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a. "Additional Property" means those lands, together with any improvements thereon, which are made subject to this Declaration by annexation pursuant to Article II.

b. "ARB" has the meaning set forth in Article VII, Section 1.

c. "Area(s) of Common Responsibility" means any land or improvement located in or near the Property which is not intended to be owned by the Association but which is intended to be improved, maintained or operated by the Association in the manner and to the extent determined from time to time by the Board. Areas of Common Responsibility may be designated by this Declaration, any Supplemental Declaration, a contract entered into by the Association, or by a decision of the Board. The following are hereby designated as Areas of Common Responsibility:

i. Any entranceway features located within a public roadway or easement area, including but not limited to signs, landscaping, lighting and irrigation, or any other features which may be located within the entranceway permanently or from time to time;

ii. Any lighting fixture rental, electrical usage and other costs of street lighting arranged for by the Association for the Property and any Area of Common Responsibility to the extent that the Association has responsibility for maintenance thereof rather than the electrical provider;

iii. Walls, signs, lighting fixtures, electrical equipment, drainage improvements, irrigation lines and equipment, landscape materials and features, or other improvements from time to time located within any wall or landscape easement area located within Lots as shown on any plat of the Property.

d. "Articles" means the Articles of Incorporation of the Association. A copy of the initial Articles is attached as Exhibit "B" to this Declaration. The Articles may be amended as provided therein and it shall not be necessary to amend this Declaration in order to amend the Articles.

e. "Association" means the Kingsway Estates Homeowners Association, Inc., a Florida not for profit corporation, and its successors and assigns.

f. "Board" means the Board of Directors of the Association.

g. "Builder" means any person or entity that has purchased Lots from the Developer, and whom the Developer designates in writing as a "Builder", entitled to the benefits afforded Builders under this Declaration. Developer hereby designates William Ryan Homes Florida, Inc., a Florida corporation, and IH Central Florida, LLC, and Suarez Housing Corporation, each as a "Builder."

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h. "Bylaws" means the Bylaws of the Association. A copy of the initial Bylaws is attached as Exhibit "C" to this Declaration. The Bylaws may be amended as provided therein and it shall not be necessary to amend this Declaration in order to amend the Bylaws.

i. "Common Expense" means the actual and estimated expense of operating the Association and meeting the costs to be incurred by the Association in performing its duties and in exercising its prerogatives, including without limitation costs incurred for operation, maintenance, insurance and improvement of the Common Property and Areas of Common Responsibility (including, without limitation, the costs associated with the provision of cable television services), and for any reserves from time to time established by the Board.

j. "Common Property" means the real and personal property from time to time intended to be owned, operated and maintained by the Association, and devoted to the use and enjoyment of all Members of the Association, all at Common Expense. Common Property shall include, but not be limited to all easement areas which are held by the Association as grantee, community park areas, if any, designated on any plat of the Property, and all drainage improvements and platted drainage easements associated with the Master Surface Water Management System permit issued by the District. No commitment is made that any Additional Property will contain Common Property.

k. "County" means Hillsborough County, Florida.

l. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Kingsway Estates Homeowners Association, as amended or supplemented.

m. "Developer" means Archerd Kingsway LLC., a Florida corporation, its successors and assigns. No successor or assignee of Developer shall have any rights or obligations of Developer hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment, or unless such rights pass by operation of law.

n. "Development" means the residential subdivision project known as "Kingsway Estates," which is being developed on the Property.

o. "District" means the Southwest Florida Water Management District, an agency created pursuant to Chapter 373, Florida Statutes.

p. "Dwelling" means a single-family residence located on a Lot.

q. "Governing Documents" means, collectively, the Articles, Bylaws, this Declaration and any rules and regulations promulgated by the Board from time to time.

r. "Lot" means each residential building site created by any recorded plat of the Property, including any Dwelling located thereon once constructed.

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s. "Master Surface Water Management System" means the overall system designed, constructed and implemented upon the Property to control discharges caused by rainfall events, which system is intended to collect, convey, store, absorb, inhibit, treat, use or reuse surface water in order to prevent or reduce flooding, over drainage, environmental degradation, and water pollution, and to control the quality and quantity of discharges from the system, all as permitted by the District pursuant to Chapter 40D-4, 40D-40, 40D-42, Florida Administrative Code. The Master Surface Water Management System includes, without limitation, all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, flood plain compensation areas, wetlands and any associated buffers and wetland mitigation areas.

t. "Member" means each Member of the Association as provided in Article III, Section 2.

u. "Owner" means the record holder, whether one or more persons or entities, of fee simple title to each Lot in the Property, but, notwithstanding any applicable theory of the law of mortgages, Owner shall not mean or refer to any mortgagee unless and until such mortgagee has acquired title to a Lot pursuant to foreclosure proceeding or a conveyance in lieu of foreclosure. All owners of a single Lot shall be treated for all purposes as a single Owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety.

v. "Property" means the real property described on Exhibit "A" attached hereto and by this reference incorporated herein, together with any Additional Property hereafter annexed to this Declaration pursuant to Article II.

w. "Supplemental Declaration" means any instrument which extends the effect of this Declaration to Additional Property pursuant to Article II.

Article II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property. The Property is and shall be improved, held, transferred and occupied subject to this Declaration. As of the date hereof, Developer intends to develop the Property described on Exhibit "A" attached hereto as the Development.

