the Program Manager's efforts to schedule and conduct the inspection, and if negative property conditions are identified, the Program Manager or its agent has the right to re-inspect until they are resolved.

Section 3.03 Program Manager May Escrow for Taxes, Assessments, and/or Insurance. Whenever a Permitted Mortgagee declines to escrow funds from the Homeowner for the payment of taxes and assessments under Article IV and for the payment of insurance under Article VI, the Program Manager may elect to escrow such amounts and the Homeowner shall cooperate with the Program Manager in setting up such an escrow.

Section 3.04 Program Manager Will Review Proposed Capital Improvements. If the Homeowner wishes to make Capital Improvements to the Home, the Program Manager will work with the Homeowner as provided in Article V.

Section 3.05 Program Manager Will Facilitate Proposed Financings or Transfers. If the Homeowner wishes to finance or otherwise transfer the Home, the Program Manager will work with the Homeowner as provided in Article VII or VIII, as applicable.

Section 3.06 Program Manager's Successors and Assigns. The Program Manager may from time to time designate a successor or assign to its rights and obligations under this Declaration, provided that such successor or assign is a governmental body, governmental agency, or non-profit entity with a charitable purpose consistent with the Program. For clarity, the Program Manager may contract with a for-profit person or entity to assist Program Manager in running the Program, but the Program Manager itself shall not be a for-profit person or entity.

Section 3.07 Nonliability of Program Manager for Negligence, Loss or Damage. The Homeowner understands and agrees that the relationship between Homeowner and Program Manager is solely that of a homeowner and a program administrator, and that the Program Manager has no responsibility or duty to the Homeowner to select, review, inspect, supervise, pass judgment on, or inform the Homeowner of the quality, adequacy, or suitability of the Home or any other matter. The Program Manager does not owe a duty of care to protect the Homeowner against negligent, faulty, inadequate, or defective building or construction or any condition of the Home; instead the Homeowner has made his or her own investigation of these matters and hired home inspectors and other professionals to assist this investigation, to the extent the Homeowner deemed necessary. Homeowner agrees that neither Homeowner nor

Homeowner's heirs, successors or assigns shall ever claim, have, or assert any right or action against the Program Manager for any loss, damage, or other matter arising out of or resulting from any condition of the Home and will hold the Program Manager harmless from any liability, loss, or damage for these things.

ARTICLE IV.

DECLARATION FEES; TAXES AND ASSESSMENTS

Section 4.01 RESERVED

Section 4.02 RESERVED

Section 4.03 RESERVED

Section 4.04 Homeowner Is Responsible for Paying all Taxes and Assessments. Homeowner shall pay directly, when due, all taxes, governmental and homeowner association assessments that relate to the Home, unless such taxes and assessments are to be escrowed and paid by a Permitted Mortgagee, in which case payment shall be made as directed by that Permitted Mortgagee.

Section 4.05 If Homeowner Fails to Pay Taxes, Program Manager may Pay Taxes. If the Homeowner or its Permitted Mortgagee fails to pay the taxes or assessments described in Section 4.04 above, the Program Manager shall have the right to pay such taxes or assessments on the Homeowner's behalf from time to time at the sole and absolute discretion of the Program Manager. Homeowner shall reimburse the Program Manager for any amounts paid by the Program Manager to cover such taxes or assessments promptly upon demand by the Program Manager.

Section 4.06 If Payment Is Late, Interest Can Be Charged. If the Program Manager has not received any amounts due under this Declaration on or before the required date (the "**Due Date**"), the Program Manager may require the Homeowner to pay interest on the unpaid amount from the Due Date through and including the date such payment or installment is received by the Program Manager, at a rate not to exceed 5% per annum or the maximum amount permitted by law, whichever is less. Such interest shall be deemed an additional fee and shall be paid by the Homeowner to the Program Manager upon demand.

