AVENIDA SENIOR LIVING AGE RESTRICTION COVENANT

| Pursuant to the provisions of Sections G25.0, S9.0, S9.1, S9.2, S9.2.1, S9.2.2, S9.2.3, S10.0, |
|---|
| \$10.3, \$10.4, \$11.0, \$11.2, \$12.0, \$12.1, & \$12.2 of the Annexation Agreement for Avenida |
| Senior Living, approved by City of Naperville Ordinance Number 17 and recorded with the |
| DuPage County Recorder as R, Avenida Senior Living, legally |
| lescribed on Exhibit A and depicted on Exhibit B attached hereto and made part hereof (the |
| Subject Property"), shall be developed by the Developer (as defined herein), as an age-restricted |
| community (the "Community") as set forth in this Avenida Senior Living Age Restriction |
| Covenant (hereinafter "Covenant"). |

I. OPERATIONAL REQUIREMENTS CONSISTENT WITH HOUSING FOR OLDER PERSONS EXEMPTION.

(a) The Community shall be constructed and subsequently operated by Avenida Senior Living, LLC, its successors or assigns ("**Developer**"), as an age-restricted community in accordance with the Fair Housing Amendments Act of 1988, as amended from time-to-time ("**FHAA**"), including, but not limited to, the provisions of the "Housing for Older Persons Act of 1995" ("**HOPA**") and consistent with the terms of this Covenant. However, in the event that a court of competent jurisdiction determines that any portion of this Covenant is violative of state or federal law, then the Developer shall comply with applicable state or federal law.

It shall be the right, obligation and duty of the Developer to enforce the restrictions contained and referenced in this Covenant in a proactive and diligent manner, and to this end, the Developer shall adopt, implement and enforce rules, regulations and procedures to ensure that at all times the Community complies with the terms of this Covenant and also qualifies for the "Housing for Older Persons" exemption under the FHAA, including, without limitation, rules, regulations and procedures to verify such compliance (cumulatively referenced herein as "**Rules and Regulations**").

- (b) The Developer shall maintain appropriate records evidencing compliance with the terms of this Covenant and with the Rules and Regulations on an ongoing basis and shall maintain said records (on a rolling basis) for a minimum period of ten (10) years (herein referenced "Covenant Records") which Covenant Records shall also include copies of current and accurate Age Verification Addendums, as defined in paragraph d below), for each Dwelling Unit. Within seven (7) calendar days of a request by the City's Zoning Administrator and/or a representative of the School District, the Developer shall provide them with copies of then current Rules and Regulations and all Covenant Records.
- (c) At all times one hundred percent (100%) of all occupants in any of the dwelling units ("Dwelling Unit(s)") within the Community shall be at least fifty-five (55) years of age or older. Additionally, no more than ten percent (10%) of the Dwelling Units within the Community shall be occupied by individuals under the age of sixty-two (62) (the "10% Restriction"). Provided, however, that the 10% Restriction shall not apply to a Dwelling

Unit that is occupied by at least one person over the age of sixty-two (62). The Covenant Records maintained by the Developer shall include documentation which documents compliance with the foregoing and shall be available within seven (7) calendar days upon written request of either Beneficiary

- (d) A person who is under the age of twenty-two (22) years may only be a guest of a resident in the Community during the calendar year for no more than thirty (30) days during the period from August 15 through June 15, inclusive, no more than fourteen (14) of which days are consecutive.
- (e) The Community shall be operated under single ownership. The Developer will include in all leases and/or rental agreements (hereinafter cumulatively referenced as "Leases") for Dwelling Units in the Community an "Age Verification Addendum", an example of which is attached as Exhibit C, to verify the age of every occupant in each Dwelling Unit to evidence compliance with the requirements of the "Housing for Older Persons" Exemption under FHAA and the terms of this Covenant. Each Lease of a Dwelling Unit shall prominently include a notice of the age restriction and requirements of this Covenant, with a copy of this Covenant being attached as an addendum thereto. The Lease shall also provide that the lessee shall be obligated to immediately update the Age Verification Addendum upon any change in the occupancy of the Dwelling Unit and shall also be required to provide an updated Age Verification Addendum to the Developer within five (5) calendar days of a request by the Developer. Each lease shall also provide that each lessee executing the lease shall be jointly and severally liable for fines, fees and costs for any violation of this Covenant within the Dwelling Unit subject to that Lease.
- (f) No sub-lease of any Dwelling Unit shall be permitted without the express written permission of the Developer who shall update the Records to include a new Age Verification Addendum for that Dwelling Unit. Any sublease shall comply with the age restrictions set forth herein.

