

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this “LURA”) is made and entered into as of the _____ day of _____, 2025 by and between **CORE MADISON FRANCES, LLC** a Delaware limited liability company, and its successors and assigns (“Owner”), as Owner of the Property, in favor and for the benefit of the **CITY OF MADISON**, a Wisconsin municipal corporation, and its successors and assigns (the “City”).

RETURN TO:

Economic Development
215 Martin Luther King Jr. Blvd., Suite 300
Madison, WI 53703
P.O. Box 2627
Madison, WI 53701-2627

Tax Parcel No.:

[_____]

RECITALS:

WHEREAS, Owner is the fee simple owner of the real property legally described on **Exhibit A**, which is attached hereto and incorporated by reference (the ***“Property”***); and

WHEREAS, as a university city, the City of Madison has a need for low-cost student housing; and

WHEREAS, the Owner intends to construct a mixed-use student housing development on the Property, which will include approximately 387 residential units and commercial space, as described in the Land Use Application and Letter of Intent from Owner to the City of Madison in Legistar File Number 89452 (the ***“Building”***). Pursuant to Section 28.071(2)(a)2.c. of the Madison General Ordinances (the ***“Downtown Height Ordinance”***), the Owner will include low-cost student housing in the Building, which will allow Owner to add additional stories to the Building; and

WHEREAS, the additional stories allow for additional rentable student housing, which provides a financial benefit that can be used by Owner to subsidize the low-cost student housing in the Building; and

NOW THEREFORE, in consideration of the LURA, the terms and conditions of this LURA, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby covenants and agrees on behalf of itself as Owner of the Property and its successors, assigns, grantees and lessees, as follows:

1. Term. The Term of this LURA shall be Forty (40) years from the date of issuance of the certificate of occupancy for the Building, or that portion of the Building containing the housing. The restrictions described in this LURA shall run with the land, shall be appurtenant to the Property and shall be binding upon all future owners of the Property during the term of this LURA. The construction of the Building and the receipt of a certificate of occupancy shall be preconditions to the Owner's obligations under this LURA. The Owner shall not be obligated to fulfill its obligations until both the construction of the Building is complete and a certificate of occupancy is duly issued.

2. Affordability.

A. Provision of Beds. Owner shall provide ten percent (10%) of the Building's total beds (approximately 135 beds of an estimated 1,347 total beds) (the ***“Low-Cost Beds”***). Low-Cost Beds shall be located in two (2) bedroom units leased to four (4) individuals.

B. Student Discount. Low-Cost Beds shall be leased at a rent that is forty percent (40%) less than the market rate for a comparable bed in the Building, calculated as of the date a Qualified Student submits a completed rental application (the ***“Student Discount”***). The Student Discount applies only to rent for a bed and shall not apply to any other fees, costs, or charges under the rental agreement, including but not limited to application fees, parking, default rates, or damages.

C. **Equal Treatment.** Except for the Student Discount and the related modifications described herein, Qualified Students shall enter into the standard 12-month Project lease with the same terms, obligations, rights, amenities, and roommate options as market-rate tenants (i.e. Qualified Students may rent a Low-Cost Bed in a unit shared with market-rate tenants, and Owner may not limit Qualified Students to leasing only with other Qualified Students). If a Qualified Student relocates to another unit, the Student Discount shall continue to apply, and such student shall continue to count toward the Low-Cost Bed requirement.

D. **Eligibility Determination.**

- (i) The University of Wisconsin's Office of Student Financial Aid ("**UWOSFA**") and the City have entered into a Memorandum of Understanding ("**MOU**"), which shall be attached to this LURA as Exhibit B. Owner is not a party to the MOU, but shall comply with its terms by following UWOSFA's guidelines for determining an individual's eligibility to lease a Low-Cost Bed based on household income or other criteria (each individual determined to be eligible referred to herein as a "**Qualified Student**" and collectively the "**Qualified Students**") and by accepting Qualified Students referred to the Owner by UWOSFA. In the event UWOSFA ceases to provide referral services, Owner shall independently apply the same eligibility rules contained in the MOU at its own expense. If any provision of this LURA conflicts with or is inconsistent with any provision of the MOU, the terms of this LURA shall control and govern.
- (ii) A Qualified Student must (1) be enrolled at UW-Madison and (2) demonstrate financial need.
- (iii) UWOFSA shall provide the Student Need Certification for each student who consents in writing to such disclosure. Owner may rely on these certifications without further investigation.

