

**LAND USE RESTRICTION  
AGREEMENT  
(Transfer)**

Document Number

Document Name

**THIS LAND USE RESTRICTION AGREEMENT** (the “Agreement”) is made and entered into as of the [ ] day of May, 2024, by CSC Madison East, LLC, a Wisconsin limited liability company and its successors and assigns (“Owner”) in favor and for the benefit of County of Dane, a Wisconsin quasi-municipal corporation, and its successors and assigns (“County”).

Recording Area

**RECITALS:**

Drafted by and Return to:  
Susan Rauti  
Assistant Corporation Counsel  
City County Building, Room 419  
210 Martin Luther King Jr. Blvd.  
Madison, WI 53703

WHEREAS, Owner owns the property legally described on Exhibit A which is attached hereto and incorporated by reference (the “Property”), and located at 715 Rethke Avenue, Madison, Wisconsin 53714;

251/0810-324-3036-6  
Parcel Identification Number (PIN)

WHEREAS, Owner has acquired a 60-unit affordable housing development on the Property (the “Development”);

WHEREAS, County is conveying its ownership interest in the Property and a condominium unit located on the Property to Owner pursuant to that certain Purchase and Sale Agreement, dated as of May \_\_\_\_, 2024, by and between Owner and County (the “Purchase Agreement”); and

WHEREAS, as a condition precedent to County entering into the Purchase Agreement, County requires that Owner restrict the use of the Development as hereinafter described (the “Restrictions”).

NOW, THEREFORE, in consideration of these promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner hereby covenants and agrees on behalf of itself and its successors in title to the Property, Development, and/or interest in Owner, as follows:

**AGREEMENT:**

**ARTICLE 1**

**REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE OWNER**

The Owner represents, warrants, covenants and agrees as follows:

- 1.1 Application. The Restrictions set forth herein shall be applicable to the residential units within the Development (collectively, the “Apartments” and each an “Apartment”).
- 1.2 Authority. Owner has the full legal right, power, and authority to execute and deliver this Agreement and to perform all the undertakings of Owner hereunder.
- 1.3 Information Correct. The information set forth in this Agreement, including the Recitals, is true and correct as of the date hereof. Owner will promptly notify County upon the occurrence of any act or omission that immediately, or with the passage of time, makes any statement(s) herein untrue or incorrect in any material way.

- 1.4 Conflicting Agreements. Owner has not and shall not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof. In any event, Owner represents, warrants, covenants, agrees, and acknowledges that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- 1.5 Use of the Development. Owner shall not permit the use of any Apartment in the Development for any purpose other than as rental housing and shall not take any action which would in any way otherwise impair the use of the Development as described in this subsection.
- 1.6 Non-Discrimination. Owner shall comply with all federal, state, and local fair housing laws, rules and regulations as now or hereafter in effect and shall not discriminate upon any basis prohibited by law in the lease, use, or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development or refuse to lease an Apartment to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such holder. The Owner agrees to administer the Development to affirmatively further fair housing.
- 1.7 Occupancy Restrictions. There is a Land Use Restriction Agreement for Low-Income Housing Tax Credits entered into between Rethke Washington, LLC and WHEDA, dated March 2, 2017, and filed in the office of the Register of Deeds for Dane County, Wisconsin as Document Number 5311728 on March 13, 2017 (the "WHEDA LIHTC LURA"). Until May 30, 2046, Owner shall, at all times, ensure that all units will be occupied by very low-income families, as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 USC 1437a(b)) or ensure compliance with the WHEDA LIHTC LURA, whichever is more stringent. *SAR 5/22/24*
- 1.8 Evidence of Tenant Income. The Owner shall provide to the County the same evidence of Qualifying Tenant income that the Owner provides to WHEDA, to the fullest extent permitted by applicable law, and on the same terms and conditions that the Owner is required to provide the same to WHEDA, pursuant to the WHEDA LURA. *AND ANY AMENDMENTS THERETO CS 5/22/24*
- (a) The Owner shall obtain and maintain on file, as a condition to occupancy for each person who is intended to be a Qualifying Tenant, an Income Certification in a form acceptable to the County; which form may change from time to time (the "Income Certification"). In addition, the Owner shall obtain from each Qualifying Tenant whatever other information, documents, or certifications are deemed necessary by the County to substantiate the Qualifying Tenant's Income Certification.
- (b) The form of lease to be utilized by the Owner in renting any Apartments in the Development to any person who is intended to be a Qualifying Tenant shall provide for termination of the lease, subject to the eviction process required by Wisconsin law, for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification or the failure by such Qualifying Tenant to execute an Income Certification initially and on an annual basis.
- (c) Income Certifications shall be maintained and accessible to the County with respect to each Qualifying Tenant who resides in an Apartment, and the Owner shall, promptly upon request, file a copy thereof with the County.
- (d) The status of a tenant as a Qualifying Tenant shall be determined no less frequently than annually.
- 1.9 Intentionally Deleted.
- 1.10 Monitoring by the County.
- (a) The Owner shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the County to inspect any books and records of the Owner



regarding the Development and with respect to the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement.