II. ENFORCEMENT OF THIS COVENANT.

- (a) **DEVELOPER COOPERATION.** In addition to its own enforcement obligations, as set forth in Section I(a) above, the Developer shall have an obligation at all times to cooperate with the School District and the City in enforcement efforts pursuant to this Covenant. Such cooperation shall include, but not be limited to: (i) requiring any lessee of a Dwelling Unit to complete a current Age Verification Addendum; and (ii) providing copies of all other necessary and appropriate information in the Developer's possession or control, or to which the Developer has access, including but not limited to the Covenant Records.
- (b) **INVESTIGATIONS.** The School District and the City shall each have the right to investigate any suspected violations of this Covenant, and the Developer will cooperate with all investigations undertaken by the School District and/or the City as provided herein. The School District or the City shall notify the Developer in the event that a violation of this covenant is suspected and/or if an investigation of a violation of the Covenant may be opened. Within ten (10) calendar days of a request by either the School District and/or the

City, the Developer shall obtain an updated Age Verification Addendum relative to the occupants of one or more Dwelling Units within the Community (see Subsection I(e) above) in order to assist the School District and/or the City in their investigation. If an investigation conducted by the School District or the City reveals that the Covenant has been violated, the School District or the City, shall notify the Developer in writing and the Developer shall, within thirty (30) days of such notice (or such other timeframe as agreed to in writing by the School District and the City) take all necessary steps to cure such breach and shall provide evidence of such cure to the satisfaction of the School District and the City.

- (c) **SCHOOL BOARD AND CITY AS INTENDED BENEFICIARIES.** The School District and the City are the intended Beneficiaries of this Covenant. The right of the School District and the City to enforce this Covenant shall not be construed as a limitation or restriction of the Developer's duty and obligation to enforce this Covenant proactively and diligently as set forth herein. Except as specifically provided in Section III(c) below, nothing herein shall be construed as a limitation on the City's ability to take action as it deems appropriate pursuant to the Naperville Municipal Code, as amended from time to time, and/or pursuant to any City ordinances pertaining to the Subject Property.
- (d) Failure to fulfill the obligation to cooperate described herein shall constitute a violation of this Covenant attributable to the Developer.

III. VIOLATIONS OF THIS COVENANT.

- (a) **RESTRICTION/PENALTY.** The terms of this Covenant shall be enforceable by one or both of the Beneficiaries as provided herein. Except as otherwise provided herein, in the event any action at law is brought by a Beneficiary of this Covenant, the party(s) who caused or knowingly permitted a violation of this Covenant shall pay all costs and penalties provided for in this Covenant and shall reimburse all reasonable costs of any enforcement action taken by the Beneficiaries hereof, including but not limited to costs of investigation, pre-litigation expenses, litigation and attorneys' fees and costs (whether in-house or outside counsel) incurred as a result of such investigation and/or enforcement. Notwithstanding any other provision contained herein, if both the School District and the City seek enforcement of the same violation of this Covenant, they shall only be entitled to reimbursement of the costs and fees incurred by of one of them as agreed upon by them.
- (b) **SCHOOL PENALTY.** No occupant of any Dwelling Unit in the Community shall enroll, attempt to enroll, or assist in any way in enrolling a student in the School District based on residency in the Community. The provisions of this Covenant shall not prohibit any occupant of a Dwelling Unit from enrolling in non-credit, enrichment, adult education classes offered by the School District.