Section 2. Additional Property. Developer shall have the right but not the obligation to bring within the scope of this Declaration, as Additional Property, additional land lying in the vicinity of the Property at any time within twenty (20) years from the date this Declaration is

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-4-

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recorded, which annexation may be accomplished without the consent of the Association, the Owners, or any mortgagee or other lien holder; provided, however, if any one or more of the United States Department of Housing and Urban Development ("HUD"), Federal Housing Administration ("FHA"), or Veterans Administration ("VA") requires approval or consent to annexation of Additional Property by any one or more of said agencies as a condition of making or insuring loans on Dwellings in the Property, and any such loan has been approved, insured or purchased by the applicable agency at the time Developer proposes to annex Additional Property, then Developer shall obtain the required consent to, or approval of the proposed annexation.

Section 3. Method of Annexation. Additions authorized under this Article shall be made, if at all, by recording a Supplemental Declaration extending this Declaration to the Additional Property. The Supplemental Declaration shall describe the real property to be annexed and shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing property to this Declaration and extending the jurisdiction of the Association to the Additional Property. The Supplemental Declaration may contain additional terms not inconsistent with this Declaration to reflect the different character, if any, of the real property being annexed or of the housing or development approaches being implemented. Upon the recordation of any Supplemental Declaration, the Owners shall also have a right and non-exclusive easement of use and enjoyment in and to the Common Property, if any, within the Additional Property, and an obligation to contribute to the cost of operating, maintaining and insuring the additional Common Property and any additional Areas of Common Responsibility. Any Supplemental Declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recordation of any Supplemental Declaration, the Additional Property described therein shall be subject to the provisions of this Declaration and to the jurisdiction of the Association.

Article III

THE ASSOCIATION

Section 1. The Association. The Association is a nonprofit corporation. The Association shall have the power to do all lawful things which may be authorized, assigned, required or permitted to be done by this Declaration, the Articles, or the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the maintenance, administration and improvement of the Property, the Common Property, and Areas of Common Responsibility. Neither the Articles nor the Bylaws shall be amended or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail.

Section 2. Membership. Each Owner (including Developer) shall be a Member of the Association. The Association membership of each Owner, other than Developer, shall be appurtenant to, and inseparable from the Lot giving rise to such membership, and any transfer of

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-5-

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title to a Lot shall operate automatically to transfer to the new Owner the membership in the Association appurtenant to that Lot.

Section 3. Voting Rights. The Association shall have two (2) classes of voting membership:

a. Class "A". Class "A" Members shall be all Owners, with the exception of Developer for so long as Developer retains Class "B" voting rights. Each Class "A" Member shall have one (1) vote for each Lot owned by that Member.

b. Class "B". The sole Class "B" Member shall be Developer. Developer shall be entitled to three (3) votes for each Lot actually or potentially included in the Property owned by Developer. Upon the execution of this Declaration, Developer shall have 897 Class "B" votes representing three (3) votes for each of the 299 Lots planned for the Development. The Class "B" Member shall be entitled to cast all of its votes in any vote or election held by the Association.

c. Termination of Class "B" Membership. As each Lot in the Property is conveyed by Developer to a Class "A" Member, Developer's votes for that Lot shall lapse. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of the following:

- i. When the total outstanding Class "A" votes in the Association equals or exceeds the total outstanding Class "B" votes; or
- ii. Twenty (20) years from the date of recording this Declaration; or
- iii. At such earlier time as Developer, in its sole discretion, may so elect.

Upon the happening of any one of these events, Developer shall call a special meeting of the Members to advise of the termination of Class "B" membership, and provide written notice of such event.

d. Transition of Control. Any other provision of this Article to the contrary notwithstanding, Owners other than Developer shall be entitled to elect at least a majority of the members of the Board not later than the earliest of the events specified in subparagraph c., above. Developer shall be entitled to elect at least one (1) member of the Board as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of the Development. After Developer relinquishes control of the Association, Developer may exercise the right to vote any Developer-owned voting interests in the same manner as any other Owner, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board.

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Section 4. Multiple Owners. Each vote in the Association must be cast as a single vote, and fractional votes shall not be allowed. If joint or multiple Owners are unable to agree among themselves as to how their vote is to be cast, or if more than one (1) Class "A" vote is cast for any Lot, none of the votes for that Lot shall be counted. If any Owner casts a vote on behalf of a Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot.

Section 5. Duties, Powers and Authority of the Association. The Association shall have all the powers of a non-profit corporation organized under the laws of Florida, subject only to such limitations as are set forth in the Articles, the Bylaws, or this Declaration. The Association shall have the power to do all lawful things which may be authorized, assigned, required or permitted to be done by this Declaration, the Articles, or the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the maintenance, administration and improvement of the Property, Common Property and the Areas of Common Responsibility.

Article IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES; EASEMENTS

Section 1. Easements. The Association and each Owner (including Developer) shall have a non-exclusive right and easement of use and enjoyment in and to the Common Property. Said right and easement shall be appurtenant to and pass with the title to each Lot, and shall include, without limitation, the following:

- a. Right-of-way for ingress and egress by vehicles and on foot through and across any streets, roads or walks in the Common Property for all lawful purposes; and
- b. Rights and easements to drain across the surface water drainage detention, retention and conveyance structures and areas in accordance with the Master Surface Management System and applicable District rules and permits, and to connect with, maintain and make use of utilities lines and facilities from time to time located within the Common Property; and
- c. Rights and easement to use and enjoy the Common Property for any purpose not inconsistent with this Declaration, the Articles, the Bylaws, the rules and regulations of the Association, or applicable law.