- (b) The Owner shall submit any other information, documents, or certifications requested by the County that the County may deem reasonably necessary to substantiate the Owner's continuing compliance with the provisions of this Agreement and the Grant Agreement.

- 1.11 Reporting Requirements. Upon written request by County, Owner shall provide or make available to County an annual written report which shall include the following information: (a) number of tenants currently residing in the Development, (b) how many Apartments are rented to tenants with household incomes at 60%, 50%, and 30% of the AMI as determined by the HUD, (c) the number of eviction actions filed and the reason for each eviction, (d) the number of eviction notices issued to the tenants in the twelve months preceding the eviction filing, (e) the number of eviction judgments granted, writs executed, and/or other case resolutions (e.g. vacated prior to execution of writ or allowed to stay with conditions), (f) tenant demographic information, (g) applicants accepted from the Community-wide Priority List for Housing, in a form supplied by the County, and (h) any other information reasonably requested by the County in writing that may affect the status of the Development or would be necessary for determining Owner's compliance with the terms, covenants, and condition of this Agreement. The report described in this section shall be due to the County no later than February 15 and shall reflect the period from January 1 to December 31 of the previous calendar year.

Owner shall provide to County, upon written request by County, a quarterly written report which shall, in a format approved by County, at a minimum, include the following information:

- Number of rental units in the project.
- Number of rental units funded by ERA2.
- Number of units serving very low-income families.
- Description of income limitation on rental units funded by ERA2.
- Units limited to specific populations (e.g. elderly, domestic violence survivors).
- Period of legally enforceable income limitation for ERA2 funded rental units.
- Period of legally enforceable income limitation for any non-ERA2 funded rental units.
- Other federal funds used for the project.
- Certification that the project is in compliance with the Low-Income Housing Tax Credit program.
- Estimated portion of the total costs of the affordable rental housing project that has been/will be paid with ERA2 funds.

Quarterly reports shall be due to the County no later than 5 days after the end of the previous quarter.

- 1.12 Lien Priority. Owner shall not permit a lien or other encumbrance to exist with priority senior to this Agreement without the County's prior written consent (other than the WHEDA LURA and such other items recorded on title as of the date hereof that are expressly acceptable to the County, expressly including senior mortgage documents including, without limitation, such items are contained on Exhibit B hereto).
- 1.13 Organizational Documents. Owner has provided or will (within 30 days after the respective effective date) provide to the County its organizational documents (including without limitation articles of incorporation, articles of organization, certificate of partnership, bylaws, operating agreement, or partnership agreement, as applicable) and any amendments thereto during the term of this Agreement to the extent such amendments affect the control of the Owner or distributions due to the Owner; provided, however, Owner will endeavor to provide all amendments to its organizational documents to County, but it shall not be a violation of this Agreement if Owner

fails to provide the notice or amendments to its organizational documents to the extent the amendments are ministerial in nature.

- 1.14 Notice to County. Promptly upon discovering any existing violation of any of the covenants, restrictions, and representation set forth herein, Owner shall notify the County in writing of such violation. In the event that Owner becomes aware of any situation, event, or condition, which would result in noncompliance of the Development with this Agreement, Owner shall promptly give written notice thereof to the County and take any lawful action to cause the Development to comply with this Agreement.
- 1.15 Tenancy Addendum. The Owner and the County have agreed to a form of tenancy addendum, which the Owner will affix to all leases.
- 1.16 Omitted Intentionally.
- 1.17 Omitted Intentionally.
- 1.18 Omitted Intentionally.
- 1.19 Omitted Intentionally.
- 1.20 Omitted Intentionally.