In the event that any occupant of any Dwelling Unit in the Community enrolls, or assists in enrolling, any person under the age of twenty-two (22) in any school within the School District based on residence in the Community ("Student Generator"), then said Student Generator shall be liable to the School District for a school penalty ("School Penalty") in

the amount of: (i) the cost of educating any child or children so enrolled by the Student Generator from the Community in an amount determined in accordance with Section 10-20.12a of the Illinois School Code (105 ILCS 5/10-20.12a) as amended from time to time; and (ii) a penalty in the amount of three times the School District's cost to educate any child or children enrolled in the School District as provided in (i) above, or \$50,000, whichever is greater.

If the School District or the City determine that the Developer was aware of an individual under the age of 22 living within the Community and attending the School District, or failed to become aware of such individual due to a failure to maintain accurate and current Covenant Records, the Developer shall be jointly and severally liable with the Student Generator for the School Penalty and it is agreed that, in addition to any other remedy sought by the School District and/or the City, a lien in the full amount of the School Penalty may be filed against the Subject Property with interest thereon accruing at a rate of six percent (6%) per annum.

(c) **CITY PENALTY.** This Covenant is integral to the zoning relief ("Zoning Relief") granted to the Developer and as described in the Annexation Agreement and under separate ordinance, by which a conditional use and certain zoning variances were tied to this Covenant.

If there is a violation of the terms of this Covenant which is not cured by the Developer within thirty (30) days of the Developer's becoming aware of such violation, which thirty day period shall be deemed the cure period the Developer shall be solely responsible to pay the City \$500 per day during the timeframe it is established that such violation occurred and during any timeframe it continues to occur ("City Penalty"). In the event that the City Penalty is enforced, the City Penalty shall be in lieu of any other financial penalty to the City for a violation of the Zoning Relief as to the timeframe for which the Penalty was imposed. The City Penalty is in addition to the School Penalty described above. The City may pursue a City Penalty by itself or in conjunction with the School Penalty, at its sole discretion. If the City files an action seeking only a City Penalty, the Developer shall reimburse the City within thirty (30) days of receipt of a bill for all attorneys' fees and costs, whether in-house or outside counsel, associated with the enforcement of the provisions set forth in this Section II(c). If the Developer fails to reimburse said fees and costs in addition to payment of the City Penalty, the City shall be permitted to record a lien against the Subject Property with interest thereon accruing at a rate of six percent (6%) per annum. In the event of any violation of this Covenant, nothing herein prevents the City from pursuing any action at law or in equity as it deems appropriate in addition to seeking the City Penalty provided for above.

IV. COVENANT RUNS WITH THE LAND.

The terms and conditions set forth in this Covenant shall be covenants running with the land and shall be binding upon and inure to the benefit of the Developer and Developer's successors, assignees, and assigns, and shall be binding upon and inure to the benefit of the City and Community School District 203 and their respective successors and assigns.

V. REQUIREMENTS FOR ANY MODIFICATION OF THIS COVENANT.

The provisions of this Covenant shall survive the expiration of the Annexation Agreement for Avenida Senior Living and may only be modified by the written agreement of the Developer, the City, and the School District. Approval of an amendment to this Covenant shall require a two-thirds (2/3) majority vote of the corporate authorities then holding office with the City Council of the City of Naperville and a two-thirds (2/3) majority vote of the School Board of Community Unit School District 203, or their respective successors or assigns.

The approval of any modification or release of this Covenant shall be conditioned upon the payment of a full school donation fee for the Community in an amount which complies with the applicable Naperville Municipal Code provisions in effect at that time unless the School Board approves a Resolution that accepts less than a full fee.