Section 4.07 Program Manager Can Collect Unpaid Amounts When Home Is Sold. In the event that any amounts due under this Declaration remain unpaid when the Home is sold, including without limitation amounts due to Program Manager under this Article IV and any enforcement fees under Section 9.04(e), the outstanding amount, including any interest (the "**Unpaid Amounts**"), shall be paid to the Program Manager out of any proceeds from the sale that would otherwise be due to the Homeowner, and the payment of any Unpaid Amounts shall be secured by the Program Mortgage. Any amounts paid pursuant to this Section may be paid to the Program Manager only after amounts owed under the Permitted Mortgage have been disbursed to the Permitted Mortgagee. In addition to the lien of the Program Mortgage, the Program Manager shall have, and the Homeowner hereby grants and consents to, a lien upon the Home for such Unpaid Amounts. Such lien shall be prior to all other liens and encumbrances on the Home except (a) liens and encumbrances recorded before the recording of this Declaration, (b) Permitted Mortgages; (c) liens for real property taxes and other governmental assessments or charges against the Home; and (d) the lien for Excess Proceeds under Section 1.03. For the

avoidance of doubt, the Program Manager's right to enforce collection of Unpaid Amounts through foreclosure of its lien under the Program Mortgage and this Section 4.07 shall be subordinate in all respects to the lien of any Permitted Mortgagee under a Permitted Mortgage.

ARTICLE V.

IMPROVEMENTS TO THE HOME

Section 5.01 Homeowner's Ability to Improve the Home is Limited. Homeowner may make improvements to the Home without the consent of the Program Manager as long as such improvements are constructed in a professional manner and comply with Section 5.04 below and all applicable laws and regulations. This Section 5.01 does not apply in the event the Home is damaged or destroyed following a fire or other casualty, as described in Section 6.02.

Section 5.02 Requests for Consent from Program Manager. For any proposed Capital Improvements, if the Homeowner would like to receive a monetary credit for the Value Added by Capital Improvements, as determined subsequently by appraisal at the time of resale of the Home (see Article VIII) (a "**Capital Improvements Credit**"), a statement requesting the Program Manager to consider permitting such a credit].

The Program Manager shall inform the Homeowner of the value to be ascribed to the Capital Improvements or the method to be employed to determine such value at resale, including application of depreciation rates, which may result in a Capital Improvements Credit less than the actual cost of the Capital Improvements.

Section 5.03 Building Permits; Right to Inspect. Prior to the commencement of construction of any Capital Improvements, the Homeowner shall provide the Program Manager with copies of all necessary building permits, if not previously provided. The Program Manager shall have the right to inspect the Capital Improvements while under construction and after completion to confirm consistency with the information presented in Section 5.02 and with this Article V[, and may adjust the Capital Improvements Credit to account for any identified inconsistency. Any inspection and identification of inconsistencies by the Program Manager shall be for the benefit of the Program Manager only; the Homeowner will conduct his or her own inspections to confirm all work performed is satisfactory to the Homeowner.

Section 5.04 Homeowner May Not Allow Statutory Liens to Remain Against Home. The Homeowner shall not permit any statutory or similar lien to be filed against the Home which remains more than 30 days after it has been filed. The Homeowner shall take action to discharge such lien, whether by means of payment, deposit, bond, court order, or other means permitted by law. If the Homeowner fails to discharge such lien within the 30-day period, then the Homeowner shall immediately notify the Program Manager of such failure. The Program Manager shall have the right to discharge the lien by paying the amount in question. The Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided the Homeowner has furnished a bond or other acceptable surety in an amount sufficient to release the Home from such lien. Any amounts paid by the Program Manager to discharge such liens shall be reimbursed by the Homeowner upon demand of the Program Manager.

ARTICLE VI.

INSURANCE, DAMAGE OR DESTRUCTION, TAKING FOR PUBLIC USE

Section 6.01 Homeowner Must Insure the Home Against Loss. The Homeowner shall, at the Homeowner's expense, keep the Home continuously insured against accidental direct physical loss with a coverage limit equal to the estimated full replacement cost of the Home, that is, the amount necessary to rebuild the Home as opposed to the Home's market value. The insurance policy must satisfy all requirements of the Program Mortgage and any other Mortgage of record, and certificates of insurance shall be delivered to Program Manager prior to the purchase of the Home and upon request thereafter. Whenever the Permitted Mortgagee has the capability of escrowing funds from the Homeowner for the payment of insurance premiums, the Homeowner shall establish such an escrow.