E. **Application Requirements.** Qualified Students must meet all Project rental application requirements applicable to other tenants, except that (i) the guaranty requirement shall be waived, and (ii) the income requirement shall be proportionately adjusted to correspond to the Student Discount.

F. **Availability and Allocation.** Low-Cost Beds shall be made available to Qualified Students on a first-come, first-served basis. Owner shall use good faith efforts to market the availability of the Low-Cost Beds. Provided a sufficient number of Qualified Students are identified for housing at the Project, Owner shall be obligated to provide the required number of Low Cost Beds for each Lease Year. If, during any Lease Year, Owner fails to rent all of the Low-Cost Beds to Qualified Students because an insufficient number of Qualified Students who otherwise meet the rental application requirements have sought to rent the Low-Cost Beds ("**Insufficient Demand**"), and Owner has otherwise complied with the terms and conditions of the LURA, then Owner shall be deemed to have satisfied the Student Discount obligation at the Project, and shall be permitted to rent the remaining Low-Cost Beds to non-Qualified Students without application of the Student Discount

during such Lease Year. In the event that in any Lease Year during the Term of this MOU, Owner is unable to satisfy its obligation to provide the Student Discount as a result of its failure to make good faith efforts to satisfy its obligations, the City shall be entitled to require Owner to add the deficient number of Low-Cost Beds (the “***Make-Up Low-Cost Beds***”) to the number of Low-Cost Beds required for the next Lease Year.

G. **Continuing Eligibility.** Any Qualified Student who leases a Low-Cost Bed shall remain eligible for the Student Discount for the full lease term.

4. **Compliance.** Owner shall comply with the reporting requirements and other obligations described in Exhibit B, Section 3, entitled “Property Owner Obligations.”

Owner shall be deemed to have satisfied the Student Discount obligation provided that the Annual Report (described in Exhibit B) reflects either: (i) that 10% of the beds to be leased at the Project of the beds at the Project are rented to Qualified Students, notwithstanding the possibility that, after the September 1 reporting date, the number of beds rented to Qualified Students at the Project might drop below the 10% of the beds to be leased at the Project during the ensuing Lease Year, or (ii) there was Insufficient Demand, which resulted in less than 10% of the beds to be leased at the Project being rented to Qualified Students.

The City shall have the right, but not the obligation, to audit the Annual Report in a commercially reasonable manner as it chooses (the “***Audit***”), but with the understanding that the City shall not create public records of student names as a result of during the Audit.

5. **Default.** In the first event of a default under the LURA, and subject to the provisions of Sections [8] and [9], due to the failure to provide sufficient Low-Cost Beds, Owner shall pay to the City an amount equal to the Student Discount multiplied by the deficient number of Low-Cost Beds (“***Low-Cost Bed Deficiency***”). Any repeated Low-Cost Bed Deficiency, or other form of Default, shall result in the City having the option to seek specific performance, or liquidated damages as provided herein.

6. **Liquidated Damages.** The City and Owner agree that the approval of the additional stories under Downtown Height Ordinance will result in the authorization to construct a Building that has additional stories and rentable space that is not otherwise allowed by the City’s ordinances. The harm to the City for failing to comply with City’s ordinances and the LURA would be difficult if not impossible to calculate, and, therefore, the parties agree that liquidated damages for willful uncured default shall be Eight Million Dollars (\$8,000,000). In the event Owner pays the liquidated damages set forth in this Section [6], this LURA shall automatically terminate upon such payment and a release, in form and substance sufficient to remove the land use restrictions set forth in this LURA, shall be recorded promptly thereafter. The City’s rights under this paragraph shall be in addition, and not cumulative, to all other rights and remedies at law or equity.

