

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 constructed 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

requirements" shall be first charged against such reserves until they are depleted or, in the opinion of the Board, significantly reduced, then any supplemental budget or the next regular "estimated cash requirements" shall be provided for the re-establishment of such reserves as the Board shall deem reasonably appropriate. The first purchaser of each Lot, other than the Property Governor (or any successor or assignee Property Governor), shall pay to the Association upon acquiring the Lot a non-refundable amount equal to one sixth (1/6) of the then current annual assessment, to be held and used by the Association as a part of the reserves.

- (g) The failure or delay of the Board to prepare or serve the annual or adjusted estimate or the itemized accounting or other documents on the Owners shall not constitute a waiver or release in any manner of such Owners' obligation to pay their annual assessments as herein provided whenever same shall be determined.
- (h) On or before April 15th of each calendar year, the Board shall give each Owner, a notification of an itemized accounting of the Association Expenses for the preceding calendar year actually incurred and paid, together with a tabulation of the amount collected pursuant to the prior year's budget and showing the net amount over or under the actual expenditures, plus reserves. In any given year, any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited equally to each Owner who made said payments by applying any such excess to expenses and/or reserves for the subsequent year.
- (i) The Board shall keep full and correct books of account in chronological order of the receipts and expenditures of the Association specifying and itemizing the Maintenance and repair expenses and any other expenses incurred. Such records shall be available for inspection by any Owner at such reasonable time or times during normal business

hours as may be requested by the Owner or Mortgagee. Upon ten (10) days notice to the Board and payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

- (j) No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of Outlot A or abandonment of his Dwelling Unit. Except as otherwise provided elsewhere herein, the Owner of a Dwelling Unit on the date on which the notice of the levying of the annual or supplemental assessment is delivered shall be personally liable for such assessment.

4. Commencement and Payment of Annual Assessments. The Annual Assessments provided for herein shall commence for all Owners of Dwelling Units subject to such assessments on the first day of the month following the recording of this Declaration.
5. Association's Lien Subordinated to Mortgage Lien. The lien for assessments as herein provided and any fees, fines, interest, late charges or penalties levied in connection with unpaid assessments shall be subordinate to the lien of any first mortgage on any Dwelling Unit recorded prior to the date that any such assessments or other charges or payments become due. Except as hereinafter provided, the lien provided for in paragraph 6 of this Article shall not be affected by any transfer of title to the Dwelling Unit ownership. Where title to the Dwelling Unit is transferred pursuant to a decree of foreclosure or by deed or assignment in lieu of foreclosure, such transfer of title shall (to the extent permitted by law) extinguish the lien for any assessments or other charges or payments due or arising under this Article which became due prior to filing a suit for foreclosure on such Dwelling Unit or any other proceeding in lieu of foreclosure. However, the transferee of a Dwelling Unit shall be liable for his share of any assessments or other charges or payments with respect to which a lien against his Dwelling Unit has been

extinguished pursuant to the preceding sentence, which are reallocated to the Owners pursuant to a subsequently adopted annual, revised or special assessment, and nonpayment thereof shall result in a lien against the transferee's Dwelling Unit ownership as provided in paragraph 6. If for any reason the Owner of a Dwelling Unit is permitted to remain in possession of his Dwelling Unit during the pendency of a foreclosure action with respect to the Dwelling Unit, the Owner shall be required to pay a reasonable rental fee for such right and the plaintiff in said foreclosure action shall be entitled to the appointment of a receiver to collect such rental.

6. Effect of Non-Payment of Assessments - Remedies of the Association. The amount of each assessment shall constitute a lien on the interest of such Owner. If the assessment is not paid by an Owner within thirty (30) days after the due date, the assessment shall bear interest from the due date of such assessment at the highest rate permitted by law per annum and the Association may bring an action at law against the Owner personally obligated to pay same or foreclose the lien against his Dwelling Unit; and interest, costs, reasonable late fees and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Upon the recording of notice of lien by the Board of Directors, it shall be a lien upon such property prior to any other liens or encumbrances, recorded or not recorded, subject only to:
- (a) Taxes, special assessments and special taxes theretofore or thereafter levied by any political subdivision or municipal corporation of this State and other state or federal taxes which by law are a lien on the interest of such Owner prior to pre-existing recorded encumbrances thereon; and
 - (b) Encumbrances on the interest of such Owner recorded prior to the date such notice is recorded which, by law, would be a lien thereon prior to subsequently recorded encumbrances.