Section 6.02 What Happens if Home Is Damaged or Destroyed. In the event of fire or other damage to the Home, the Homeowner shall take all steps necessary to assure the repair of such damage and the restoration of the Home to its condition immediately prior to the damage. All such repairs and restoration shall be completed as promptly as possible. Homeowner shall also promptly take all steps necessary to assure that the damaged Home does not constitute a danger to persons or property. For clarity, the obligations of the Homeowner to repair and restore the Home are the same in a case of insufficient insurance proceeds as in a case of excess insurance proceeds; in either case the Homeowner must still repair and restore the Home, obtaining additional funds (in the case of insufficient insurance proceeds) or, if permitted by the terms of the policy and the terms of any Permitted Mortgage, retaining excess funds (in the case of excess insurance proceeds). In a case where repair and restoration are not feasible (for example, in the case of sinkhole or other condition that materially adversely impacts and precludes restoration of the structure of the Home), the Homeowner shall provide reasonably acceptable documentation of such circumstance to Program Manager, and in such case shall be excused from repairing and restoring the Home, provided that the Homeowner uses available insurance proceeds to pay off any Permitted Mortgage and any other lien on the Home. In any event, if the terms of a Permitted Mortgage conflict with this Section 6.02, the terms of the Permitted Mortgage shall govern and control.

Section 6.03 What Happens if Some or All of the Home Is Taken for Public Use.

(a) If all of the Home is taken by eminent domain or otherwise for public purposes, or if so much of the Home is taken that the Home is lost or damaged beyond repair, this Declaration shall terminate as of the date when Homeowner is required to give up possession of the Home, provided, however, that any Excess Proceeds (defined in Article VIII) arising from eminent domain or other public use proceedings shall be paid to Program Manager.

(b) In the event of a taking of a portion of the Home that results in damage to the Home that can reasonably be restored to a residential use consistent with this Declaration, then this Declaration shall remain in full force and effect and the damage shall be treated as damage is treated in Section 6.02 above.

ARTICLE VII. FINANCING

Section 7.01 Homeowner Cannot Mortgage the Home Without Program Manager's Permission.

(a) The Homeowner may only grant a lien or security interest, including a mortgage or deed of trust (either at the time of purchase of the Home or subsequent to the purchase of the Home to refinance an existing Permitted Mortgage or to finance home repairs or to facilitate a Home Equity Line of Credit ("HELOC") or for any other purpose), on the Home or encumber the Home in any other way after first obtaining the written permission of the Program Manager. Any Permitted Mortgage or other lien, security interest, or other encumbrance shall be subject to the terms of this Declaration, including without limitation this Article VII and Section 7.04 below.

(b) The Program Manager will not permit such a loan if the loan increases the Homeowner's total mortgage debt to an amount greater than 90% of the then current Maximum Resale Price, calculated in accordance with Article VIII below, or if any Permitted Mortgagee has not provided written consent to the loan, or if the terms of the transaction otherwise adversely affect the interests of either the Homeowner, Permitted Mortgagee, or Program Manager.

(c) The Program Manager may require the Homeowner to submit, in writing, certain information about the proposed terms and conditions of such loan at least 30 days prior to the expected closing of the loan.

Section 7.02 By Signing Declaration, Program Manager Gives Permission for Original Mortgage. By signing this Declaration, the Program Manager gives written permission for the first priority mortgage or deed of trust signed by the Homeowner and financing the Homeowner's purchase of the Home; and any restrictions of the Federal HOME program. The Program Manager also hereby gives written permission for any assignee of a Permitted Mortgage to be a Permitted Mortgagee at any time it purchases a Permitted Mortgage.

Section 7.03 Property Assessed Clean Energy.

Property Assessed Clean Energy ("PACE") financing in connection with the Home requires Program Manager approval..

Section 7.04 Survival of Declaration Upon Exercise of Remedies by Mortgagees.

(a) If the holder of any mortgage, deed of trust, or other encumbrance on the Home (each, a "Mortgagee") conducts a foreclosure sale, accepts a deed in lieu of foreclosure, or exercises any other right or remedy that results in the Homeowner no longer having title to the Home (any such right or remedy, a "Foreclosure Action"), this Declaration shall run with the land pursuant to Section 1.03 above and shall continue to encumber the Home as follows:

(i) With respect to any Mortgagee who is also a Permitted Mortgagee, this Declaration shall survive until expiration of the Program Manager's Purchase

Option under Section 8.06 below, specifically 60 days to exercise the Purchase Option and 90 days to complete the purchase. If the Program Manager exercises the Purchase Option, completes purchase of the Home, and satisfies the amounts owed under the Permitted Mortgage, this Declaration shall continue in full force and effect. If the Program Manager fails to exercise the Purchase Option, or exercises the Purchase Option but fails to complete the purchase within the 90-day period allowed by Section 8.06, or fails to satisfy the amounts owed under the Permitted Mortgage, then this Declaration shall terminate and be of no further force and effect, and the Program Manager shall cooperate with the Permitted Mortgagee or transferee at the Foreclosure Action to record a termination and release.