Section 2. Title to Common Property. Developer shall convey to the Association or, if required by the County incidental to the establishment of an MSTU/MSU as described in Article IV, Section 6 below, dedicate to the County, for the uses and purposes set forth in this Declaration or in any subdivision plat of the Property, fee simple title in and to the Common Property free and clear of all encumbrances except taxes, applicable subdivision plats, this

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-7-

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Declaration and any easements recorded in the public records prior to the conveyance to the Association, on an "as is" basis without any representation or warranty, express or implied. Once conveyed to the Association, the Common Property may not be mortgaged or further conveyed without the consent of at least three-fourths (3/4) of the Owners (excluding Developer); provided, however, if required by the County incidental to the establishment of an MSTU/MSBU as described in Article IV, Section 6 below or otherwise, the Association shall dedicate to the County for the uses and purposes set forth in this Declaration or in any applicable subdivision plat so much of the Common Property then owned by the Association as shall be required by the County, and except as provided in Article XII or by law, no such dedication shall require the consent of any Owner, the Association, any mortgagee or other lien holder, or of anyone else.

Section 3. Limitation on Easements. The rights and easements created in this Article shall be subject to the following:

- a. Subject to any conflicting rights of Developer and the Owners set forth in this Declaration, the Association's right to exclusively manage, control and maintain the Common Property;
- b. Developer's right, until conveyance of title to the Association, and the Association thereafter, to reserve to itself or grant or dedicate (subject to the terms of Article XII) to itself, any Owner, any governmental agencies and/or utility companies, or any other third party, easements and rights-of-way, over, under or through the Common Property for installation, use, maintenance and inspection of lines and appurtenances for public or private utilities, surface water drainage improvements and areas, completion of the Development, or any other purpose deemed appropriate by Developer. No improvement or material may be placed upon any such easement which may damage or interfere with the installation or maintenance of utilities or the easement area or that may alter or impede the direction or flow of drainage;
- c. Developer's rights reserved in this Declaration;
- d. Matters shown on any plat of the Property or otherwise recorded in the Public Records of Hillsborough County, Florida; and

Section 4. Developer Reservations. Developer hereby reserves the following licenses, rights, privileges and easements over, under and through the Common Property and the Areas of Common Responsibility: (a) rights-of-way and easements to install, maintain and use electric, lighting, telecommunications, cable television, telephone, gas, water, sewer, drainage and utility poles, wires, cables, conduits, fixtures, pipes, meters, equipment, facilities, ponds, swales, berms or ditches, and other equipment and improvements necessary or convenient for the completion, marketing, use and enjoyment of the Property; (b) the right to cut trees, bushes or shrubbery, make any gradings of the soil, and take any similar action reasonably necessary to provide economical and safe utility and drainage installation or to maintain reasonable standards of health, convenience, safety and appearance; (c) the right to locate thereon wells, pumping

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-8-

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stations and irrigation systems and lines; (d) for itself and each Builder, easement of ingress and egress for purposes of development, construction and marketing; and (e) for itself and each Builder, such other rights as may be reasonably necessary to complete in an orderly and economic manner the development and sale of the Property including, without limitation, the maintenance of temporary signage and trailers used in such development and sales efforts; provided, however, that said reservation and right shall not be considered an obligation of Developer to provide or maintain any such easement, utility, equipment or service. Developer also reserves the right to connect with and make use of the utility lines and drainage improvements which may from time to time be in or along the streets and roads, or within the Common Property or platted easements. The easements and rights-of-way herein reserved shall continue in existence in favor of Developer after conveyance of the Common Property to the Association or dedication to the County until such time as Developer has sold all Lots in the Property and in any lands separately developed by Developer and located adjacent to the Property. Developer also reserves a perpetual right and easement to irrigate the Common Property with treated effluent from a wastewater treatment facility, if any. The benefit of these reservations shall inure to Developer and its specifically designated successors and assigns, but not in favor of any other Owner.

Section 5. Delegation. Any Owner (including Developer) may grant the benefit of any easement, right or privilege to tenants and guests for the duration of their tenancies or visits, but same shall not be construed to create any rights in the general public.

Section 6. MSTU/MSBU. Developer or the County may establish a municipal service taxing unit, municipal service benefit unit, or similar mechanism (sometimes referred to in this Declaration as "MSTU/MSBU"), to provide for any one or more of the following: (a) operation and maintenance by the County of any of the Common Property, and any recreational, drainage or other improvements thereon, for the uses and purposes set forth in this Declaration or in any applicable subdivision plat, which may or may not include a requirement that ownership of the affected lands and improvements be transferred to the County; (b) construction or improvement of recreation, drainage, sidewalk, wall, landscaping, open space, conservation, or other areas, improvements or facilities on or within the Areas of Common Responsibility or the Common Property or any easement areas for the use and benefit of the Property and the occupants thereof; and (c) construction, operation or maintenance of street lighting or any other service or benefit to or for the Property authorized under the terms of this Declaration or the MSTU/MSBU, or by the applicable governmental authority. It is anticipated that the costs incurred by the MSTU/MSBU will be billed directly to the Owners on the ad valorem tax bill for their Lot or to the Association for subsequent assessment to the Owners and Lots.

Article V

INSURANCE

The Board may obtain fidelity bond coverage in its discretion. In addition, the Board may obtain insurance for insurable improvements on the Common Property, any Area of Common

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-9-

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Responsibility, or on any easement benefiting the Owners or the Association, public liability policies covering the Association and Members for damage or injury caused by the negligence of the Association or any of its Members, guests or agents, directors' and officers' liability insurance, and any other types of insurance coverage as the Board may deem appropriate, with such insureds, deductibles provisions and coverage types and amounts as shall be determined by the Board. Premiums for insurance so obtained shall be a Common Expense. The Association may self-insure against any risk.