7. **Indemnification.** The Owner shall be liable to and hereby agrees to indemnify, defend and hold harmless the City of Madison, and its officers, officials, agents, and employees against all loss or expense (including liability costs and attorney's fees) by reason of any claim or suit, or of liability imposed by law upon the City or its officers, officials, agents or employees for damages because of bodily injury, including death at any time resulting therefrom, sustained by any person or persons or on account of

damages to property, including loss of use thereof, arising from, in connection with, caused by or resulting from the Owner's and/or its subcontractor's acts or omissions in the performance of this LURA, whether caused by or contributed to by the negligence of the City, its officers, officials, agents, or its employees.

8. Meet and Confer. Whenever, during the term of the LURA, in advance of the payment of Liquidated Damages, and optionally upon any other default, any disagreement or dispute arises between the parties as to the interpretation of this LURA, or any rights or obligations arising hereunder, such matters shall be resolved, whenever possible, by meeting and conferring. The Owner shall produce, at the City's reasonable request, documents related to Qualified Students and Low-Cost Beds. Any party may request such a meeting by giving notice to the other; in which case such other party shall make itself available within seven (7) business days thereafter. If such matters cannot be so resolved within no more than ten (10) business days after the giving of such notice to confer, either party may proceed under any applicable remedy at law or in equity.

9. Opportunity to Cure. In the event Owner defaults in any of the covenants, agreements, commitments, or conditions herein contained, and any such default shall continue unremedied for a period of ten (10) days after written notice thereof to Owner, the City may, at its option and in addition to all other rights and remedies which it may have at law or in equity against Owner, including expressly the specific enforcement hereof, recover the Liquidated Damages defined in Section [6]. The City shall extend the cure period if the City determines, in its sole discretion, that the Owner has begun to cure the default and diligently pursues such cure, or, without further written notice to the Owner, declare the Owner in default. The cure period shall in no event be extended more than ninety (90) days.

10. Notices. Any notice, consent, waiver, request or other communication required or provided to be given under this LURA shall be in writing and shall be sufficiently given and shall be deemed given when delivered personally or when mailed by certified or registered mail, return receipt requested, postage prepaid, or when dispatched by nationally recognized overnight delivery service, in any event, addressed to the party's addresses below. If electing to utilize electronic mail, said emails shall be sent to the email addresses provided below with an active read receipt and shall include a statement that the electronic mail constitutes notice under the terms of this LURA.

If to City: City of Madison
 Office of Real Estate Services
 Economic Development Division
 PO Box 2983
 Madison, WI 53703
 ores@cityofmadison.com

with copy to:
 City Attorney
 City County Building, Room 401
 210 Martin Luther King, Jr. Blvd.
 Madison, WI 53703
 mroble@cityofmadison.com;
 and attorney@cityofmadison.com

If to Owner:

C/O Core Campus Manager
Attn: Brendan Miller & Austin Pagnotta
1643 N. Milwaukee Avenue, 5th Floor
Chicago, IL 60647
austinp@corespaces.com

or to such party at such other address as such party, by ten (10) days prior written notice given as herein provided, shall designate, provided that no party may require notice to be sent to more than two (2) addresses. Any notice given in any other manner shall be effective only upon receipt by the addressee.

11. Application of Funds. Any funds received by the City pursuant to this LURA, shall be applied toward programs supporting housing initiatives 80% of which shall be allocated into the City's Affordable Housing Fund.

12. Compliance with Applicable Law. Owner shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including, without limitation, the Fair Housing Act (42 U.S.C. §§ 3601–3619) and the Americans with Disabilities Act (42 U.S.C. §§ 12101–12213).