VI. GENERAL PROVISIONS.

- (a) **GOVERNING LAW AND VENUE.** This Covenant will be governed by and construed in accordance with the laws of the State of Illinois without regard to conflict of law provisions. Except as provided below, venue for all disputes involving this Covenant shall be proper only in the Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois. The City and/or School District 203 reserve the right to bring an action for a violation of this Covenant against any individual or entity in the Circuit Court for the Eighteenth Judicial Circuit, DuPage County, Illinois or in any other jurisdiction in which such individual or entity resides or may be found.
- (b) **SEVERABILITY.** If any provision of this Covenant is held by a court of competent jurisdiction to be invalid or unenforceable, such provision will be enforced to the fullest extent that it is valid and enforceable under law. All other provisions of this Covenant shall remain in full force and effect.
- (c) **CONDO CONVERSION.** Nothing herein is intended to prevent the conversion of the Community from a rental structure to an ownership structure. In the event that Developer seeks to convert the Community to condominium style ownership at any point in the future, the parties hereby agree to negotiate, in good faith, such amendments to this Covenant as are necessary and appropriate to bind individual unit owners and any condominium association consistent with the terms and provisions of this Covenant.
- (d) **LESSEE LIABILITY.** Nothing in this Covenant is intended to or shall prevent Developer from recovering any costs and expenses incurred by Developer under this Covenant from a lessee.

(SIGNATURE PAGES TO FOLLOW)

| IN WITNESS WHEREOF, _ | | | |
|---|-------------|--|--|
| By: Name: Title: | | | |
| State of Illinois County of |))) | | |
| The foregoing instrument day of, as, 20 | | | |
| Notary Public | | | |

 $H: \backslash Users \backslash LordP \backslash Avenida\ Age\ Restriction\ Covenant\ -\ Final\ 9-14-17.docx$

LEGAL DESCRIPTION

THAT PART OF NAPER VILLA MANOR, BEING A SUBDIVISION IN THE SOUTH HALF OF SECTION 1 AND IN THE NORTH HALF OF SECTION 12, TOWNSHIP 38 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 21, 1926 AS DOCUMENT 213969, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 32 IN BLOCK 13 OF SAID NAPER VILLA MANOR: THENCE NORTH 87 DEGREES 41 MINUTES 36 SECONDS EAST ALONG THE NORTH LINE OF BLOCK 13 AND ALONG SAID NORTH LINE EXTENDED EAST, 570.81 FEET TO THE NORTHEAST CORNER OF SAID BLOCK 14: THENCE SOUTH 00 DEGREES 28 MINUTES 08 SECONDS WEST ALONG THE EAST LINE OF SAID BLOCK 14, A DISTANCE OF 565.38 FEET: THENCE SOUTH 87 DEGREES 35 MINUTES 03 SECONDS WEST. 214.62 FEET TO THE CENTERLINE OF VACATED EWING STREET PER PLAT OF VACATION RECORDED SEPTEMBER 14. 2004 AS DOCUMENT NUMBER R2004-241006; THENCE NORTHERLY ALONG SAID CENTERLINE BEING AN ARC OF A CURVE CONCAVE TO THE NORTHEAST AND NONTANGENT TO THE LAST DESCRIBED LINE, HAVING A RADIUS OF 174.76 FEET. HAVING A CHORD BEARING OF NORTH 27 DEGREES 45 MINUTES 48 SECONDS WEST, 172.23 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES 28 MINUTES 08 SECONDS EAST ALONG SAID CENTERLINE OF VACATED EWING STREET. 24.48 FEET TO THE SOUTH LINE. EXTENDED EAST. OF LOT 7 IN SAID BLOCK 13: THENCE SOUTH 87 DEGREES 41 MINUTES 36 SECONDS WEST ALONG SAID SOUTH LINE. EXTENDED EAST. AND ALONG THE SOUTH LINE OF SAID LOT 7, A DISTANCE OF 162.97 FEET TO THE SOUTHWEST CORNER OF SAID LOT 7, BEING ALSO THE NORTHEAST CORNER OF LOT 25 IN SAID BLOCK 13; THENCE SOUTH 00 DEGREES 28 MINUTES 08 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 25 IN BLOCK 13, A DISTANCE OF 16.58 FEET TO A POINT OF CURVATURE: THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINES OF LOTS 25, 24, 23, 22 AND 21 IN SAID BLOCK 13, BEING AN ARC OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 337.54 FEET, HAVING A CHORD BEARING OF SOUTH 09 DEGREES 06 MINUTES 33 SECONDS EAST, 112.85 FEET TO THE MOST EASTERLY CORNER OF SAID LOT 21; THENCE SOUTH 72 DEGREES 28 MINUTES 38 SECONDS WEST ALONG THE SOUTHEASTERLY LINE OF SAID LOT 21 IN BLOCK 13, A DISTANCE OF 114.82 FEET SOUTHERLY CORNER OF SAID LOT 21; THE MOST NORTHWESTERLY ALONG THE WESTERLY LINE OF SAID BLOCK 13. BEING AN ARC OF A CURVE CONCAVE TO THE NORTHEAST AND NONTANGENT TO THE LAST DESCRIBED LINE, HAVING A RADIUS OF 452.34 FEET, HAVING A CHORD BEARING OF NORTH 08 DEGREES 57 MINUTES 38 SECONDS WEST, 148.90 FEET TO A POINT OF TANGENCY; THENCE NORTH 00 DEGREES 28 MINUTES 08 SECONDS EAST ALONG SAID WESTERLY LINE OF BLOCK 13. A DISTANCE OF 402.86 FEET TO THE PLACE OF BEGINNING, ALL IN DUPAGE COUNTY, ILLINOIS.