(ii) With respect to any Mortgagee who is not a Permitted Mortgagee, Article VIII and all other provisions of this Declaration shall apply to the transfer of the Home resulting from the Foreclosure Action, and Article VIII and all other provisions of this Declaration shall continue to encumber the Home and shall be binding on the grantee receiving an interest in the Home by virtue of the Foreclosure Action and on all subsequent owners of any interest in the Home.

(b) The Homeowner expressly authorizes any Mortgagee to provide Program Manager with any information requested by Program Manager with respect to the obligations secured by a mortgage, deed of trust, or other security instrument encumbering the Home, including without limitation, the original or maximum principal amount of the loan, the interest rate and other terms governing repayment, payment history, including any history of delinquent payments, current payments of principal, interest, and late fees due or delinquent, and the amount of total obligations currently secured by the Mortgage.

(c) The Homeowner understands and agrees that nothing in this Declaration (i) in any way constitutes a promise or guarantee by the Program Manager that the Mortgagee shall actually receive the Mortgage Satisfaction Amount, the Maximum Resale Price for the Home or any other price for the Home, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.

ARTICLE VIII.

TRANSFER OF THE HOME

Section 8.01 Homeowner May Transfer Home Only in Strict Compliance with Article VIII; Other Transfers Null and Void. Homeowner may transfer the Home only as explicitly permitted by the provisions of this Article VIII (and, in the event of a Foreclosure Action, Section 7.04). Any purported transfer that does not strictly follow the procedures set forth below (or, in the event of a Foreclosure Action, the procedures of Section 7.04), shall be null and void.

Section 8.02 Home May Only be Leased if Permitted in Writing by Program Manager. Homeowner shall not lease or rent any portion of the Home, except as allowed under the terms of any Permitted Mortgage and with the written permission of Program Manager. Homeowner agrees that Program Manager shall have the right to withhold such consent in order to further the purposes of this Declaration. If permission for leasing is granted, (a) the lease shall be in writing

with a proposed form provided to Program Manager for approval in advance and a term no shorter than 6 months, (b) the lease shall be subject to all of the terms of this Declaration, (c) the tenant must satisfy current income requirements for Eligible Buyers, (d) the rent shall be no greater than the amount needed to cover Homeowner's obligations to any Permitted Mortgagee and payment of taxes, assessments, and insurance under Articles IV and VI above maximum permitted rent as determined by the Program Manager, and (e) a fully executed copy of the lease shall be provided to Program Manager promptly after execution.

Section 8.03 Home May be Transferred to Certain Relatives of Homeowner.

(d) Subject to the requirements of subsection (b) below, and provided the Homeowner has obtained the written permission of any Permitted Mortgagee, the Homeowner may transfer the Home, or an interest in the Home, without monetary consideration, as follows:

(i) transfer to the spouse of the Homeowner who by virtue of the transfer becomes a co-owner of the Home with the Homeowner;

(ii) transfer to the child or children of the Homeowner, provided such child or children qualify as Eligible Buyers;

(iii) transfer between spouses as part of a marriage dissolution proceeding; or

(iv) transfer by the Homeowner into an inter vivos trust in which the Homeowner is the beneficiary.

(e) Before proceeding with a transfer under this Section 8.03, the Homeowner shall give the Program Manager at least 30 days prior written notice, shall promptly provide the Program Manager with related documentation requested by the Program Manager, and shall obtain the Program Manager's written confirmation that the transfer qualifies as a permitted transfer under subsection (a).

(f) Any transferee permitted under this Section 8.03 shall take title subject to all the terms and conditions of this Declaration, and shall execute and record such documents as the Program Manager may require and/or approve.

Section 8.04 Home May be Transferred to Certain Heirs of Homeowner.

(a) If the Homeowner dies (or if the last surviving co-owner of the Home dies), the executor or personal representative of the Homeowner's estate shall notify the Program Manager within 90 days after the date of the death. Upon receiving such notice the Program Manager shall consent to a transfer of the Home to one or more of the possible heirs of Homeowner listed below as (i), (ii), or (iii):

(i) the spouse of the Homeowner; or

(ii) the child or children of the Homeowner; or

(iii) member(s) of the Homeowner's household who have resided in the Home for at least one year immediately prior to Homeowner's death.