The lien for assessments shall be in favor of the Association for the benefit of the other Owners. The Board shall have the right to bring any action authorized under this Declaration or the By-Laws or otherwise at law or in equity to enforce the payment of assessments. Where the Owner's interest is sold at a public or private sale pursuant to this Declaration or the By-Laws because of the failure to pay the assessments, the Board of Directors and their successors in office, acting on behalf of the other Owners, shall have the power to bid in the interest so foreclosed and to acquire and hold, lease, mortgage and convey same; provided, that any such action shall be subject to approval of two-thirds (2/3) of the Dwelling Unit Owners. The Board shall also have the power and right to assess additional fines and penalties against any Dwelling Unit Owner for non-payment of his assessments as long as said fines and penalties are uniformly applied.

Notwithstanding anything in this Declaration to the contrary, no amendment, change or modification of this Paragraph 6 of Article IX shall be effective unless same shall be first consented to by two-thirds (2/3) of the all of Owners of Dwelling Units which are subject to this Declaration.

7. Forcible Entry and Detainer - Further Remedies. In the event of any default by any Owner in the performance of his obligations under this Declaration, By-Laws or rules and regulations of the Board, the Board, or its agents, shall have such rights and remedies permitted by law, including the right to take possession of such Owner's interest in his Dwelling Unit for the benefit of all other Owners by an action of possession in the manner prescribed in the Forcible Entry and Detainer Act (735 ILCS 5/9-101).
8. No Assessments Against Property Governor. Notwithstanding anything herein to the contrary, the Property Governor and its successors and assigns shall not be assessed for any Dwelling Units owned by them.

9. Mechanic's Liens. The Board may cause to be discharged any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against Outlot A. Where less than all the Owners are responsible for the existence of said lien, such Owners responsible shall be jointly and severally liable for the amount necessary to discharge same and for all costs and expenses, including attorneys' fees and court costs, incurred by reason of the lien.

ARTICLE X

Insurance

1. Acquisition of Insurance Coverage. To the extent that insurable improvements become a portion of or are constructed upon Outlot A, the Board shall obtain insurance coverage for loss or damage by fire or other hazards. The insurance shall be for the full insurable value (based upon current replacement cost of any improvements to Outlot A) and the insurance premiums shall be an Association Expense. Such insurance coverage shall be written in the name of, losses under such policies shall be adjusted by, and the proceeds of such insurance shall be payable to, the Association. The insurance coverage shall, if possible, provide that the insurance, as to the interest of the Association, shall not be invalidated by any act or neglect of any Owner. The coverage shall contain an endorsement to the effect that said coverage shall not be terminated for nonpayment of premiums without at least thirty (30) days prior written notice and at least ten (10) days prior written notice of termination or modification for any other reason to the Association and first Mortgagees of record who specifically request such notice. The insurance policies shall contain waivers of subrogation with respect to the Board, its employees and agents, Dwelling Unit Owners, members of their household and Mortgagees.
2. Reconstruction of the Property. The insurance proceeds shall be applied by the Board on behalf of the

Association for the repair, reconstruction or restoration of Outlot A upon notification to Dwelling Unit Owners. The Association, by the Board, shall represent the Dwelling Unit Owners in any proceedings, negotiations, settlements or agreements concerning these matters and is hereby appointed by the Dwelling Unit Owners as an attorney in-fact for said purposes. If such insurance proceeds are insufficient to cover the costs of repair, the Association may make an assessment against all Dwelling Unit Owners to cover the additional cost of repair not covered by the insurance proceeds.