Article VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Lien and Personal Obligation.

a. Assessed Property. Developer, for each Lot owned by it in the Property, and each Owner other than Developer by acceptance of title to any Lot, whether or not it shall be so expressed in any deed or other conveyance, covenants and agrees to pay to the Association: (i) annual assessments or charges, (ii) special assessments, (iii) individual assessments, and (iv) the Start-Up Assessment. Such assessments shall be fixed, established and assessed as herein provided.

b. Exempt Property. The following property shall be exempt from the assessments, charges and liens created herein: (i) Common Property; (ii) lands owned by Developer which have not been annexed to the Property by this Declaration or any Supplemental Declaration; (iii) lands dedicated to the County or other governmental authority, any utility company or the public; (iv) Lots and other portions of the Property owned by Developer during the period of time that Developer subsidizes the Common Expenses of the Association pursuant Section 11 of this Article; and (v) Lots owned by any Builder until such time as a final certificate of occupancy is received for a Dwelling constructed on such Lot. No other land or improvements in the Property shall be exempt from these assessments, charges or liens. No Owner may avoid assessment obligations by virtue of non-use of the Common Property or abandonment of the Common Property.

Section 2. Purpose. The assessments levied by the Association may be used to promote the recreation, health, safety and welfare of the Owners, to perform the Association's duties and to exercise the powers conferred on it, to improve, operate, insure and maintain the Common Property and the Areas of Common Responsibility, and to pursue any other purpose deemed desirable or appropriate by the Board, including without limitation any one or more of the following: (a) payment of Association operating expenses; (b) lighting, irrigation, maintenance, improvement and beautification of roadways, streets and easement areas, and acquisition, maintenance, repair and replacement of community identification signs and traffic control devices, and control and regulation of traffic in the Property; (c) operation, maintenance, repair and management of any park and recreational facilities constituting Common Property or Areas of Common Responsibility; (d) payment of any amount due under any cable television

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-10-

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services agreement entered into in accordance with Article X hereof; (e) payment, contest or compromise of real and personal property taxes and assessments separately levied upon or assessed against the Association or the Common Property; (f) operation, management, insurance, replacement, maintenance, repair, beautification and improvement of the Common Property, Areas of Common Responsibility, any easement areas benefiting the Association; (g) repayment of any deficits previously incurred by the Association; (h) procurement and maintenance of insurance; (i) employment of accountants, attorneys and other professionals to represent or advise the Association; (j) operation, maintenance and repair of the Master Surface Water Management System for the Property in accordance with the terms of this Declaration and the requirements of the District; (k) monitoring of protected wetlands as required by the District, including, without limitation, funding for monitoring and maintenance of any wetland mitigation areas each year until the District determines that such areas are successful in accordance with the District permit; and (l) doing anything necessary or desirable in the judgment of the Board to keep the Property neat and attractive, to preserve or enhance the value thereof, to eliminate fire, health or safety hazards, or otherwise to benefit the Owners.

Section 3. Determination of Annual Assessments.

a. Operating Budget. At least thirty (30) days prior to the end of the Association's fiscal year, the Board shall prepare a budget of the estimated costs of operating the Association during the coming year ("Annual Budget"), including without limitation operational items such as overhead and indirect costs, insurance, utilities, taxes, professional fees, repairs, reserves, maintenance and other operating expenses, as well as charges to cover any deficits from prior years, and capital improvement budget items approved by the Board under subsection b., below. In addition, each year the Board shall prepare a budget based on estimated common expenses which would be incurred, assuming all Common Property and Areas of Common Responsibility and Lots planned for development within the Development were complete ("Buildout Budget"). Prior to transition of control in accordance with Article III, Section 3.d., the annual assessment for the coming year shall be computed by dividing the Buildout Budget by the number of Lots developed and anticipated to be developed within the Development. The number of Lots may change during development, and the Developer shall have no liability as a result of such change. Subsequent to transition of control in accordance with Article III, Section 3.d., the annual assessment for the coming year shall be computed by dividing the Annual Budget by the total number of Lots developed within the Development.

b. Capital Budget. Each year, the Board shall approve a capital budget taking into account the number, type, useful life and expected replacement cost of replaceable assets. The Board shall then set the required annual capital contribution in an amount sufficient to meet the projected capital needs of the Association on a timely basis. The annual capital contribution fixed by the Board shall then be included in the annual operating budget and annual assessments described in subsection a., above.


c. Adoption of Operating Budget and Annual Assessments. The Association shall mail to each Member at least thirty (30) days prior to the end of the Association's current fiscal

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-11-

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year a copy of the capital budget, operating budget and annual assessments approved by the Board to be levied for the next fiscal year. The annual assessments for each year may be increased by the Board without a meeting by an amount not to exceed five percent (5%) over and above the annual assessments for the preceding year, and such increase and associated operating budget shall not require the approval of the membership. In the event that the annual assessments exceed five percent (5%) over and above the annual assessments for the preceding year, then such proposed increase shall require a vote of two-thirds (2/3) of the Members, without regard to class, who are voting in person or by proxy, at a meeting duly called for this purpose. If the membership fails to approve the operating budget for the succeeding year which proposes an increase in excess of five percent (5%), or if the Board fails to propose a budget, then the budget and annual assessments for the preceding year shall continue in effect until a new budget is determined.

d. Allocation of Annual Assessments Among Lots. The operating budget of the Association shall be assessed against all Owners and Lots in the Property in an equal amount per Lot.

Section 4. Special Assessments. In addition to annual assessments, the Board may levy at any time a special assessment for the purpose of defraying the cost of any construction, repair or replacement of any improvement on the Common Property or Areas of Common Responsibility, or on any easement benefiting the Association, for the purpose of covering any budget deficits of the Association, or for any other purpose deemed desirable or appropriate by the Board; provided, however, that any such special assessment shall have the approval of a majority of the votes of the Members of each class who are in attendance and voting in person or by proxy at a meeting duly called for said purpose.

