

# Ironwood Homeowners Association Covenants

## ARTICLE III - ASSESSMENTS

**Section 1. Lien and personal obligation of assessments.** Declarant hereby covenants for each final platted lot within the subdivision, and each owner of a lot is hereby deemed to covenant by acceptance of his deed for such lot, whether or not it shall be so expressed in his deed, to pay to the Association (1) annual assessments and (2) special assessments for capital improvements. Such assessments will be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge on the land and a continuing lien on each lot against which such an assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees incurred to collect same shall also be the personal obligation of the person or persons who owned the lot at the time the assessment fell due, but such personal obligation shall not pass to the successors in title of such person or persons unless expressly assumed by them.

**Section 2. Purpose of Annual Assessments.** The annual assessments levied by the Association shall be used exclusively to promote the health, safety, welfare, and recreation of the residents in the subdivision and for the improvement and maintenance of the common areas and any other lawful purpose of the Association. Annual assessments shall include, and the Association shall acquire and pay for out of the funds derived from annual assessments, the following:

- (a) Maintenance and repair of the common area;
- (b) Water, sewage, garbage, electrical, lighting, telephone, gas and other necessary utility service for the common area, if any;
- (c) Acquisition of furnishings and equipment for the common area as may be determined by the Association, including without limitation all equipment, furnishings, and personnel necessary or proper for use of the recreational facilities, if any;

- (d) Fire insurance covering the full insurable replacement value of the common area with extended coverage, if any;
- (e) Liability insurance insuring the Association against any and all liability to the public, to any owners, or to the invitees or tenants of any owner arising out of their occupation and/or use of the common area. The policy limits shall be set by the Association, and shall be reviewed at least annually and increased or decreased at the discretion of the Association.
- (f) Workmen's compensation insurance to the extent necessary to comply with the Workers Compensation Act of the State of Illinois (Ch. 48, §138.1, et seq., Illinois Revised Statutes), and any other insurance deemed necessary by the Board of Directors of the Association.
- (g) A standard fidelity bond covering all members of the Board of Directors of the Association and all other employees of the Association in an amount to be determined by the Board of Directors.
- (h) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay pursuant to the terms of this declaration or by law, or which shall be necessary or proper in the opinion of the board of Directors of the Association for the operation of the common areas, for the benefit of the lot owners, or for the enforcement of these restrictions.

**Section 3. Maximum Annual Assessment. \***

After December 31, 2008, the maximum general annual assessment shall be the amount as stated in Article XI, Section 2.0 of the Ironwood Homeowners Association By-Laws.

**Section 4. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any, litigation, construction, reconstruction, repair or

replacement of a capital improvement on the common area, including fixtures and personal property related thereto. Any such assessment must be approved by a majority of a quorum.

\* Section 3 & 4 were amended on February 11, 2009, with the approval of 320 (55%) of the 584 members of the Association.

**Section 5. Notice and Quorum for Action Authorized Under Article III, Sections 3 and 4.** Written notice of any meeting called for the purpose of taking any action authorized by Section 3 or 4 of Article III shall be sent to all members not less than thirty (30) nor more than forty-five (45) days in advance of such meeting. In the event the proposed action is favored by a majority of the votes cast in such meeting, but less than the requisite majority of each class of members, members who were not present in person or by proxy may give their assent in writing within ten (10) days after the date of such meeting.

**Section 6. Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all lots.

**Section 7. The Commencement and Collection of Annual Assessments.** The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the subject lot to the owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least sixty (60) days in advance of the due date thereof and shall fix the dates such amounts become due. Assessments may be made payable monthly. Notice of the annual assessments shall be sent to every owner subject thereto. The Association shall, on demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments against a specific lot have been paid, and shall, on or before January 1 of each year, cause to be recorded in the Recorder's Office of McLean County, Illinois, a list of delinquent assessments as of the date.

**Section 8. Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall be deemed in default and shall bear interest from the due date at the rate of fifteen percent (15%) per annum. The Association may bring

an action at law against the Owner personally obligated to pay the same, or may foreclose the lien against the property. The Owner shall also be obligated to pay the reasonable attorney fee incurred by the Association to collect said delinquent assessments. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

**Section 9. Subordination of Assessment Lien to Mortgages.** The assessment lien provided for herein shall be subordinate to the lien of any first mortgage. A sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to a mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the assessment lien as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

**Section 10. Special Assessments by Governmental Units.** Hereafter, governmental units may place special assessments against property contained in the subdivision, and all such special assessments shall not be the responsibility of the developer, but shall be the responsibility of the owner of said property.