(b) Any other heirs, legatees or devisees of the Homeowner must demonstrate to Program Manager's satisfaction that they are an Eligible Buyer. If they cannot demonstrate that they are an Eligible Buyer, they shall not be entitled to possession of the Home but must transfer the Home in accordance with the provisions of this Article VIII.

(c) Before proceeding with a transfer under this Section 8.04, the executor or personal representative shall give the Program Manager at least 30 days prior written notice, shall promptly provide the Program Manager with related documentation requested by the Program Manager, and shall obtain the Program Manager's written confirmation that the transfer qualifies as a permitted transfer under subsection (a) or (b).

(d) Any transferee permitted under this Section 8.04 shall take title subject to all the terms and conditions of this Declaration, and shall execute and record such documents as the Program Manager may require and/or approve.

Section 8.05 Home May be Transferred to Certain Buyers. In the event that the Homeowner wishes to sell the Home, the Homeowner shall notify the Program Manager in writing of such wish (the "**Intent-to-Sell Notice**") at least 45 days before the Homeowner would like to begin to market the Home, and the Program Manager and the Homeowner shall proceed as follows:

(a) RESERVED

(b) Intent-to-Sell Notice Triggers Purchase Option in favor of the Program Manager or its Assignee. As detailed in Section 8.06, Program Manager's receipt of the Intent-to-Sell Notice triggers a Purchase Option in favor of the Program Manager or its assignee. Please see Section 8.06 for the Purchase Option process to be followed upon issuance of the Intent-to-Sell Notice.

(c) If Purchase Option Expires, Homeowner may Sell on Certain Terms. If the 60-day Purchase Option has expired or if the Program Manager or its assignee has failed to complete the purchase within the 90-day period allowed by Section 8.06, the Homeowner may sell the Home to any Eligible Buyer for not more than the then applicable Maximum Resale Price, as calculated under Section 8.07. Further:

(i) RESERVED

(ii) Ability to Sell to Ineligible Buyer in Certain Circumstances. If the Homeowner has made diligent efforts to sell the Home for at least six months after the expiration of the Purchase Option and the Home still has not been sold, the Homeowner may then sell the Home, for the Maximum Resale Price, to an Ineligible Buyer, but subject to all rights and restrictions contained herein, and further provided that if more than one Ineligible Buyer is ready, willing, and able to purchase the Home, the Homeowner will give preference to any person or groups of persons identified by the Program Manager as an appropriate household size for the Home earning less than 80% of the AMI Eligibility Threshold.

(iii) Program Manager Shall Have Power of Attorney to Sell Home as Attorney in Fact for Homeowner in Certain Circumstances. If the Homeowner (a) is not then residing in the Home and (b) has made diligent efforts to sell the Home for at least twelve months after the expiration of the Purchase Option and the Home still has not been sold, the Homeowner does hereby appoint Program Manager as its attorney in fact to seek a buyer, negotiate a reasonable price that furthers the purposes of this Declaration, sell the Home, use the proceeds of sale first to satisfy Permitted Mortgages in order of priority, second to pay the Program Manager's costs of sale and any other sums owed the Program Manager by the Homeowner, and third to pay Homeowner the remaining proceeds of sale, minus amounts owed to any other secured lien holders.

Section 8.06 Program Manager Has an Option To Purchase the Home.

(a) Upon (i) Program Manager's receipt of an Intent-to-Sell Notice from Homeowner, (ii) Program Manager's receipt of notice of a Foreclosure Action under Article VII, (iii) any sale or transfer resulting from a Foreclosure Action under Article VII, and/or (iv) an Event of Default under Article IX (any of the foregoing, an "**Option Trigger Event**"), the Program Manager shall have the option to purchase the Home at the Maximum Resale Price, or in the case of a Foreclosure Action where the total obligations secured by the Permitted Mortgage exceed the Maximum Resale Price, the amount of such total obligations under the Permitted Mortgage (the "**Purchase Option**"). For purposes of subparagraph (iii), (A) the amount of total obligations owed to the Permitted Mortgagee shall be calculated as of the date the sale to the Program Manager closes, and (B) no Option Trigger Event occurring after a sale or transfer resulting from a Foreclosure Action shall trigger an additional Purchase Option (rather, the Program Manager shall be limited to the single Purchase Option initially triggered by the sale or transfer resulting from the Foreclosure Action). The Purchase Option is designed to further the purpose of preserving the affordability of the Home for succeeding Eligible Buyers while taking fair account of the investment by the Homeowner.