Section 5. Individual Assessment. The Board may levy an individual assessment against any Owner and that Owner's Lot and any Dwelling located thereon in order to cover costs incurred by the Association due to that Owner's failure to maintain its Lot or Dwelling pursuant to the standards set forth in this Declaration, or to reimburse the Association for loss or damage to the Association or to any Common Property, Area of Common Responsibility or easement area caused by that Owner or his lessee, agent, contractor or guest, and not covered by insurance, or for any other purpose expressly permitted by this Declaration.

Section 6. Commencement of Annual Assessments; Start-Up Assessment; Initial Annual Assessment; Increases; Due Dates. Annual assessments on the Lots in the Property shall commence upon the sale of the first Lot in the Property to a bona fide third party purchaser. The annual assessment for the Property for the calendar year 2006 shall be \$125 per Month per Lot. At the closing of the sale of each Lot in the Property by Developer to the first purchaser from Developer, the purchaser shall pay to the Association (a) a one time initial contribution ("Start-Up Assessment") in the amount of \$100.00, and (b) the entire annual assessment for the calendar year of closing, prorated on a per diem basis from the date of closing through the end of that calendar year. Thereafter, annual assessments shall be due, in advance, on or before the commencement of the Association fiscal year for which imposed; but the Board may elect to

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-12-

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collect annual assessments in monthly, quarterly or semi-annual installments. In the event of such deferred payments, the Board may but shall not be required to charge a uniform, lawful rate of interest on the unpaid balance. The Board may accelerate the balance of any annual assessment upon default in the payment of any installment thereon. Annual assessments which commence to accrue as to any Lot other than on the first day of the year shall be prorated for the balance of that year. After the one time Start-Up Assessment has been paid as to a Lot in the Property, subsequent purchasers of such Lot shall not be required to pay the Start-Up Assessment. The initial annual assessment for the Lots in each Additional Property shall be set forth in the relevant Supplemental Declaration.

Section 7. Certificate. Upon request, the Association shall furnish to any Owner a certificate setting forth whether required assessments have been paid. Such certificate shall be conclusive evidence in favor of third parties relying thereon of the payment of any assessment therein stated to have been paid.

Section 8. Lien. Assessments, together with such interest and late charges as shall be imposed by the Board at its discretion, and the cost of collection thereof, including without limitation court costs and reasonable attorneys' and legal assistants' fees before trial, at trial and on appeal, shall be a charge and a continuing lien upon the Lot against which such assessment is made, and upon any Dwelling located on said Lot, from and after the date on which such assessment is due. Each assessment, together with such interest, late charges, costs and fees, shall also be the personal obligation of each person who was an Owner of the Lot at the time the assessment fell due. If any assessment or installment thereon is not paid when due, then such assessment shall be delinquent and the delinquent assessment, together with interest, late charges, and collection costs, shall be secured by a continuing lien on the Lot as to which the assessment accrued, and upon any Dwelling located thereon. The lien shall bind the Lot and any Dwelling located thereon in the hands of the then Owner and of each subsequent Owner. The personal obligation of the Owner to pay such delinquent assessment shall remain that Owner's personal obligation for the statutory limitations period and personal liability shall not pass to successors in title unless expressly assumed by them.

Section 9. Priority. The assessment lien shall be prior to all other liens hereinafter created except taxes or assessments levied by any governmental authority, and except as to the lien of any first priority, purchase money mortgage of an institutional lender. The lien shall be prior to and superior in dignity to homestead status. Any first mortgagee which obtains title to a Lot by foreclosure of a mortgage, or by voluntary conveyance in lieu of such foreclosure, shall not be liable for the uncollected assessments or interest, late charges or collection costs pertaining to such Lot or chargeable to the former Owner thereof which became due prior to the acquisition of title by said mortgagee, and no mortgagee shall have the obligation to collect any such sums. No mortgagee shall have the obligation to collect any assessments or other amounts arising under this subsection, and no failure by the Owner to pay any assessments or other amounts arising under this subsection shall constitute a default under any first priority, purchase money mortgage of an institutional lender. Such unpaid amounts shall be deemed a Common Expense collectible from all Owners, including the acquiring mortgagee, on a pro-rata basis. Any

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-13-

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such transfer to or by a mortgagee shall not relieve the transferee of responsibility nor the Lot from the lien for assessments thereafter falling due.

Section 10. Remedies. If the delinquent assessment or installment thereon is not paid within thirty (30) days after the due date, the same shall bear interest from the date due at the highest lawful rate in Florida, or at such lesser rate as may be determined by the Board and uniformly applied, together with any late charge established by the Board and uniformly applied, and the Association may bring an action for collection against the Owner personally obligated to pay the same and to foreclose the lien against the Lot and any Dwelling located thereon by judicial foreclosure in the same manner as foreclosure of a mortgage, and there shall be added to the amount of such assessment the aforesaid interest, late charges, collection costs and attorneys' and paralegals' fees, and fees and collection costs shall be recoverable whether or not suit be brought. The Owner shall also be required to pay the Association any assessments against the Lot which become due during the period of foreclosure. In addition, the Board shall have the right to suspend the voting rights of any Member whose annual assessments are delinquent and remain unpaid for a period in excess of ninety (90) days. The Association shall have the right and power to bid at the foreclosure sale and to own sell, lease, encumber, use and otherwise deal with the Lot and any Dwelling thereon as owner thereof.