13. No Third-Party Beneficiaries. This LURA is entered into solely for the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this LURA, express or implied, is intended to confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this LURA.

14. Miscellaneous.

A. Modification. No modification of any provision of this LURA will be binding upon the parties except as expressly set forth in a writing.

B. Time is of the Essence. Time is of the essence with respect to all payment provisions of this LURA.

C. Binding Effect. This LURA benefits the City, its successors and assigns, and binds Owner, its successors and assigns.

D. Severability. In the event any provision of this LURA is determined by a court of competent jurisdiction to be prohibited or unenforceable in any jurisdiction, this LURA and such provision shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this LURA, which shall remain in full force and effect.

E. Governing Law, Venue, and Forum Selection. This LURA shall be interpreted, construed, and enforced according to the laws of the State of Wisconsin, without regard to conflict of law principles. For any claim or suit or other dispute relating to this LURA that cannot be mutually resolved informally, the venue shall be Dane County, Wisconsin, and the parties agree

to submit themselves to the jurisdiction of a court of competent jurisdiction in said venue, to the exclusion of any other forum that may have jurisdiction over such a dispute according to any law.

F. Counterparts. This LURA may be signed in counterparts, each of which shall be taken together as a whole to comprise a single document. Signatures on this LURA may be exchanged between the parties by facsimile, electronic scanned copy (.pdf) or similar technology and shall be as valid as original; and this LURA may be converted into electronic format and signed or given effect with one or more electronic signature(s) if the electronic signature(s) meets all requirements of Wis. Stat. ch. 137 or other applicable Wisconsin or Federal law. Executed copies or counterparts of this LURA may be delivered by facsimile or email and upon receipt will be deemed original and binding upon the parties hereto, whether or not a hard copy is also delivered. Copies of this LURA, fully executed, shall be as valid as an original.

G. Third Party Rights. This LURA is intended to be solely between the parties hereto. No part of this LURA shall be construed to add, supplement, amend, abridge or repeal existing rights, benefits or privileges of any third party or parties, including but not limited to employees of either of the parties.

IN WITNESS WHEREOF, the Parties hereto have caused this LURA to be executed as of the date first written above.

[Signature Pages Follow]

OWNER:
CORE MADISON FRANCES, LLC
a Delaware limited liability company

By: _____
(signature)

Name: _____
(print name and title)

State of _____)
 _____)ss.
 County of _____)

Personally came before me this _____ day of _____, 2025, the above named _____(name), _____(title) of **Core Madison Frances, LLC, a Delaware** limited liability company, known to me to be the person who executed the above and foregoing instrument and acknowledged that they executed the foregoing instrument.

Notary Public, State of _____

(print name of notary)

My Commission expires: _____

[Owner Signature Page to LURA]

CITY OF MADISON
a Wisconsin municipal corporation

By: _____
Satya Rhodes-Conway, Mayor

By: _____
Lydia A. McComas, City Clerk

AUTHENTICATION

The signatures of Satya Rhodes-Conway, Mayor, and Lydia A. McComas, Clerk, of the City of Madison, are hereby authenticated on this _____ day of _____, 2025.

By: _____
Matthew Robles
Member of the Wisconsin Bar

Execution of this LURA by the City of Madison is authorized by Resolution Enactment No. . RES-25-_____, File I.D. No. _____, adopted by the Common Council of the City of Madison on _____, 2025.

[City signature page to LURA]

EXHIBIT A

Legal Description

[Legal Description to be added prior to execution]

EXHIBT B

MOU with UW Office of Financial Aid

[on following pages]

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is entered into as of the 22nd day of October, 2025, by and between the City of Madison (the “**City**”) and the Board of Regents of the University of Wisconsin System (“**Board of Regents**”).

RECITALS

WHEREAS, City Madison General Ordinance Section 28.071 (the “**Ordinance**”) allows buildings within the “Downtown” of the City (as defined in the Ordinance) to exceed the maximum allowable stories provided the property owner has agreed to allocate beds or units at below market rate to students enrolled in postsecondary educational institutions.