## ARTICLE 2 EVENTS OF DEFAULT: REMEDIES

- 2.1 Events of Default. If County becomes aware of a violation of any of the provisions hereof, it shall give immediate written notice thereof to Owner directing Owner to the remedy the violation within a reasonable specified period of time, which will be a minimum of 90 days from the date of the notice. If any violation of this Agreement is not corrected to the satisfaction of the County within the period of time specified by the County in the notice described above, the County shall have the right, without further notice, to declare an event of default (“Event of Default”) under this Agreement. Owner’s investor member shall be given the opportunity to remedy any violation described herein on the same terms as the Owner, and any remedy tendered by the investor member shall be accepted or rejected by the County as if offered by the Owner.
- 2.2 Remedies. During the occurrence of an Event of Default that continues beyond any applicable notice and cure period, the County shall have the right to apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement or any other remedies at law or in equity or any such other action as shall be necessary or desirable so as to correct noncompliance with this Agreement. The Owner hereby acknowledges that the County and the other beneficiaries of this Agreement hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

## ARTICLE 3 TERM OF AGREEMENT

- 3.1 Term of Agreement. The term of this Agreement and the restrictions imposed hereby shall commence upon the issuance of a certificate of occupancy for the Development. The term shall end as referenced in Section 1.7.
- 3.2 Early Termination. Notwithstanding the provisions of Section 3.1 above, this Agreement and the restrictions imposed hereby shall terminate upon the date the Development is acquired by foreclosure (or instrument in lieu of foreclosure).

## ARTICLE 4 MISCELLANEOUS

- 4.1 Recitals Incorporated by Reference. The Recitals set forth above are hereby incorporated by reference and made part of this Agreement.
- 4.2 Covenants Run With the Land; Successors Bound. This Agreement shall be recorded in the real property records of the for Dane County, Wisconsin. This Agreement shall run with the land and bind the Owner and its successors and assigns and all subsequent owners of the Development and all holders of any other interest therein.
- 4.3 Reliance by the County. The Owner hereby agrees that the Owner's representations and covenants set forth herein may be relied up on by the County. The County may conclusively rely upon statements, certificates, and other information provided by the Owner and the Qualifying Tenants, and upon audits of the books and records of the Owner or the Development.
- 4.4 Release. The Owner hereby releases the County from any claim, loss, demand, or judgment arising out of the exercise in good faith of the County of any rights or remedies granted to the County under this Agreement. Specifically, the Owner acknowledges and agrees that it is the Owner's sole responsibility to ensure that this Agreement constitutes an Extended Low Income Housing Commitment.
- 4.5 Amendment. This Agreement may be amended only in writing as mutually agreed by Owner and the County.
- 4.6 Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth in the Grant Agreement, or to such other place as a party may from time to time designate in writing. The County and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notices to the Owner shall also be sent to the Owner's investor member for so long as the Owner has a low-income housing tax credit investor and senior lender, with such notices being sent to the following addresses:

If to Owner:

CSC Madison East, LLC  
c/o Cinnaire Solutions Corporation  
10 East Doty Street, Suite 617  
Madison, Wisconsin 53703  
Attn: Christopher J. Laurent

With copies to:

Reinhart Boerner Van Deuren s.c.  
22 East Mifflin Street, Suite 700  
Madison, Wisconsin 53703  
Attn: Joseph D. Shumow

If to County:

Dane County  
Attn: Dane County Department of Human Services' Housing Access and Affordability Division Housing Accessibility  
City County Building, Room 421  
210 Martin Luther King Jr., Blvd.  
Madison, Wisconsin 53703

With a copy to:

Office of the Corporation Counsel  
City County Building, Room 419  
210 Martin Luther King Jr., Blvd.  
Madison, Wisconsin 53703

- 4.7 Definitions and Interpretation. All the terms and provisions hereof shall be construed to effectuate the purpose set forth herein and to sustain the validity hereof. The titles and headings of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall not be considered or given any effect in construing this instrument or any provision hereof or in ascertaining intent, if any questions of intent should arise.
- 4.8 Governing Law. This Agreement shall be governed by the laws of the state of Wisconsin and, where applicable, the laws of the United States of America.
- 4.9 Severability. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- 4.10 Multiple Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

[Signature Page Follows]


IN WITNESS WHEREOF, the OWNER executed this Agreement as of the date first above written.

OWNER:

**CSC Madison East, LLC**, a Wisconsin limited liability company


By: CSC Taxable, LLC,  
Its: Managing Member

By: Cinnaire Solutions Corporation  
Its: Manager

By:   
Christopher J. Laurent, President

STATE OF WISCONSIN    )  
  ) ss  
DANE COUNTY            )

Personally came before me this 10<sup>th</sup> day of May, 2024, the above named Christopher J. Laurent to me known to be the person who executed the foregoing instrument and acknowledged the same.