Section 11. Funding by Developer. Notwithstanding anything contained in this Declaration to the contrary, Developer shall not be obligated to pay any annual, special or individual assessment or Start-Up Assessment as to any Lot owned by it during any period of time that Developer pays the Common Expense actually incurred over and above the income derived from annual, special, or individual assessments or Start-Up Assessment collectible from the Class "A" Members. For purposes of this subsidy arrangement, Developer need not subsidize or pay replacement reserves or capital expenditures. Developer, at its option, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the assessments thereafter falling due for the Lots then owned by Developer, prorated as of the date of such notice.

Article VII

ARCHITECTURAL CONTROL

Section 1. Architectural Control. All Lots and Dwellings in the Property are subject to architectural review in accordance with this Article and any criteria established, adopted and revised from time to time ("Planning Criteria") by the Architectural Review Board (the "ARB"). The Planning Criteria may include any matters considered appropriate by the ARB not inconsistent with this Declaration. No site work, landscaping, utility extension, drainage improvement, paving, driveway, swimming pool, pool enclosure, building, fence, wall, or any other physical or structural improvement on or to any Lot, or change or alteration to the exterior of any existing structure or improvement, including change in color scheme, or to any existing landscaping, shall be commenced, erected or maintained until the plans showing such details as the nature, size, design, workmanship, shape, finished grade elevation, height, materials and

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-14-

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color of the same, together with a landscape plan and a plot plan showing the location relative to boundaries and adjacent improvements of such proposed improvements or changes, all as applicable, have been approved in writing by the ARB. It shall be the responsibility of each Owner at the time of construction of the Dwelling on that Owner's Lot to comply with the approved construction plans for the Master Surface Water Management System on file with the District pursuant to Chapter 40D-4, F.A.C.

Section 2. ARB. So long as Developer owns any Lots subject to this Declaration, Developer shall be entitled to appoint all members of the ARB. Thereafter, the membership of the ARB shall be determined by the Board. The ARB shall consist of no fewer than three (3) members, none of whom shall be required to be Owners or occupants of the Property. Nothing herein shall limit the right of an Owner to finish or alter the interior of that Owner's Dwelling as that Owner desires, so long as it is not visible from the outside. Decisions of the ARB shall be by majority action. No member of the ARB shall be entitled to compensation for services performed, but the ARB may employ professional advisors and pay reasonable compensation to such advisors at Common Expense. The ARB shall have the power to adopt a schedule of reasonable fees for processing requests for approval or proposed improvements. Such fees, if any, shall be payable to the ARB, in cash, at the time that plans and specifications are submitted.

Section 3. Approvals. Two (2) sets of plans, specifications and plot plans shall be submitted to the ARB by the Owner prior to applying for a building permit, which plans shall reflect any proposed improvement or structure of any kind, including without limitation, any building, fence, wall, sign, site paving, grading, parking and building additions, alteration, screen enclosure, sewer, drain, disposal system, decorative building, landscaping, landscape device or object or other improvement, the construction of placement of which is proposed upon any Lot, together with a copy of any required governmental permits other than the building permit. Unless waived by the ARB, all plans submitted to the ARB shall be prepared by an architect or engineer, said person to be employed by and at the expense of the Owner. The ARB may also require submission of samples of building materials and colors proposed for use on any Lot and may require such additional information as reasonably may be necessary for the ARB to completely evaluate the proposed structure or improvement in accordance with this Declaration and the Planning Criteria. Reviews shall be coordinated with required governmental approvals. If for any reason, including purely aesthetic reasons, the ARB should determine that a proposed improvement or alteration is not consistent with the Planning Criteria or Developer's development plan, or in the best interest of the Development, such improvement or alteration shall not be made. Approval of plans may be withheld not only because of noncompliance with any of the specific conditions, covenants and restrictions contained in this Declaration, but also by virtue of the dissatisfaction of the ARB with the location of the structure on the Lot, the elevation, color scheme, finish, design, proportions, architecture, drainage plan, shape, height, style and appropriateness of the proposed structures or altered structures, the materials used therein, the planting, landscaping, size, height or location of vegetation on the Lot, or because of its reasonable dissatisfaction with any other matter or thing which, in the judgment of the ARB, will render the proposed improvement or alteration inharmonious with the general development plan or the Planning Criteria. Submittals and re-submittals of plans shall be approved or

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-15-

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disapproved within thirty (30) days after receipt by the ARB. Failure of the ARB to respond in writing to a submittal or re-submittal of plans within such period shall be deemed to be approval of the plans as submitted or resubmitted. The ARB approval or disapproval shall be written and shall be accompanied by one (1) copy of the plans to be returned to the Owner. Whenever the ARB disapproves plans, the ARB shall specify the reason or reasons for such disapproval. Notwithstanding the foregoing, an Owner shall be permitted to construct an access ramp if a residential occupant of the Lot has a medical necessity or disability that requires a ramp for egress and ingress, subject to compliance with Section 720.304(5), Florida Statutes, as may be amended, and reasonable standards as may be imposed by the Developer or the ARB in accordance with applicable law.

Section 4. Violations. The work must be performed strictly in accordance with the plans as approved. If any improvement or structure is constructed, changed, modified or altered without prior approval of the ARB, or any improvement or structure approved by the ARB is not constructed in accordance with the plans therefor as approved by the ARB, then the Owner shall upon demand, cause the improvement or structure to be restored to be removed, if no plans were approved therefor, or comply with the plans and specifications approved by the ARB, and the Owner shall bear all costs and expenses of such restoration, including costs and reasonable attorney's fees of the ARB or the Association. If after plans have been approved, the improvements are altered, erected, or maintained upon the Lot other than as approved, the same shall be deemed to have been undertaken without ARB approval. After one (1) year from completion of any improvement, addition or alteration, said improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the provisions hereof unless a notice of such noncompliance executed by any member of the ARB shall appear in the County public records, or legal proceedings shall have been instituted to enjoin the noncompliance or to enforce compliance with these provisions.

