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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,