  
Notary Public, State of Wisconsin  
My Commission: is permanent



IN WITNESS WHEREOF, COUNTY executed this Agreement as of the date first above written.

COUNTY OF DANE, WISCONSIN  
a Wisconsin county and body corporate pursuant to Chapter 59  
of the Wisconsin Statutes

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF WISCONSIN    )  
  ) ss  
DANE COUNTY            )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2024, the above named  
\_\_\_\_\_ and \_\_\_\_\_ of  
County of Dane, to me known to be the person who executed the foregoing instrument and acknowledged the  
same.

\_\_\_\_\_  
Notary Public .State of Wisconsin  
My Commission: \_\_\_\_\_



**EXHIBIT A  
TO LAND USE RESTRICTION AGREEMENT**

**LEGAL DESCRIPTION**

**[To be updated]**

**[Unit 1 and Unit 2 Rethke Avenue Condominium created by a "Declaration of Condominium" recorded June 22, 2016 in the office of the Register of Deeds for Dane County, Wisconsin, as Document No. 5244264, being Lot 1, Certified Survey Map 13997 recorded in Volume 93 of Certified Survey Maps, page 246, as Document No. 5161805, located in the Southwest 1/4 of the Southeast 1/4 of Section 32, Township 8 North, Range 10 East, in the City of Madison, Dane County, Wisconsin, together with together with fee simple ownership in the land on which Rethke Avenue Condominium are located. ]**

Tax Key No. 251/0810-324-3036-6

Address: 715 Rethke Avenue Madison, WI 53714

## **EXHIBIT B TO LAND USE RESTRICTION AGREEMENT**

### **PERMITTED EXCEPTIONS**

[To be completed based on CO-14972]

1. Easements contained in Warranty Deed to Dane County, Wisconsin recorded January 8, 1953, in Volume 589, page 335, as Document No. 847149.
2. A leasehold as created by that certain lease dated June 19, 2015, executed by Dane County, Wisconsin, as lessor, and Rethke Washington, LLC, a Wisconsin limited liability company, as lessee, as referenced in the document entitled Memorandum of Ground Lease, which was recorded June 23, 2015 as Document No. 5162124, for the term, upon and subject to all the provisions contained in said document, and in said lease.
3. Recitals as shown on Certified Survey Map No. 13997 recorded June 22, 2015, in Volume 93 of Certified Survey Maps, page 247, as Document No. 5161805. Reference is hereby made to said document for full particulars.
4. Declaration of Conditions, Covenants and Restrictions for Maintenance of Stormwater Management Measures recorded June 23, 2015 as Document No. 5162123.
5. Land Use Restriction Agreement recorded June 24, 2015, as Document No. 5162307; modified by partial release recorded June 23, 2016 as Document No. 5244871.
6. Retention / Repayment Agreement for Rental Projects using low income housing tax credits (LIHTC's) recorded June 24, 2015 as Document No. 5162451; modified by partial release recorded June 23, 2016 as Document No. 5244868.
7. Nonexclusive Installation and Service Agreement recorded November 20, 2015 as Document No. 5199034. Liability for assessments, expenses, charges, fines, penalties, costs and levies asserted under the Unit Ownership Act of the State of Wisconsin and Declaration of Condominium and By-laws adopted pursuant thereto or any amendments thereto.

Reservations, conditions, easements, covenants, uses, options, agreements, limitations on title and all other provisions contained in or incorporated by reference to that certain Declaration of Condominium of Rethke Avenue Condominium and exhibits thereto, dated June 22, 2016 and recorded June 22, 2016 in the Office of the Register of Deeds for Dane County, Wisconsin as Document No. 5244264, and By-Laws of the Condominium Homeowners Association

8. Provisions and Limitations of the Unit Ownership Act of the State of Wisconsin.
9. Recitals as shown on Condominium Plat recorded June 22, 2016 as Document No. 5244265. Reference is hereby made to said document for full particulars.
10. Right of Way Grant Underground Electric recorded August 22, 2016 as Document No. 5260874
11. Land use Restriction Agreement for Low-Income Housing Tax Credit recorded March 13, 2017 as Document No. 5311728.
12. [Add new City Funding/CSC Sponsor Mortgage]
13. [Add new County Funding/CSC Sponsor Mortgage]

14. [Add new WHEDA Funding]
15. Utility easements serving the property.