Section 5. Variances. The ARB may grant variances from compliance with the architectural provisions of this Declaration or the Planning Criteria including without limitation restrictions upon height, size or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may reasonably require. Such variances must be written and signed by at least two (2) members of the ARB. The granting of any variance shall not operate to waive any of the terms and provisions of this Declaration or the Planning Criteria for any purpose except as to the particular Lot and the particular provision covered by the variance, nor shall it affect the Owner's obligation to comply with governmental requirements.

Section 6. Waiver of Liability. None of Developer, the ARB or the Association, or any agent or employee thereof, shall be liable to anyone submitting plans for approval or to any Owner, occupant or guest of the Property by reason of, or in connection with approval or disapproval of any plans, or for any defect in any plans submitted, revised or approved in accordance with the requirements of the ARB, or for any structural or other defect in any work done according to such plans. Approval of plans, or any other approvals, variances or consents, are given solely to protect the aesthetics of the Property in the judgment of the ARB and shall not

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-16-

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be deemed a warranty, representation or covenant that any action taken in reliance thereon complies with applicable laws, codes, rules or regulations, nor shall ARB approval be deemed approval of any plan or design from the standpoint of structural safety or conformity with building or other codes. Every person who submits plans for approval agrees, by submission of such plans, and every Owner or occupant of any Lot agrees, by acquiring title thereto or an interest therein, that it will not bring any action, proceeding or suit to recover any such damages.

Section 7. Enforcement. Developer and the Association shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction the Planning Criteria and the decisions of the ARB. Should Developer or the Association be required to enforce the provisions hereof by legal action, the reasonable attorneys' fees and legal assistants' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees and costs incurred on appeal from judicial proceedings, shall be collectible from the violating Owner. Should any Owner fail to comply with the requirements hereof after thirty (30) days' written notice, Developer and the Association shall have the right but not the obligation to enter upon the Owner's property, make such corrections or modifications as are necessary, or remove anything in violation of the provisions hereof or the Planning Criteria, and charge the cost thereof to the Owner as an individual assessment. Developer and the Association, or their agents or employees, shall not be liable to the Owner or to any occupant or invitee of any Lot for any trespass or damages or injury to property or person for any action taken hereunder unless caused by gross negligence or intentional wrongdoing.

Section 8. Developer Construction. The provisions of this Article shall not apply to Developer or any Builders. All Builders shall be subject to the architectural approval of the Developer only, whose approval shall not be unreasonably withheld. Once the Developer approves elevations and floor plans of a Builder for a Lot within the Development, such elevations and floor plans shall be deemed approved for any Lots within the Development, and no further approval by the Developer or the ARB shall be required.

Article VIII

EXTERIOR MAINTENANCE

Section 1. Owner's Responsibility. Each Owner shall keep and maintain the building improvements, including Dwelling, and landscaping located on that Owner's Lot in good and presentable condition and repair consistent with the approved plans therefor, and shall otherwise keep such Lot and all improvements located thereon in neat and attractive condition. To the extent not included in the areas required to be maintained by the Association pursuant to Section 4 of this Article, each Owner shall, at that Owner's expense, grass over, mow and keep free of trash and debris, on a routine basis, those portions of the Master Surface Water Management System located on that Owner's Lot (whether or not included in a platted drainage easement). When required, major repairs to, and major maintenance and reconstruction of, components of the Master Surface Water Management System will be performed by the Association, at Common Expense. Each Owner shall grass over, mow and keep free of trash and debris, on a

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-17-

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routine basis, the unpaved portion of any platted street(s) abutting the Owner's Lot. Each Owner shall be responsible for the maintenance, operation and repair of the swales on the Owner's Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. Landscape maintenance shall include without limitation irrigation, fertilization, weeding, mowing, trimming, spraying for insects and disease, and periodic replacement of damaged or diseased plantings.

Section 2. Sidewalks. All sidewalks shall be constructed in accordance with the requirements of the County. Each Owner shall be responsible to maintain, repair and replace the sidewalk abutting his or her Lot. Such maintenance, repair and replacement shall be at the sole cost and expense of the affected Owner. In the event an Owner shall fail to maintain the sidewalk abutting his or her Lot in a manner satisfactory to the Association, the Association may undertake necessary maintenance, repair or replacement of the sidewalk in accordance with the provisions of this Article. In no event shall the maintenance, repair or replacement of any sidewalk within the Development be an obligation of the County.

Section 3. Association's Right to Maintain. The Association shall have the right but not the obligation to provide exterior repair and maintenance on any Lot or any improvement thereon in the event of default by any Owner in the duties hereby imposed. Prior to performing repair or maintenance on any Lot, the Board shall determine that there is need of repair or maintenance and such need detracts from the overall appearance of the Property. Except in emergency situations, prior to commencement of any work, the Board must furnish written notice to the Owner to the effect that, unless specified repairs or maintenance are commenced within fifteen (15) days after the mailing of the notice, and thereafter diligently pursued to completion, the Association may procure said repairs. Upon the Owner's failure to commence timely and to diligently pursue the repairs or maintenance, the Association and its agents or employees shall have the right to enter in or upon the Lot and the exterior of any improvement thereon to perform the repairs or maintenance specified in the notice. In this regard, the Association shall have the right to do such things as paint, repair, replace and care for pools, pool enclosures, roofs, gutters, down spouts and exterior building surfaces, clean or resurface paved access ways and parking areas, trim and care for trees, shrubs, grass, walks, swales, berms and other landscaping and drainage improvements, as well as to provide general cleanup, shoreline maintenance, and removal of debris which in the opinion of the Board detracts from the overall beauty and setting of the Property. Developer, the Association, and their respective agents and employees, shall have no liability to the Owner or any occupant or guest for trespass, or damage or injury to property or person as the result of actions taken hereunder unless caused by gross negligence or intentional wrongdoing. The cost of any work performed by or at the request of the Association pursuant to this section shall be assessed as an individual assessment against the Owner of the Lot upon which such work is done. In order to perform the repairs or maintenance authorized by this Article, the agents or employees of the Association may enter upon any Lot and the exterior of any improvement located thereon during reasonable hours on any day except

