

580128
570720

DECLARATION OF COVENANTS,
RESTRICTIONS, RESERVATIONS, GRANTS AND EASEMENTS
FOR THE VILLAS OF FAIRWAY HARBOR

THIS DECLARATION (the "Declaration") is made this 13th day of December, 1995 by West Suburban Bank, as Trustee under Trust Agreement dated May 1, 1995 and known as Trust No. 10312 (the "Declarant").

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of the real estate legally described on Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Antioch Golf Venture, LLC, an Illinois Limited Liability Company, ("Property Governor") is the owner of the entire beneficial interest of Trust No. 10312.

WHEREAS Property Governor intends to create an Illinois not-for-profit corporation known as The Villas of Fairway Harbor Homeowners Association, Inc. (the "Association"); and

WHEREAS, the Property consists of residential lots (each such lot is herein referred to as a "Lot") to be conveyed to individual owners who will be purchasing residences to be constructed thereon, and an outlot, all of which residential lots and the outlot are delineated as lots 1 through 30 and outlot A on the Plat of Subdivision of Fairway Manor at Antioch Golf Club recorded in the Office of the Recorder of Deeds of Lake County, Illinois as document number 3675959.

WHEREAS, Declarant and Property Governor intend to subject the Property to certain covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth; and

WHEREAS, Declarant deems it desirable for the preservation of the value of the Property and for the enforcement of these covenants, restrictions, reservations, grants and easements to create the Association.

NOW, THEREFORE, Declarant hereby declares that the Property, as described in Exhibit A hereto, shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Easements") hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These Covenants and Easements shall run with the land as part of a general plan of development and shall be binding upon all parties having or acquiring any right, title or interest in the Property, or any party hereof, and shall inure to the benefit of each Owner (as hereinafter defined) thereof, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

ARTICLE I

Definitions

1. "Association" shall mean and refer to The Villas of Fairway Harbor Homeowners Association, Inc., an Illinois not-for-profit corporation, and its successors and assigns.
2. "Association Expenses" shall mean and refer to expenses, including but not limited to all wages and other personnel expenses, utilities, supplies, real estate taxes, if any, insurance premiums, administrative costs, Maintenance (as hereinafter defined), and all other costs of operation, maintenance, repair, replacement, alteration or improvement of the Property, and any expenses designated as Association Expenses by this Declaration.
3. "Board" shall mean and refer to the board of directors for the Association as established pursuant to the By-Laws for the Association.
4. "Boat" shall mean and refer to all crafts and vehicles of every sort whatever which may be or are used in or under the water, whether powered by any engine or not,

including without limitation thereto motorboats, sailboats, canoes, row boats, pontoon boats, dinghies, rafts and personal water craft such as wave runners, jet boats and jet skis.

5. "By-Laws" shall mean and refer to the By-Laws for the Association, as they may be amended from time to time in accordance with the terms thereof.
6. "Declaration" shall mean and refer to this Declaration of Covenants Restrictions, Reservations, Grants and Easements for The Villas of Fairway Harbor and any exhibits or amendments made hereto.
7. "Property Governor" shall mean and refer to Antioch Golf Venture, LLC, an Illinois Limited Liability Company, and shall also include such of its respective successors and assigns who are specifically assigned the respective rights and obligations of Property Governor hereunder. Property Governor shall have the sole and exclusive right to assign any or all of its rights or obligations hereunder to any such successor or assign.
8. "Dwelling Unit" shall mean and refer to any part of the Property which has been designated and is or will be used for the shelter of a single family, including without limitation, a duplex, or such other residential lots or Dwelling Units as may from time to time be approved by the Village to be constructed on the Property.
9. "Fairway Manor Declaration" shall mean and refer to that Declaration of Covenants Conditions and Restrictions for Fairway Manor at Antioch Golf Club, recorded in the Office of the Recorder of Deeds of Lake County, Illinois as document number 3675960; the Fairway Manor Declaration affects the Property.
10. "Fairway Manor Association" shall mean and refer to that association created pursuant to the Fairway Manor Declaration, and its successors and assigns.
11. "Association" shall mean and refer to The Villas of Fairway Harbor Homeowners Association, Inc.