(b) If the Program Manager elects to purchase the Home, the Program Manager shall exercise the Purchase Option by notifying the current Homeowner and any Permitted Mortgagee in writing of such election (the "**Notice of Exercise of Option**") within 60 days after the Option Trigger Event, or the Option shall expire. Having given such notice, the Program Manager may either proceed to purchase the Home directly or may assign the Purchase Option to an Eligible Buyer.

(c) The purchase (by Program Manager or Program Manager's assignee) must be completed within 90 days after the Program Manager's Notice of Exercise of Option, or the Purchase Option shall be of no further force and effect with respect to such Option Trigger Event. Except as provided in Section 7.04 to the contrary and except in the case of a Foreclosure Action, the Purchase Option shall remain in effect with respect to Option Trigger Events occurring after the subject Option Trigger Event. The time permitted for the completion of the purchase may be extended by mutual agreement of the Program Manager or its assignee and the Homeowner and, if applicable, the Mortgagee undertaking the Foreclosure Action.

Section 8.07 Calculation of Maximum Resale Price. Except as specifically permitted in a Foreclosure Action under Section 8.06(a)(iii), so long as this Declaration remains in effect, in no event may the Home be sold for a price that exceeds the Maximum Resale Price. The “Maximum Resale Price” shall be equal to the Base Price plus an annual increase of 1.25% of the Base Price simple interest for each year, or portion thereof, that the Homeowner has owned the home, plus the Capital Improvements Credit.

Section 8.08 Repairs and Transfer Procedures. The following procedures shall apply to all transfers of the Home pursuant to Sections 8.05 and 8.06:

(a) RESERVED

(b) Deed, Declaration, and Program Mortgage to be Prepared. The Home shall be conveyed by the Homeowner by a good and sufficient deed commonly used in the jurisdiction for single family residences conveying a good and clear record and marketable title to the Home free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) provisions of local building and zoning laws, (iii) all easements, restrictions, covenants and agreements of record; (iv) a Declaration identical in form and substance to this Declaration which the Homeowner hereby agrees to secure execution by the transferee, and to record immediately after the deed, and (v) a new Program Mortgage identical in form and substance to this Program Mortgage which the Homeowner hereby agrees to secure execution by the transferee, and to record immediately after the Declaration or, in the event of any Permitted Mortgage approved in writing by Program Manager, immediately after the Permitted Mortgage. **Said deed shall clearly state that it is made subject to the Declaration which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Homeowner to the transferee or the enforceability of the Declaration.

(c) Distribution of Sales Proceeds. The proceeds of any sale conducted in accordance with this Article VIII shall be distributed as follows: First to satisfy Permitted Mortgages in order of priority, second to pay the Program Manager’s Unpaid Amounts, third to pay taxes, homeowner association assessments, and any statutory or municipal fees currently due and payable, fourth to pay amounts owed to any other secured lien holders, and fifth to the Homeowner, who may retain the remaining proceeds of sale. Notwithstanding the foregoing, any Excess Proceeds shall be paid to Program Manager.

Section 8.09 No Promises Made as to Future Sales. Nothing in this constitutes a promise, commitment or guarantee by the Program Manager to sell or purchase the Home or that upon resale the Homeowner shall actually receive the Maximum Resale Price for the Home or any other price for the Home.

ARTICLE IX.

ENFORCEMENT

Section 9.01 What Happens if Homeowner Fails to Make Payments to Program Manager That are Required by the Declaration. It shall be an event of default if the Homeowner fails to pay the Program Fee or any amounts when due under this Declaration or the Program Mortgage and such failure is not cured by the Homeowner or a Permitted Mortgagee within 30 days after notice of such failure is given by Program Manager to Homeowner and Permitted Mortgagee.