3. Board Acceptance of Insurance Proceeds. Payment by an insurance company to the Board of any insurance proceeds coupled with the receipt and release from the Board of the company's liability under said policy shall constitute a full discharge of said insurance carrier and said carrier shall not be under any obligation to inquire into the terms of any trust under which the proceeds may be held pursuant hereto.
4. Other Insurance. The Board shall also obtain comprehensive public liability insurance, including liability for injuries or death to persons, any property damage in an amount of not less than One Million and no/100 (\$1,000,000.00) Dollars per occurrence and such other liability insurance as it may deem desirable and as approved by the Association. Such insurance shall insure the Association, its officers, members of the Board, Property Governor and their respective employees, beneficiaries and agents, if any, from liability in connection with the actions of the Association upon the Lots and Outlot A. Said insurance shall also contain at least ten (10) day notice of termination and modification clause. The Board shall also obtain insurance insuring the officers of the Association and Members of the Board from liability for good faith actions in such limits as the Board deems advisable. The Board shall also obtain, when needed, workers' compensation and employer's liability insurance. Unless as otherwise provided for herein, the premiums for all such insurance shall be an Association Expense.

5. Fidelity Bond. The Board shall obtain, in the name of the Association, a fidelity bond indemnifying the Association for loss of funds resulting from fraudulent or dishonest acts of any employee or officer or director of the Association or any person or entity acting pursuant to a management contract entered into by the Board in an amount equal to at least three (3) months aggregate assessments on all Dwelling Units and any reserve funds of the Association. Said fidelity bond shall contain a waiver of any defense based on the exclusion of persons who serve without compensation from any definition of "employee". Further, said fidelity bond shall, if possible, provide that it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice and at least ten (10) days prior written notice of termination or modification for any reason to the Association and first Mortgagees of record who specifically request such notice. The cost of such fidelity bond shall be an Association Expense.
6. Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs to Outlot A.

ARTICLE XI

General Provisions

1. Board Liability. The Directors from time to time constituting the Board, and the officers thereof, shall not be personally liable to the Owners or the Association for any mistake of judgment or for any acts made or omissions to act made in good faith as such Directors or officers. The Association shall indemnify and hold harmless Property Governor and each of the Directors and officers, their heirs, executors or administrators against all contractual and other liabilities to others arising out of contracts made by or other acts of the

Directors and officers on behalf of the Owners or the Association or arising out of their status as Directors or officers unless any such contract or act shall have been made criminally, fraudulently or with gross negligence.

2. Enforcement. The Association, or any Dwelling Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, liens and charges now or hereafter imposed by the provisions of the Declaration and the rules and regulations adopted hereunder. Failure by the Association or any Dwelling Unit Owner to enforce any covenant or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter. Breach of any of the covenants shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to said Lots or property, or any part thereof, but such provisions, restrictions or covenants shall be binding and effective against any Owner of said property whose title thereto is acquired by foreclosure, trustee's sale or otherwise.
3. Notices. Notices provided for in this Declaration or the By-Laws shall be in writing and shall be addressed to the Association at such address as may from time to time be designated by the Board. Notices to an Owner shall be addressed to him at his Dwelling Unit address, however, any Owner may also designate a different address at which he is to be notified. Further, any Mortgagee may from time to time designate an address to which notices required pursuant to the provisions of this Declaration shall be sent. All notices shall be deemed to have been properly served when mailed, postage prepaid, to the last known address of the addressee or when delivered in person with written acknowledgement of the receipt thereof.
4. Managing Agent. Property Governor (or an entity controlled by Property Governor) may be engaged by the Association to act as the managing agent for the Association and, as such managing agent, shall be paid a reasonable fee for its services as fixed by a written

agreement between the Association and Property Governor (or an entity controlled by Property Governor). In the alternative, the Association may hire any other managing agent. Any management agreement entered into by the Association shall have a term of not more than two (2) years and shall be terminable by the Association for cause on thirty (30) days written notice or without cause on payment of a termination fee by either party on ninety (90) days written notice.