12. "Master Declaration" shall mean and refer to that Declaration of Easements, Covenants and Restrictions recorded in the Office of the Recorder of Deeds of Lake County, Illinois as document number 1920598; the Master Declaration affects the Property.
13. "Master Association" shall mean and refer to that association created pursuant to the Master Declaration, and its successors and assigns.
14. "Members" or "Voting Member" shall have the meanings assigned in Paragraph 2 of Article III.
15. "Mortgagee" shall mean and refer to the holder of a bona fide first mortgage or its equivalent security interest covering a Dwelling Unit.
16. "Owner" shall mean and refer to the record owner (or the beneficiaries of a land trust which may be a record owner), whether one (1) or more persons or entities, of a fee simple title to any Dwelling Unit, as defined herein or their successors and assigns (or shall otherwise become subject to the terms hereof), including contract sellers and Property Governor, but excluding those having such interest merely as security for the performance of an obligation.
17. "Person" shall mean and refer to a natural individual, corporation, partnership, trustee and other legal entity capable of holding title to real property.
18. "Pier" shall mean and refer to any thing, other than a Boat, which is used in the water, on the sea wall or at or near the shore and on which a Boat can be launched or moored or upon which a person can climb or walk, including without limitation thereto structures in the water and extending from at or near the shore into the water, cranes for use in connection with Boats, rings or cleats or other devices affixed to the sea wall or to the land.

ARTICLE II

Covenants Running With The Land and Non-Severability of Rights

1. Burden Upon the Property. The parties hereto hereby declare that this Declaration and the covenants, conditions, restrictions and easements established herein shall be covenants to run with the land. Said covenants, conditions, restrictions and easements shall inure to the benefit of and be binding upon each and every Person and Owner, and his or her respective heirs, representatives, successors, purchasers, lessees, invitees, guests, grantees and Mortgagees. By the recording or acceptance of the conveyance of any portion of the Property, a Dwelling Unit, or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration and the By-Laws of The Villas of Fairway Harbor Homeowners Association, Inc.
2. Non-Severability of Rights. The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of a Dwelling Unit, as more specifically set forth below, and may not be severed or alienated from such ownership.
3. Duration. Except as otherwise specifically provided herein, the covenants, conditions, restrictions, easements, reservations, liens and charges which are granted, created, reserved or declared by this Declaration shall be appurtenant to and shall run with and bind the land for a period of fifty (50) years from the date of recording of this Declaration and thereafter for successive periods of ten (10) years each unless revoked, changed or amended, in whole or in part, by a recorded instrument executed by not less than two-thirds (2/3) of the then Owners in accordance with Article XIII hereof.

ARTICLE III

The Association

1. Incorporation of Association. Property Governor has caused or will cause to be incorporated a not-for-profit corporation known as The Villas of Fairway Harbor Homeowners Association, Inc. and said corporation is the governing body for the administration and operation of those matters with which the Association is empowered to deal under this Declaration and the By-Laws. Pursuant to this Declaration, the Board of Directors of such corporation shall constitute the final administrative authority and all decisions of the Board with respect to such administration and operation shall be binding. All rights, titles, privileges and obligations vested or imposed upon the Association by this Declaration shall be held and performed by the Board of Directors, although the actual day-to-day management of the functions of the Association may be performed by a managing agent or agency. The By-Laws for governing the Association have been or will be duly enacted by the Association.

2. Membership. Every Owner, including Property Governor, of a fee or undivided fee interest in any Dwelling Unit or owner of a fee or individual fee interest of a Lot which is subject to this Declaration, and their successors and assigns shall be a member of the Association (a "Member") whether or not it shall be so expressed in any deed or other conveyance. The foregoing is not intended to include any persons or entities who hold an interest merely as a security for the performance of an obligation. For each Dwelling Unit owned, the Owner thereof shall be entitled to one (1) voting membership and such individual so designated shall be the voting member for said Dwelling Unit (the "Voting Member"). Voting membership shall be appurtenant to and may not be separated from the fee ownership of any Dwelling Unit. Ownership of such Dwelling Unit shall be the sole qualification for membership. For the purpose of this Declaration, the words "Member" shall include any beneficiary of a trust holding legal title to one (1) or

more Dwelling Units. The Association may from time to time hereafter issue Certificates of Membership (a "Certificate") to Members of the Association.