Section 9.02 What Happens if Homeowner Violates Other (Nonmonetary) Terms of the Declaration. It shall be an event of default if the Homeowner fails to abide by any other requirement or restriction stated in this Declaration, the Program Mortgage, and/or any other document of record encumbering the Home, and such failure is not cured by the Homeowner or a Permitted Mortgagee within 60 days after notice of such failure is given by the Program Manager to the Homeowner and any Permitted Mortgagee. However, if the Homeowner or a Permitted Mortgagee has begun to cure such default within the 60-day cure period and is continuing such cure with due diligence but cannot complete the cure within the 60-day cure period, the cure period shall be extended for as much additional time as may be reasonably required to complete the cure but not exceeding a total cure period of 120 days. Notwithstanding the foregoing, the Homeowner shall not be entitled to a cure period for any violation of the construction or statutory lien provisions in Article VI, the financing provisions in Article VII, the transfer provisions in Article VIII and/or Section 2.03, or the provisions of Section 9.03 below, and the Program Manager shall be entitled to exercise the rights and remedies under Section 9.04 for any such violation immediately upon notice of such violation being given by the Program Manager to the Homeowner and any Permitted Mortgagee.

Section 9.03 What Happens if Homeowner Defaults as a Result of Judicial Process. It shall be an event of default if the Home is taken on execution or by other process of law, or if any assignment is made of the Home for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer is appointed to take charge of any substantial part of the Home by a court of competent jurisdiction, or if a petition is filed for the reorganization of Homeowner under any provisions of the Bankruptcy Act now or hereafter enacted, or if Homeowner files a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

Section 9.04 A Default (Uncured Violation) Gives Program Manager the Right to Exercise Rights and Remedies. Upon the occurrence of an event of default that continues beyond any applicable cure period, the Program Manager shall have, in addition to all other rights and remedies provided at law or in equity, the right, at the Program Manager's option, without further notice or demand of any kind, to take any one or more of the following actions:

- (a) The right to enforce this Declaration independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Home to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there shall be no adequate

remedy at law for such violation), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Program Manager.

(b) The right to exercise the Purchase Option under Section 8.06 above;

(c) In the case of a default under Section 9.02 or 9.03, the right to exercise all rights and remedies under the Program Mortgage, including without limitation the institution of foreclosure by judicial proceeding or private sale;

(d) Without limitation of any other rights or remedies of the Program Manager, or its successors and assigns, in the event of any sale, conveyance, financing, refinancing, or other transfer or occupancy of the Home in violation of the provisions of this Declaration, the following rights and remedies, which shall be cumulative and not mutually exclusive:

(i) specific performance of the provisions of this Declaration;

(ii) money damages for Excess Proceeds and Unpaid Amounts, if applicable;

(iii) if the violation is a sale or other conveyance of the Home to an Ineligible Buyer except as permitted herein, the option to locate an Eligible Buyer to purchase or itself purchase the Home from the Ineligible Buyer on the terms and conditions provided herein; the purchase price shall be a price which complies with the provisions of this Declaration; specific performance of the requirement that an Ineligible Buyer shall sell, as herein provided, may be judicially ordered;

(iv) the right to void any contract for sale or any sale, conveyance or other transfer of the Home in violation of the provisions of this Declaration, by an action in equity to enforce this Declaration; and

(v) money damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Buyer.

(e) In addition to the foregoing, the Homeowner hereby agrees and shall be obligated to pay all fees and expenses (including legal fees) of the Program Manager in the event successful enforcement action is taken against the Homeowner or Homeowner's successors or assigns.

(f) The Homeowner for himself, herself or themselves and his, her or their successors and assigns, hereby grants to the Program Manager the right to take all actions with respect to the Home which the Program Manager may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Homeowner to prevent, remedy or abate any violation of this Declaration.

(g) All rights and remedies set forth in this Section 9.04 are subordinate to the rights of Permitted Mortgagees as set forth in Sections 1.03, 4.01, and 4.07 of this Declaration.

Section 9.05 What Happens if Program Manager Defaults. The Program Manager shall not be in default in the performance of any of its obligations under this Declaration unless and until the Program Manager has failed to perform such obligations for 60 days, or such additional time as is reasonably required to correct any default, after notice by the Homeowner to the Program Manager properly specifying the Program Manager's failure to perform any such obligation.

ARTICLE X. MEDIATION

Section 10.01 Nothing in this Declaration shall be construed as preventing the parties from utilizing any process of mediation in which the parties agree to engage for the purpose of resolving a dispute.

Section 10.02 Homeowner and Program Manager shall each pay one half (50%) of any costs incurred in carrying out mediation in which the parties have agreed to engage.

ARTICLE XI. NOTICES, RIGHT OF FIRST REFUSAL, AND OTHER PROVISIONS

Section 11.01 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:

If to Program Manager:
Milwaukee Community Land Trust
3800 W. Lisbon Ave.
Milwaukee, WI 53208

If to Homeowner:
Homeowner at the Home address

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.