5. Liability for Claims or Judgments. The cost of defending, settling or compromising a claim or cause of action against the Association or the cost of satisfying any judgment against the Association shall be paid out of insurance proceeds, if any, which cover the occurrence. However, if insurance proceeds are unavailable or insufficient to pay any such costs, then such costs not covered by insurance shall be paid as an Association Expense.
6. Severability and the Rule Against Perpetuities. If any provision of this Declaration or the By-Laws shall be held invalid, it shall not affect the validity of the remainder of the Declaration or By-Laws. If any provision of the Declaration or By-Laws is deemed to violate the rule against perpetuities or any other rule, statute or law imposing time limitations, then such provisions shall be deemed to remain in effect until the death of the last survivor of the now living descendants of the President of the United States, Bill Clinton, plus twenty-one (21) years thereafter.
7. Remedies Cumulative. All rights, remedies and privileges granted to the Association pursuant to any of the terms, provisions, covenants or conditions of this Declaration, By-Laws or rules and regulations of the Board shall be deemed to be cumulative and the exercise of any one (1) or more shall not be deemed to constitute an election of remedies nor shall it preclude the Association thus exercising same from exercising such other and additional rights, remedies or privileges as may be granted to the Association, at law or in equity.

8. Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating an attractive and well maintained Property.
9. Captions. The Article and Paragraph captions are intended for convenience only and shall not be construed with any substantive effect in this Declaration.
10. Initial Operation. Until such time as the Association and Board provided for in this Declaration are formed, Property Governor and its successors and assigns shall exercise any and all of the powers and functions of the Association and the Board.
11. Conflicts. In the event of a conflict between the terms of this Declaration and the Fairway Manor Declaration or the Master Declaration, the terms of this Declaration shall control and govern.
12. Condemnation. In the event of a taking or acquisition of part or all of the Outlot A by a condemning authority, the Association shall represent the Dwelling Unit Owners and the award or proceeds of settlement shall be payable to the Association, or any trustee appointed by the Association, to be held in trust for Dwelling Unit Owners and their first mortgage holders as their interests may appear.
13. Governing Law. The laws of the State of Illinois shall govern the construction, interpretation, application and enforcement of this Declaration and the Association formed pursuant thereto.
14. Land Trust Holding Title. In the event title to any Dwelling Unit is conveyed to a title holding trust, under the terms of which all powers of management, operation and control of such Dwelling Unit remain vested in the trust beneficiary or beneficiaries, the beneficiaries thereunder from time to time shall be responsible for payment of all Association Expenses and for the performance of all agreements, covenants and undertakings chargeable or created under this Declaration against such Dwelling Unit. No claim shall be made against any such

title holding trustee personally for payment of any lien or obligation hereunder created and the trustee shall not be obligated to sequester funds or trust property to apply, in whole or in part, against such lien or obligation. The amount of such lien or obligation shall continue to be a charge or lien upon such Dwelling Unit and the beneficiaries of such trust even if the beneficial interest or title to said Dwelling Unit is otherwise transferred.

ARTICLE XII

Rights of First Mortgage Holders

Anything in this Declaration to the contrary notwithstanding, the following shall be applicable with respect to any institutional holder of a first mortgage lien of record, including an insurer or guarantor, on any Dwelling Unit which is subject to the terms hereof.

1. Notice. The Association shall, if so requested in writing by any first Mortgagee of record or holder, insurer or guarantor of a mortgage of a Dwelling Unit, give written notification as follows:
 - (a) Notice of any default (including any delinquency in the payment of assessments) of the Owner of a Dwelling Unit which is the subject of such mortgage if such default is not cured within sixty (60) days after its occurrence.
 - (b) Copies of budgets, financial statements, notices of assessment or any other notices provided hereunder by the Association.
 - (c) Five (5) days prior written notice of any annual or special meeting of the Association. The Mortgagee may designate a representative to attend any such meeting.