WHEREAS, the Ordinance contemplates that the City will enter into memoranda of understanding with one or more postsecondary educational institutions to refer students from households with low or moderate incomes to rent the reduced cost beds or units, and that the property owner will agree to abide by the terms of any such memorandum of understanding.

WHEREAS, from time to time, the City has and may continue to secure commitments from developers to dedicate a certain number of reduced cost beds or units in student-housing developments pursuant to development agreements between the City and a developer.

WHEREAS, the Board of Regents operates the University of Wisconsin-Madison (“**UW**”) a postsecondary educational located in the City.

WHEREAS, the City and the Board of Regents, on behalf of UW, are entering into this Memorandum of Understanding (“**MOU**”) for the purpose of documenting the UW’s commitment to refer low to moderate income student as contemplated by the Ordinance or pursuant to development agreements between the City and developers to rent reduced cost beds or units (such reduced cost beds or units covered by this MOU are referred to herein as “**Reduced-Cost Units**”).

NOW, THEREFORE, the City and Board of Regents agree:

1. **Affordable Housing Goals.** UW supports City efforts to enhance the stock of affordable housing in the UW campus area and throughout the City, and in appropriate circumstances to include a specified number of reduced-cost beds or units with private developers in order to increase the reduced-cost housing opportunities for students who have need for affordable campus-area housing. The UW recommends that the City’s benchmark for establishing the amount of discount should be to ensure that the rent for the reduced-cost bed or unit is no more than the estimated cost of attendance attributable to housing for purposes of federal financial aid, and ideally a fraction (75–80%) of that amount. However, UW acknowledges that the amount of discount and the number of Reduced-Cost Units is determined through the negotiations between the City and developers and may vary among developments, and that no uniform discount or number of discounted units is feasible for all projects.
2. **UW-Madison’s Commitment.** For each campus-area housing development that includes an affordable housing component, whether that is pursuant to the Ordinance or a development agreement or similar document between the City and a developer, the UW commits to assisting the developer to meet the affordable housing requirements. The UW commitment with respect to each City-approved development is as follows:

- a. Notifying eligible students of their status as eligible students and providing them with information about campus-area reduced-cost housing opportunities.
- b. Developing criteria for establishing what constitutes a low-income student for purposes of eligibility for a Reduced-Cost Unit. UW shall submit the proposed criteria to the City no later than July 1 on an annual basis. If the City does not notify UW that it objects to the proposed criteria within fourteen (14) business days after UW's submittal, the proposed criteria shall be used by UW to determine students' eligibility for a Reduced-Cost Unit for the following academic year. If, within fourteen (14) business days after UW's submittal the City notifies UW that it objects to the proposed criteria the City and UW shall meet and confer to develop mutually acceptable eligibility criteria, which shall then be used by UW to determine students' eligibility for a Reduced-Cost Unit for the following academic year.
- c. Providing a Student Need Certification for the Developer that each student who seeks to rent a Reduced-Cost Unit and who has provided UW with prior written consent to release the Student Need Certification to the Developer is a UW-Madison student who meets the relevant financial need factors (each a "**Qualified Student**").
- d. Maintaining a streamlined financial need verification process, enabling students to authorize electronic release of this information through their UW- Madison Student Center to themselves and/or directly to a third party of their choosing through an automated process.
- e. Reviewing annual reports that the City may require property owners to supply to the City and the University, documenting metrics which may include, but not be limited to: (1) the number of UW students who applied for Reduced-Cost Units; (2) the number of UW applicants who are offered Reduced-Cost Units, and the number of UW-student applicants denied Reduced-Cost Units; (3) the number of UW-student applicants who rent Reduced-Cost Units; (4) the average and median monthly rent per bed for Reduced-Cost Units; and (5) total rents collected for Reduced Cost Units. Should the metrics indicate a pattern of insufficient demand by UW students for Reduced-Cost Units, the parties understand that such information may be taken into consideration when UW submits its proposed eligibility criteria to the City for approval.