3. Transfer. The membership held by an Owner of a Dwelling Unit shall not be transferred, alienated or pledged in any way, except upon the sale or encumbrance of such Dwelling Unit, and then only to the purchaser or Mortgagee of such Dwelling Unit. Any attempt to make such a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event the Owner of any Dwelling Unit should fail or refuse to transfer the membership registered in his name to the purchaser of such Dwelling Unit, the Association shall have the right to record the transfer upon the books of the Association and issue a new Certificate to the purchaser and thereupon, the old Certificate outstanding in the name of the seller shall be null and void as though same had been surrendered.
4. By-Laws. As a Member of the Association, each Owner hereby covenants and agrees to be bound by the provisions of the By-Laws of the Association, as such may be properly adopted, altered or amended from time to time pursuant to the terms hereof.
5. Powers and Duties of Board of Directors. All powers, duties and authority vested or delegated in or to the Association as provided herein and not reserved to its Members under the provisions of the By-Laws or the Declaration shall be vested in the Board.

ARTICLE IV

Voting Rights - Administration

All Members shall be entitled to one (1) vote for each Dwelling Unit in which they hold a fee or undivided fee interest; provided, however, that when more than one (1) person holds such interest in any Dwelling Unit, all such persons shall be Members and the vote for such Dwelling Unit shall be exercised as they

among themselves determine and after they have so notified the Board, but in no event shall more than one (1) vote be cast on behalf of any Dwelling Unit.

ARTICLE V

Property Rights

1. Maintenance.

- (a) The Association shall, when necessary: (i) perform all snow removal from drives and walks located in the front yards of Dwelling Units; (ii) perform all landscape maintenance in the yards of the Dwelling Units (except for the replacement of dead sod, grass, trees, shrubs, bushes and other landscaping materials, which shall be performed by each Owner on his Lot); (iii) paint or stain the exterior facades of all Dwelling Units when necessary, with a grade and color of paint or stain as chosen by the Association to provide a compatible appearance of all Dwelling Units, and Owners shall not paint or stain or otherwise modify the exterior facades of the Dwelling Units; (iv) perform all exterior maintenance on the Dwelling Units, including without limitation, repair or replacement of siding and roofs; (v) perform all maintenance, including without limitation all dredging, of Outlot A. All of the foregoing work and the materials used therein are referred to herein as the "Maintenance." The costs of the Maintenance shall be paid from the assessments as established below. Each Owner hereby grants to the Association, its agents and employees, a perpetual, non-exclusive easement in gross over his Lot for the purpose of performing the Maintenance.
- (b) Each Owner shall be responsible for the maintenance of the sea wall located on his Lot near the rear line of the Lot, provided that no change in the color, material, scheme or design of the sea wall shall be made without the prior written approval of

the Property Governor as provided in Article VII. Each Owner shall also maintain casualty insurance covering the repair or replacement of the sea wall in the event of a casualty.

2. Antioch Golf Club; Harbor. The Antioch Golf Club is a privately owned golf club and restaurant facility. Owners have no rights or interest in The Antioch Golf Club or the right to use any of its facilities, by virtue of their ownership of a portion of the Property or their membership in the Association. The Antioch Golf Club golf course (the "golf course") is designed such that certain portions of the course are adjacent to the Property and certain portions of the course cross over Outlot A or the water access to Outlot A. The use of Outlot A and the water access to Outlot A by each Owner, the members of his family, his tenants, guests, invitees or contract purchasers who reside on the Property, is subordinate to the use of golf course, and each Owner, the members of his family, his tenants, guests, invitees and contract purchasers who reside on the Property shall yield the right of way to golfers playing the golf course at all times. Each Owner, by being subject to this Declaration, waives any claims he may have for damage to himself or his real or personal property, including without limitation, Boats and Dwelling Units, as a result of the activities conducted on the Golf Course or on Outlot A, including without limitation being struck by a golf ball or a Boat, and hereby indemnifies and holds The Antioch Golf Club, Antioch Golf Venture, Antioch Golf Venture, LLC, Property Governor and Declarant, and their successors and assigns, harmless from any loss arising out of death, injury or damage to the person or property of the Owner or the members of his family, his tenants, guests, invitees or contract purchasers who reside on the Property, as a result of the activities conducted on the Golf Course or on Outlot A, including without limitation from being struck by a golf ball or a Boat.