- (d) Timely notice of substantial damage or destruction of any portion of the Community Areas (in excess of Ten Thousand Dollars (\$10,000.00)).
- (e) Notice of any condemnation or eminent domain proceeding affecting any portion of Outlot A.
- (f) Notice of the decision of the Owners to make any material amendment to this Declaration.
- (g) The effectuation of any decision by the Association to terminate professional management and assume self management of the duties of the Association.
- (h) Notice to terminate the Association.
- (i) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

The request of a Mortgagee, holder, insurer or guarantor for any or all of the above notices may be submitted to the Association via the Board of Directors and, in such event, the giving of such notices shall continue until such time as the Mortgagee shall request same to be terminated or until the interest of the Mortgagee in the property is terminated, whichever shall first occur.

2. Claims for Assessments. Any first Mortgagee of record who takes title to a Dwelling Unit or comes into possession of a Dwelling Unit pursuant to remedies provided in such mortgage (including foreclosure or a deed or assignment in lieu thereof) shall take possession free of any claims for unpaid assessments or charges which may be accrued prior to the date of filing any foreclosure proceedings or deed in lieu.
3. Books and Records. Any first Mortgagee of record of a Dwelling Unit or any holder, insurer or guarantor of a first mortgage shall have the right, upon twenty-four (24) hours notice, to examine any and all books and records of the Association at any time during normal business hours and shall be entitled to receive at its

written request, and without charge, a copy of any and all annual audited financial statements within ten (10) days from the date of such request or a date not sooner than one hundred twenty (120) days following the end of any fiscal year, as the case may be.

ARTICLE XIII

Amendments to Declaration, Deviation

1. Approval of Amendments. Subject to the provisions of this Article XIII, the Owners may revoke, modify, amend or supplement in whole or in part any or all of the covenants, obligations and conditions contained in this Declaration. Any such revocation, modification, amendment or supplement may be made effective at any time if the Owners of at least two-thirds (2/3) of the Dwelling Units. Any such revocations, modifications, amendments or supplements shall be effective only if expressed in a written instrument or instruments executed and acknowledged by each of the consenting Owners, certified by the Secretary of the Association and recorded in the office of the Recorder of Deeds of Lake County, Illinois. If said Declaration is so modified by the Association, a notice of said modification shall be given to all first mortgage lien holders of record by certified mail, return receipt requested. Said notices shall contain a complete text of any such modification or amendment.
2. Compliance with Governmental Authority. Property Governor reserves the right and power to record any special amendments to this Declaration, at any time and from time to time prior to the sale to a person or entity other than the Property Governor (including its successors and assigns) of the last Dwelling Unit to amend this Declaration (i) to comply with requirements of the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform)

functions similar to those currently performed by such entities, or any lender or potential lender for the Property or any Lots; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages encumbering any Dwelling Units; (iii) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto; or (iv) so long as Property Governor owns a Dwelling Unit, in any manner which will not materially impair the rights of Owners hereunder or materially increase the expenses to be borne by them hereunder; provided, that nothing herein contained shall be construed as a reservation of authority to adopt any amendment which affects the rights of the Village under this Declaration without its consent. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to such amendments on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgement of, and a consent to the reservation of, the power to Property Governor to make, execute and record such amendments.

3. Restriction on Alienation. Notwithstanding anything contained herein to the contrary, no amendment to the Declaration, articles of incorporation or By-Laws of the Association shall be effective if such shall seek to vest a right of first refusal as to the sale or lease of a Dwelling Unit or any similar restriction in favor of the Association, other Owners or related entities.
4. Rights of Property Governor.
 - (a) Notwithstanding anything contained herein to the contrary, no amendment which shall adversely affect the rights of Property Governor as set forth herein shall become effective without the prior written consent of Property Governor.
 - (b) Declarant reserves the right for itself and Property Governor to enter into agreements with

proposed grantees of any Dwelling Unit or Lot (without the consent of any other Owners) to deviate from any or all of the Covenants and Easements set forth in this Declaration, provided that there are practical difficulties or particular hardships evidenced by such proposed grantees, and any such deviation (which shall be manifested by an agreement in writing) shall not contain a waiver of any such Covenants and Easements as to the remaining Property which is subject to the Declaration.

5. Validity of Amendments. No amendments approved pursuant to this Article XIII shall become valid until a true and correct copy of same, attested by the Secretary of the Association, shall then have been placed of record.