3. Property Owner Obligations

As contemplated by the Ordinance, property owners committing to provide Reduced-Cost Units will memorialize this by executing and recording a land use restriction for the benefit of the City and agreeing to comply with the provisions of this MOU. The City and UW agree that the obligations described in this Section 3 are solely those of the property owner, and that the UW has no obligation to enforce noncompliance by the property owner of any term of this MOU or associated land use restriction.

Property owners agreeing to abide by the terms of this MOU agree to the following:

- a. The City and Board of Regents may amend this MOU from time to time.
- b. The property owner shall make Reduced-Cost Units available to Qualified Students on a first-come, first-served basis.
- c. The property owner agrees to accept the Student Needs Certification from UW as a basis for renting the Reduced-Cost Units to Qualified Students, understanding that a Qualified Student must meet the established eligibility criteria for being a low-income student and be enrolled as

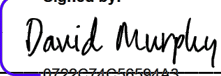
a student at UW. The property owner may rely on the determination in a Student Need Certification that an individual is a Qualified Student without having to further investigate eligibility.

- d. The property owner will only rent Reduced-Cost Units to a Qualified Student under this MOU or students eligible under another memorandum of understanding between the City and another postsecondary educational institution.
- e. A Qualified Student shall have all of the same rights, obligations, access to amenities, roommate choices, and standard rental agreement terms as any other prospective residents at property, except for a reduction in rent.
- f. Qualified Students must meet the property's rental application requirements applicable to all tenants with the exception of providing a parental or other guaranty of the rental agreement and meeting the income requirement (which will be modified proportionately to correspond to the reduction in rent).
- g. Any Qualified Student who enters into a rental agreement for Reduced-Cost Unit shall remain eligible for the reduced rent for the entirety of the term of the rental agreement.
- h. The property owner shall use good faith efforts to market the Reduced-Cost Units.
- i. The property owner shall provide the City and UW an annual report by September 1st of each year certifying that the property owner has complied with the terms of this MOU and any associated LURA certifying the owner has satisfied its obligations under such documents ("**Annual Report**"). The Annual Report will provide the following information for the preceding July-June fiscal year:

- (1) The number of UW students who applied for Reduced-Cost Units;
- (2) The number of UW applicants who are offered Reduced-Cost beds Units, and the number of UW-student applicants denied Reduced-Cost Units;
- (3) The number of UW-student applicants who rent Reduced-Cost Units;
- (4) The average and median monthly rent per bed for Reduced-Cost Units;
- (5) Total rents collected for Reduced Cost Units. Should the metrics indicate a pattern of insufficient demand by UW students for Reduced-Cost Units, the UW agrees to discuss with the City and property owners the potential revision of the eligibility criteria for Reduced-Cost Units in order to make them available to larger population of students with financial need for reduced-cost housing.

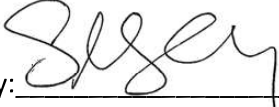
Board of Regents of the University of Wisconsin System

On behalf of the University of Wisconsin-Madison

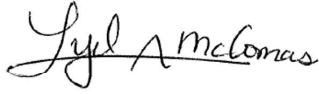
Signed by:

By: _____
David Murphy
Associate Vice Chancellor for Finance

[City Signatures follow]

CITY OF MADISON, WISCONSIN,
a Wisconsin municipal corporation

By: 

Satya Rhodes-Conway
Mayor

By: 

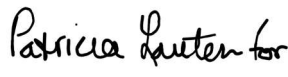
Lydia A. McComas
City Clerk

APPROVED:



David P. Schmiedicke
Finance Director

APPROVED AS TO FORM:



Michael Haas
City Attorney

The execution of this MOU by City officials was authorized by Enactment No. RES-25-00539, File No. 89933, adopted October 7, 2025.