3. Owners' Easements and Enjoyment. Every Owner shall have a right and perpetual, non-exclusive easement to use and enjoyment of Outlot A for himself, the members of his family, his tenants, guests, invitees or contract

purchasers who reside on the Property, including without limitation that, to that end, an easement is hereby created for the benefit of each Owner, the members of his family, his tenants, guests, invitees or contract purchasers who reside on the Property for the use of that portion of the water which is upon the Lots (not upon Outlot A but contiguous to it) for the same purposes and subject to the same limitations as the easement for the use of Outlot A, which easements shall run with the land, subject to the following provisions:

- (a) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Dwelling Unit remains unpaid and delinquent, and for a period not to exceed thirty (30) days for any single infraction of the published rules and regulations of the Association; provided, that any suspension of such voting rights, except for failure to pay assessments, shall be made only by the Association or a duly appointed committee thereof, after notice and hearing given and held in accordance with the rules and regulations of the Association.
- (b) The right of the Association to establish uniform rules and regulations pertaining to the use, operation and maintenance of Outlot A.
- (c) Such other rights as are reserved or created by this Declaration.
- (d) The rights of the Association in maintaining and using Outlot A shall be superior and take preference over the rights of any Owner.
- (e) The rights of Owners to use Outlot A shall be subject to all applicable laws, ordinances and regulations and to the terms of all permits for the use of Outlot A.
- (f) The speed of all Boats operated in or upon Outlot A, or in any waterways giving access to Outlot A, shall be restricted to 2.0 knots per hour or less,

with no visible wake or bow wave that damages or erodes Outlot A, any waterways giving access to Outlot A or any property adjacent to Outlot A.

4. Delegation of Use. Any Member of the Association may delegate, in accordance with the By-Laws and rules and regulations of the Board, his right of enjoyment to Outlot A allowable for his use (other than the right to vote) to the members of his family, his tenants, guests, invitees or contract purchasers who reside on the Property, provided that such rights of a Member's family members, tenants, guests, invitees or contract purchasers who reside on the Property shall only be exercised to the extent such exercise does not unreasonably overburden Outlot A.
5. Waiver of Use. No Owner of the Association may exempt himself from personal liability for assessments duly levied by the Association, nor release the Dwelling Unit owned by him from liens and charges hereof, by waiver of the use and enjoyment of Outlot As or by abandonment of his Dwelling Unit.
6. No Dedication to Public Use. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication, express or implied, of any part of Outlot A to or for any public use or purpose whatsoever.

ARTICLE VI

Use Restrictions

1. General Use. All Dwelling Units shall be used only for housing and related purposes for which the Dwelling Unit was designed. Nothing herein shall be construed in such a manner as to prohibit an Owner from (i) maintaining his personal professional library therein; (ii) keeping his personal business or professional records or accounts therein; or (iii) handling his personal business or professional telephone calls or correspondence therefrom.

Such uses are expressly declared customarily incident to the principal resident use.

2. Compliance with Laws. Each Owner shall (i) maintain his Dwelling Unit in a clean, sightly and safe condition, and (ii) comply with all applicable governmental codes, laws, ordinances, orders, decrees, rules and regulations. All Dwelling Units shall be constructed in accordance with all applicable governmental building and zoning codes, laws, ordinances, orders, decrees, rules and regulations. If, and to the extent any conflict exists between the terms and conditions of this Declaration and the provisions of any such codes, laws, ordinances, orders, decrees, rules and regulations, then such conflict shall be resolved by the application of the more stringent provision providing the higher or better quality results.
3. Sale and Lease. All sale or lease agreements for Dwelling Units shall be in writing and shall be specifically subject to this Declaration even if not stated or referenced to therein.
4. Piers and Other Structures. No Pier shall be greater than thirty (30) feet in overall length. No Pier shall be built or installed without the prior written approval of Property Governor as provided in Article VII. No structure other than a Pier (installed as provided in this paragraph 4) shall be placed in or on Outlot A by any Owner.
5. Storage Sheds. No temporary or permanent structure of any type, including without limitation sheds, tents, buildings and garages, shall be constructed or maintained on any Lot, except one structure designed for use as a residence for a single family. The foregoing shall not prohibit the Property Governor from maintaining construction trailers or sheds on the Property during the time of construction.
6. Nuisances. No nuisance, noxious or offensive activity shall be carried on any Lot or in or on Outlot A, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or

nuisance to the Owners or occupants of the Dwelling Units.