PINs: 07-12-205-001; 07-12-205-002; 07-12-205-003; 07-12-205-004; 07-12-205-005; 07-12-205-006; 07-12-205-007; 07-12-205-008; 07-12-205-009; 07-12-205-010; 07-12-

 $205-011; \ 07-12-205-012; \ 07-12-205-041; \ 07-12-205-044; \ 07-12-206-009; \ 07-12-206-010; \ 07-12-206-011; \ 07-12-206-012; \ 07-12-206-013; \ 07-12-206-014; \ 07-12-206-015; \ 07-12-206-021; \ 07-12-206-022.$

Common Address: 504 Commons Road Naperville, IL 60563

PARCEL INDEX NUMBERS PLAT OF ANNEXATION TO THE CITY OF NAPERVILLE STATE PLANE <u>AREA</u> THIS PLAT HAS BEEN SUBMITTED I RECORDING BY AND RETURN TO: NAME:NAPERVILLE CITY CLERK ADDRESS: P.O. BOX 3020 400 S. EAGLE STREET NAPERVILLE, IL. 60566-7020 287,165 S.F. 6.5924 ACS. HEREBY ANNEXED HARBORCHASE OF NAPERVILLE PER DOC. R2014-088045 LOCATION MAP COMMONS ROAD P.O.B. NW COR. OF LOT 32 IN 32 BLOCK 13 32 07-12-205-001 20 07-12-206-021 07-12-206-010 **WEST STREET** 07-12-205-003 30 ARM R97-9 ACS. 6.5924 STREET E DEDICATED PER DOC. 213969 OC. NO. R2010-041209 07-12-205-006 07-12-206-014 27 07-12-205-007 26 07-12-206-015 07-12-205-041 07-12-206-016 17-12-205-009 24 07-12-206-021 NAPER VILLA MANOR V A C A T E D 49TH STREET 12 APER VILLA MANOR LEGAL DESCRIPTION **LEGEND** OWNER / DEVELOPER ANNEXATION BOUNDARY LINE EXISTING RIGHT-OF-WAY LINE LOT LINE CENTERLINE Avenida Partners, LLC 19700 Fairchild Road, Suite 170 Irvine, California 92612 949-734-7810 EXISTING CORPORATE LIMITS OF THE CITY OF NAPERVILLE NOTES: **ABBREVIATIONS** THERE ARE NO ELECTORS RESIDING ON THE PROPERTY HEREBY ANNEXED. THERE ARE NO HABITABLE STRUCTURES ON THE PROPERTY HEREBY ANNEXED. SURVEYOR'S CERTIFICATE DUPAGE COUNTY RECORDER CERTIFICATE) SS COUNTY OF DU PAGE) CITY OF COUNCIL CERTIFICATE STATE OF ILLINOIS) THIS INSTRUMENT IN THE RECORDER'S OFFICE OF DU PAGE COUNTY, ILLINOIS, COUNTY OF DU PAGE) O'CLOCK M. APPROVED AND ACCEPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NAPERVILLE, ILLINOIS, AT A MEETING HELD RECORDER OF DEEDS DAY OF CHARLES W. BARTOSZ ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 35-3188 MY LICENSE EXPIRES ON NOVEMBER 30, 2018. V3 COMPANIES OF ILLINOIS, LTD. PROFESSIONAL DESI THIS DESIGN FIRM NUMBER EXPIRES APRIL 30, 2017. ____ ATTEST: _____CITY CLERK PREPARED FOR: PLAT OF ANNEXATION PENSITY REPEATED AT DOCUMENT AVENIDA - NAPERVILLE, ILLINOIS Group No: VP04.1 19700 Fairchild Road, Suite 170 Irvine, California 92612 949-734-7810