Section 11.02 Severability. 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 Homeowner or Program Manager against the other, and the remainder of this Declaration shall be valid and enforced to the fullest extent permitted by law.

Section 11.03 Right of First Refusal in Lieu of Option. If the Program Manager ever has reason to believe that the provisions of the Purchase Option set forth in Article VIII of this Declaration have, for any reason, become unenforceable, the Program Manager shall give notice to the Homeowner and any Permitted Mortgagee of the Program Manager's election to replace the Purchase Option with this Section 11.03 and the Program Manager shall then have a right of first refusal to purchase the Home at the highest documented bona fide purchase price

offer made to Homeowner as follows:

(a) If the Homeowner receives a bona fide third party offer to purchase the Home which the Homeowner is willing to accept, the Homeowner shall give written notice of such offer (the “**Notice of Offer**”) to the Program Manager setting forth (i) the name and address of the prospective purchaser, (ii) the purchase price offered by the prospective purchaser, and (iii) all other terms and conditions of sale. The Program Manager shall have [45] days after receipt of the Notice of Offer (the “**Election Period**”) within which to exercise the right of first refusal by giving the Homeowner a notice of intent to purchase the Home (the “**Notice of Intent to Purchase**”) for the same price and on the same terms and conditions set forth in the Notice Offer, provided, however, that the price to Program Manager shall not exceed the Maximum Resale Price. Such Notice of Intent to Purchase shall be given in writing to the Homeowner within the Election Period.

(b) If the Program Manager exercises the right to purchase the Home, such purchase shall be completed within 60 days after the Notice of Intent to Purchase is given by the Program Manager (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 either the purchase price provided therein or the Maximum Resale Price, whichever is less.

(c) Should the Program Manager fail to exercise the right of first refusal within the Election Period, then the Homeowner shall have the right (subject to any other applicable restrictions in the Declaration, including without limitation Section 8.08) to go forward with the sale described in the Notice of Offer, and to sell the Home within six months 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 of Offer. If the sale is not consummated within such six-month period, the Homeowner’s right so to sell shall end, and all of the provisions of this Section 11.03 shall be applied again to any future offer. If a sale is consummated within such six-month period, the purchaser shall purchase subject to the Program Manager having a renewed right of first refusal in the Home.

(d) Any sale or transfer contrary to this Section 11.03, when applicable, shall be null and void.

Section 11.04 Waiver.

(a) The waiver by Program Manager at any time of any requirement or restriction in this Declaration, or the failure of Program Manager to take action with respect to any breach of any such requirement or restriction, shall not be deemed to be a waiver of such requirement or restriction with regard to any subsequent breach of such requirement or restriction, or of any other requirement or restriction in the Declaration. Program Manager may grant waivers in the terms of this Declaration, but such waivers must be in writing and signed by Program Manager before being effective. Notwithstanding the foregoing, the Program Manager may not waive the provisions of Sections 1.03(b), 4.05, 7.01, 7.03, 8.08(c), and 9.04(g) of this Declaration.

(b) The subsequent acceptance by Program Manager of any late payments shall not be deemed to be a waiver of any preceding breach by Homeowner of any requirement or restriction in this Declaration, other than the failure of the Homeowner to make the particular payment so accepted, regardless of Program Manager's knowledge of such preceding breach at the time of acceptance of such payment.

Section 11.05 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.

Section 11.06 Headings and Table of Contents. The headings, subheadings and table of contents 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.

Section 11.07 Parties Bound. This Declaration sets forth the entire agreement between Program Manager and Homeowner with respect to the subject matter of this Declaration; it is binding upon and inures to the benefit of these parties and, in accordance with the provisions of this Declaration, their respective successors in interest. This Declaration may be altered or amended only by written notice executed by Program Manager and Homeowner or their legal representatives or, in accordance with the provisions of this Declaration, their successors in interest.

Section 11.08 Governing Law. This Declaration shall be interpreted in accordance with and governed by the laws of the State in which the Home is located. 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 Program Manager or Homeowner.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed as of the Effective Date.

[INSERT SIGNATURE BLOCKS, NOTARY ACKNOWLEDGMENTS, AND (IF REQUIRED BY STATE LAW, WITNESS BLOCKS)]

EXHIBIT A

**Legal Description
of the Home**