7. Unsightly Activities. Outlot A shall be kept free and clear of all rubbish, debris and other unsightly materials and no waste shall be committed thereon.
8. Trucks, Snowmobiles, Boats and Trailers. Trucks, Boats not in or on Outlot A, snowmobiles, recreational vehicles, trailers or other vehicles (other than automobiles) shall at all times be parked in the garage of the Dwelling Unit and their repair or maintenance shall not be permitted except within the confines of the garage. No Boat in excess of twenty-four (24) feet in length or seven (7) feet in height above the water level shall be permitted to be upon the Property, including Outlot A, at any time. Subject to the foregoing limitations, no more than three (3) Boats shall be permitted upon any Lot at one time, including Boats moored at or near the Pier serving that Lot. No more than one of such three (3) Boats may be greater in length than fifteen (15) feet.
9. Satellite Dishes. No satellite dish or similar device for the transmission or receipt of signals which measures more than eighteen (18) inches in diameter (or more than eighteen (18) inches on its longest measurement if it is not circular) shall be permitted upon the Property.
10. Owner's Responsibility. Any expenses or costs incurred with respect to maintenance and or repair of any portion of Outlot A due to the willful or negligent act of any Owner, his family, lessees, guests or invitees shall be borne by such Owner and shall be added to such Owner's assessment.

ARTICLE VII

Plan Review

1. Purpose. Pier plan and sea wall controls are established by this Declaration for the purpose of ensuring that the Dwelling Units, Outlot A, the piers and sea wall harmonize with the natural beauty of the Property and with each other and that Outlot A can be used in a safe and effective manner, in compliance with all laws, ordinances and regulations. No Pier shall be installed, erected or maintained nor shall any change to the sea wall (a "change" to the seal wall shall be construed to include the reconstruction thereof if the sea wall is removed or destroyed) be made until the construction plans and specifications shall have been submitted to Property Governor and approved in writing. The plans and specifications (to be submitted on a form to be acquired from the Property Governor) shall show the nature, kind, shape, dimensions, materials, color, scheme, and location of the proposed sea wall change or Pier. Property Governor shall have the right to refuse to approve any Pier plans or specifications or sea wall changes which in its judgment do not comply with the requirements contained in this Declaration or which in Property Governor's sole judgment for aesthetic or any other reasons are not appropriate to the residential community developed or to be developed within the Property. Property Governor has the right, in determining whether to give or withhold approval of plans and specifications submitted to it, to consider the desirability of the proposed Pier or sea wall change in relation to other Piers and sea walls on the Property.
2. Procedure for Approval of Plans and Specifications. Three copies of all plans and specifications for Piers and sea wall changes and the supporting and related materials and documents for which the approval of Property Governor is required shall be delivered to the Property Governor, c/o Oak Builders, Inc. 800 W. Roosevelt Road, Building B, Suite 418, Glen Ellyn, IL 60137, together with a review fee of \$250.00 per submission, made payable to the Property Governor, to

help defray the cost of review of the plans and a \$1,000.00 construction deposit shall be submitted as a guarantee that during construction no damage will be done to any public improvements or to Outlot A or to Lots or Dwelling Units other than those of the Owner submitting the material. After submittal of all required documents, Property Governor will review the plans and specifications prepared according to this Article VII. Property Governor shall then review work completed by Owner and balance of submitted package as soon as it is practical but Property Governor's written approval or disapproval shall be given within 30 business days after the Owner notifies Property Governor in writing, or if Property Governor requires a modification of any kind, Property Governor shall, within said 30-business day period, inform the Owner of any changes that are to be made to bring the submittal package into compliance but notwithstanding the duty of the Property Governor to state reasons for the disapproval or for the required modifications, the decision of the Property Governor, reasonably made, shall be conclusive and binding on all parties. If Property Governor does not approve or disapprove, or require a modification within the aforesaid 30-business day period, then at the expiration of said period, the material submitted to Property Governor shall be deemed to have been fully approved by the Property Governor and the Owner who has submitted the material shall have the right to proceed as if Property Governor's written approval had been procured. The granting of approval by the Property Governor shall not constitute an approval by any governmental or quasi-governmental body, nor shall the approval by the Property Governor be construed as a representation that the proposal will meet the standards necessary to receive such governmental or quasi-governmental approval. The review and approval by the Property Governor shall be wholly independent of any reviews or approvals required of any governmental or quasi-governmental body and the Owner agrees to seek all such required approvals in addition to the approval of Property Governor.