AGE VERIFICATION ADDENDUM

| | supplements the agreement entered into on the day of _ (hereinafter "Agreement") between Avenida Senior Living and _ (Hereinafter "Lessee") for the leasing of property located at |
|----------------------------|--|
| | (hereinafter "the Property"). Each capitalized term |
| | Addendum has the meaning given to that term in the Agreement. If he terms of this Addendum and the Agreement, this Addendum will |
| AVENIDA SENIOR LIVI | NG IS INTENDED TO BE OPERATED FOR OCCUPANCY |
| PRIMARILY BY PERSO | NS SIXTY-TWO (62) YEARS OF AGE OR OLDER, BUT IN |
| NO CASE BY PERSONS | UNDER FIFTY-FIVE (55) YEARS OF AGE. A |
| REPRESENTATIVE OF | AVENIDA SENIOR LIVING IS OBTAINING THIS AGE |
| VERIFICATION IN ACC | ORDANCE WITH THE HOUSING FOR OLDER PERSONS |
| ACT (HOPA), THE REO | UIREMENTS OF THE AVENIDA SENIOR LIVING AGE |

The Age-Restriction Covenant stipulates additional restrictions with respect to required occupancy by individuals aged 62 years of age or older.

RESTRICTION COVENANT, AND LOCAL ZONING RESTRICTIONS.

Acknowledgement of Occupancy Requirements: Lessee declares: (i) Lessee meets the minimum age requirements for Avenida Senior Living and it is Lessee's motive, purpose, and intent in renting/leasing the property referenced above to use and occupy the property; or (ii) Lessee shall cause it to be occupied by persons who meet the minimum age requirements for Avenida Senior Living. Lessee acknowledges receipt of a copy of the Avenida Senior Living Age Restriction Covenant, has reviewed the Covenant, and hereby agrees to abide by said Covenant. A copy of this Addendum may be provided to the City of Naperville or other governmental authority to verify compliance with applicable regulations.

Age Certification: Buyer certifies that: (i) the person(s) age fifty-five (55) or older listed below shall occupy the assigned Dwelling Unit, and (ii) the documentation listed below which is used to verify the age(s) of the occupants of the Home is valid and correct. Lessee acknowledges that upon an assignment of lease or sublease, to the extent that it may be permitted under the Agreement, all occupants in any of the dwelling units must be fifty-five (55) years of age or older and Lessee shall deliver to any subsequent Lessee the Avenida Senior Living Age Restriction Covenant.

| Name | Form of Identification | Age |
|------|------------------------|-----|
| _ | | · |
| | | |
| | | |
| | | |

| Valid forms of identification include driver's license, birth certificate, passport, immigration card, military identification, or other similar evidence. A copy of the identification document will not be accepted for the purposes of age verification. | | |
|---|-----|--|
| Dated this day of | , 2 | |
| LESSEE(S): | | |
| | | |
| | | |
| | | |
| | | |
| | | |

H:\Users\LordP\Avenida Age Restriction Addendum - Exhibit C revised 9-13-17.docx

Page **2** of **2**