This Declaration is executed by West Suburban Bank not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and West Suburban Bank hereby warrants that it possesses full power and authority to execute this instrument), and solely for the purpose of subjecting the Property to the terms of this Declaration. It is expressly understood and agreed by every person, firm, corporation, trust or other entity hereafter claiming any interest under this Declaration that any and all obligations, duties, covenants and agreements of every nature herein set forth by West Suburban Bank, as Trustee as aforesaid, to be kept and performed, if any, are intended to be kept, performed and discharged by the beneficiaries under said Trust No. 10312 or their successors, and not by West Suburban Bank personally, and no personal liability hereunder whatsoever is assumed by nor shall be asserted or enforced against said Trustee, all such rest upon West Suburban Bank, either personally or as such Trustee, to sequester trust assets, rentals, avails or proceeds of any kind, or otherwise to see to the fulfillment or discharge of any obligation, express or implied, arising under the terms of this Declaration. In the event of a conflict between the provisions of this paragraph and other provisions of this Declaration with respect to any question of apparent liability or obligation resting upon said Trustee, the exculpatory provisions hereof shall be controlling.

IN WITNESS WHEREOF, West Suburban Bank, as Trustee as aforesaid, and not individually, has caused its corporate seal, if any, to be affixed hereunto and have caused its name to be signed to this Declaration by its (Assistant) Vice-President and attested by its (Assistant) Secretary, as of the day and year first above written.

West Suburban Bank, as
trustee as aforesaid



L. L. Gerschman
~~VICE PRESIDENT~~
Trust Officer

ATTEST: *Deanne A. Volunka*
~~SECRETARY~~
Trust Officer

3762435

Filed for Record in:
LAKE COUNTY, IL
FRANK J. NUSTRA-RECORDER
On Dec 20 1995
At 1:46pm
Receipt #: 5777
Doc/Type: DCL
Deputy - Cashier #1

Frank J. Nustra

STATE OF ILLINOIS)

COUNTY OF DuPage)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Patricia L. Fleischman personally known to me to be the Trust Office President of West Suburban Bank, and Joanne L. Vokurka personally known to me to be the Asst. T.O. Secretary of West Suburban Bank, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Trust Office President and Asst. T.O. Secretary they signed and delivered the said instrument as T.O. President and Asst. T.O. Secretary of West Suburban Bank, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand official seal, this 13th day of December 1995.

Margaret Johnson
Notary Public

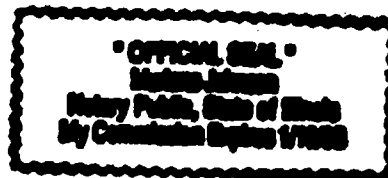


Exhibit A

Parcel 1: Lots 1 through 30, and Outlot A, in Fairway Manor at Antioch Golf Club, being a subdivision of part of the Southeast 1/4 of Section 24 and part of the Northeast 1/4 of Section 25, Township 46 North, Range 9, East of the Third Principal Meridian, according to the plat thereof recorded May 22, 1995 as Document 3675959, in Lake County, Illinois; and

Parcel 2: Easement for ingress and egress for the benefit of Parcel 1 over that part of the Antioch Country Club Final Development Plan recorded September 10, 1975 as Document 1728016 as per court order in Case No. 72MR124 and the Antioch Country Club Final Development Plan Revision No. 1 recorded June 8, 1977 as Document 1841760 and the First Amendment thereto recorded May 28, 1991 as Document 3022955 and Second Amendment thereto recorded April 3, 1992 as document 3137795 and further amended by resolution recorded August 10, 1993 as document 3379759, as more fully delineated on the plats attached thereto and designated as ingress and egress parcel and in the rant of easements for General Ingress and Egress in the Declaration of Easements, Covenants and Restrictions recorded May 31, 1978 as document 1920598 (except those parts released and extinguished on the plat of Fairway Estates at Antioch Golf Club Unit 1 recorded January 4, 1991 as document 2978801 and on the plat of Fairway Estates at Antioch Golf Club Unit 2 recorded January 4, 1991 as document 2978802), in Lake County, Illinois.

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