3. Continuing Approval. All Piers constructed and all sea walls as changed following approval of original plans

shall continue to be subject to the requirements of the foregoing paragraphs 1 and 2 of this Article VII.

ARTICLE VIII

Easements and Party Walls

1. Party Walls.

- (a) Some or all of the Dwelling Units may be built so that they share an common wall with another Dwelling Unit. Each Owner hereby grants to any other Owner with whose Dwelling Unit his Dwelling Unit shares a common wall (a "Party Wall") a perpetual easement over that portion of his Lot on which the Party Wall is located and to use the Party wall for the support and integrity of his Dwelling Unit. Each such Owner grants to the other such Owner a further perpetual easement in and upon his Lot and Dwelling Unit for the purpose of performing any necessary repair or replacement of the Party Wall.
- (b) The cost of maintenance, repairs or replacement of a Party Wall shall be shared equally by such Owners, provided that if the maintenance, repair or replacement is made necessary by the negligence or willful or wanton conduct of one of the Owners, then such Owner shall bear the entire cost of such maintenance, repair or replacement. If it shall become necessary to rebuild a Party Wall, it shall be on the same location as the prior Party Wall and be of the same height, length and thickness, and of the same or similar material as the prior Party Wall. If any Owner fails or refuses to pay his share of such cost (the "Defaulting Owner"), the other Owner shall have a mechanic's lien on the Lot and Dwelling Unit of the Defaulting Owner. The Defaulting Owner shall also reimburse the other Owner for his costs, including reasonable

attorneys' fees, in recovering from the Defaulting Owner.

- (c) Each Owner shall have the right to decorate his respective side of any Party Wall, including painting, inserting nails and such other non-structural decoration or hangers as are usual and customary.
 - (d) A violation of the provisions of this Declaration regarding a Party Wall, other than failure to pay a share of the cost of maintenance, repair or replacement, may not be adequately compensated by damages. Accordingly, in addition to any other remedies provided at law or in equity, these provisions may be enforced by an affected Owner or by the Association through injunctive action, the costs, including reasonable attorneys' fees, of the prevailing party to be paid by the non-prevailing party.
2. Easements for Development. Anything contained in this Declaration to the contrary notwithstanding, Property Governor hereby reserves for its agents, employees, contractors, subcontractors, workmen, materialmen and invitees, an easement under, over and across the Lots and Outlot A for the purposes of constructing, completing, repairing, maintaining and inspecting the sea wall and Outlot A.
3. Easements - Municipal Authorities. Police, fire, water, health and other authorized municipal officials, employees and vehicles (including officials, employees and vehicles of any private entity providing such services) shall have the right of ingress and egress to The Villas of Fairway Harbor for performance of official duties and for the purpose of enforcing all Village and county ordinances and statutes of the State of Illinois and contracts to provide services.
4. Easements Running With the Land. All easements described in this Declaration are easements appurtenant, running with the land; they shall at all times inure to the

benefit of and be binding on the undersigned, all of its grantees and their respective heirs, successors, personal representative and assigns, and the Village, perpetually in full force and effect.

5. Easements, Non-Interference. No Owner or his agent shall interfere with any easement as set forth in this Declaration.
6. Binding Effect. Reference in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation or transfer, to the easements, covenants and restrictions contained herein shall be binding upon any such grantee, Mortgagee or trustee and their successors and assigns as fully and completely as though said easements, covenants and restrictions were fully recited and set forth in their entirety in such documents.

ARTICLE IX

Covenant for Maintenance Assessments

1. Personal Obligation of Assessments. The parties hereto, for each Dwelling Unit owned within The Villas of Fairway Harbor, hereby covenant, and each Owner of any Dwelling Unit by presently owning an interest in The Villas of Fairway Harbor or by acceptance of a deed of conveyance, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree to pay to the Association:
 - (a) Annual assessments or charges representing his proportionate share of the Association Expenses; and
 - (b) Special assessments for capital improvements and unforeseen expenses.

Payments of assessments shall be in such amounts and at such times as provided below. The annual and special assessments, together with such interest, costs and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Dwelling Unit against which each assessment is made. Each such assessment shall also be the personal obligation of the person who was the Owner of such Dwelling Unit at the time when the assessment fell due. The amount of Association Expenses assessed against all Owners of Dwelling Units shall be calculated on a pro rata basis, with the Owner of each Dwelling Unit being obligated to pay its pro rata fraction of the Association Expenses, which fraction shall have as the numerator one (1) and as the denominator the total number of Dwelling Units approved in The Villas of Fairway Harbor project which is currently thirty (30) Dwelling Units.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners, residents of The Villas of Fairway Harbor and, in particular, for the Maintenance and the improvement, maintenance (including, but not limited to) operation and the payment of all insurance, repair, replacement and maintenance relating to Outlot A and for services and facilities devoted to this purpose and related to the use and enjoyment of Outlot A which shall include the maintenance and operation of Outlot A.

3. Assessments.
 - (a) Each year on or before January 1, the Board shall hold a meeting concerning the adoption of a budget specifying the total amount estimated to be necessary to pay the Association Expenses, which will be required during the ensuing calendar year (beginning January 1) for the rendering of all services, together with a reasonable amount necessary for an operating reserve and a reserve for emergencies and replacements as more specifically provided in subparagraph (f) below, and shall on or before December 1, notify each

Owner in writing as to the amount of such estimate with reasonable itemization thereof. The applicable portion of said "estimated cash requirement", as Association Expenses, shall be assessed equally to each Owner and shall be due and payable in installments upon such dates as shall be established by the Board. Written notice of the meeting of the Board concerning the adoption of said budget shall be mailed or delivered to each Member not less than ten (10) and no more than thirty (30) days prior to said meeting. If at any meeting held for the purpose of approving the budget, said budget is not approved, the last approved budget shall remain in full force and effect until a new budget is approved.

- (b) If said "estimated cash requirement" proves inadequate for any reason, to defray the operating expenses and costs during any given year, then the Board shall be authorized to adopt a supplemental budget or supplemental assessment. The Board shall serve notice of such supplemental assessment on all Owners by a statement in writing giving the amount and reasons therefor, and such supplemental assessment shall become due at such time as the Board may determine. Subject to the terms of paragraph 1 of this Article IX, all Owners shall be obligated to pay the supplemental assessment in the manner set forth in Paragraph 4.a of this Article as hereinabove set forth.
- (c) The foregoing notwithstanding, commencing with January 1 of the year following the year in which the first annual assessment becomes due, the total annual assessment (including any supplemental assessment, but excluding any special assessments as provided below) may be increased each year. If any such budget exceeds one hundred fifteen percent (115%) of the assessments for the prior year, the Board, upon written petition of Members, with twenty percent (20%) of the votes of the Association filed within fourteen (14) days of Board action, shall call a meeting of Members

within thirty (30) days of the date of filing of the petition to consider the budget. Unless a majority of the Members voting at the meeting reject the budget, it shall be ratified whether or not a quorum is present.

- (d) In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any repair or Maintenance of Outlot A. Notwithstanding the foregoing, upon the written petition of Members, with not less than twenty percent (20%) of the votes of the Association filed within fourteen (14) days of Board action, a meeting of Members shall be called within thirty (30) days of the date of filing of the petition to consider the special assessment and, if, at such meeting a majority of Members vote to reject the assessment, the Board action shall be nullified.
- (e) Written notice of any meeting called for the purpose of taking any action authorized under Paragraph 4.c or 4.d above shall be sent to all affected Members not less than ten (10) nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast sixty percent (60%) of all votes of membership affected by said special assessment shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- (f) The Board shall establish and maintain reasonable reserves for contingencies and replacements as it shall deem necessary and any extraordinary expenditure not included in the "estimated cash