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-18-

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Sundays and holidays, except that in an emergency situation, as determined by the Board, entry may be made at any time.

Section 4. Association's Responsibility. The Association shall maintain and keep in good condition and repair the Common Property and the Areas of Common Responsibility and any wall, landscaping, lighting, irrigation, sign, drainage and other improvements from time to time located thereon, including replacing any fixtures or appurtenances located in the Common Property or Areas of Common Responsibility, except to the extent of the Owner's responsibility pursuant to Section 1 above. All tracts within the Property containing portions of the Master Surface Water Management System for the Property as approved and permitted by the District shall be maintained by the Association, at Common Expense. The Association shall file with the District and the County Stormwater Office such annual reports as may be required by the applicable permit for the Master Surface Water Management System. It is the responsibility of the Association, at Common Expense, to operate, maintain and repair the Master Surface Water Management System and to enforce, or to take such appropriate action as may be necessary to cure violations of, the routine maintenance and non-interference covenants of the Owners under this Declaration, and, when appropriate, to levy special assessments or individual assessments therefor. Maintenance of the Master Surface Water Management System shall include the exercise of practices which allow the system to provide drainage, water storage, conveyance and other surface water management capabilities as permitted by the District. Any repair or reconstruction of the Master Surface Water Management System shall be as originally permitted or, if modified, as approved by the District. The Developer shall also have the right to enforce the obligations of the Association described in this section.

Article IX

RESTRICTIVE COVENANTS

The Property shall be subject to the following covenants and restrictions which shall bind each Owner and Lot:

Section 1. Wells. No individual water supply system shall be permitted on any Lot without the approval of the ARB, except as may be installed by the Association or the Developer for the purpose of irrigation associated with maintaining Common Property and Areas of Common Responsibility within the Development.

Section 2. Obnoxious or Offensive Activity. No activity or use shall be allowed upon the Property which is a source of annoyance, embarrassment or discomfort to Owners or their tenants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Property, nor shall any improper, unsightly, offensive or unlawful use be made of any Lot, Dwelling or the Common Property, and all laws and regulations of applicable governmental bodies shall be observed. The Property shall be used, enjoyed and occupied in such manner as not to cause or produce any of the following effects discernible outside any Dwelling; noise or sound that is objectionable because of its volume, duration, beat, frequency or

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Declaration

-19-

shrillness; smoke; noxious, toxic or corrosive fumes or gases; obnoxious odors; dust, dirt or fly ash; unusual fire or explosive hazards; vibration; or interference with normal television, radio or other telecommunication by other Owners.

Section 3. Rules and Regulations. Reasonable rules and regulations may be promulgated by the Board, after notice and hearing, as to the use and enjoyment of the Property and shall be observed by the Owners and occupants thereof. Such rules and regulations may involve such matters as air conditioning units, signs, mailboxes, temporary structures, noisy mufflers or other nuisances, garbage and trash disposal, parking, traffic, state of repair of vehicles, tree removal, pets, game and play structures and devices, swimming pools, television and telecommunications devices and antennae, driveways, walkways, sight distances at intersections, garages, and fences. These matters are set out by way of illustration only and shall not be construed to limit the authority of the Board to promulgate and enforce reasonable rules and regulations. Such rules and regulations may augment or clarify the terms of this Declaration or any term, covenant or restriction herein contained.

Section 4. Animals. Birds, fish, dogs, cats, reptiles, insects and all other non-human organisms (collectively, "Animals") may be kept as pets only, and shall not be held or offered for sale or maintained or bred for any commercial use. Livestock, including but not limited to horses, cattle, poultry and pigs, specifically are not allowed as permitted Animals. Animals shall be sheltered inside Dwellings and the total number of Animals per Dwelling shall be limited to three (3). No separate or exterior shelter for Animals shall be permitted. All Animals must be kept in a fully fenced area or leashed when outside and shall not be permitted to run loose. No Animals shall be permitted to remain on the Property if they disturb the tranquility of the Property or the Owners or tenants thereof, if they are unlawful, dangerous, annoying or a nuisance to or destructive of wildlife, or if they are specifically excluded from the Property by the Board after notice and hearing. Where more restrictive than the foregoing, all applicable leash laws shall be complied with at all times within the Property.

Section 5. Garbage and Trash. No trash, garbage or other waste material or refuse shall be placed or stored on any part of the Property except in covered or sealed sanitary containers. All such sanitary containers must be stored within each Dwelling or placed within an enclosure or concealed by means of a screening wall approved by the ARB. Except for normal construction debris on any Lot during the course of construction of the Dwelling, no weeds, garbage, refuse or debris of any kind shall be placed or permitted to accumulate upon any portion of the Property.

Section 6. Storage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and same may be installed only within an approved accessory building, within a screened area, or buried underground, and shall otherwise comply with standards established from time to time by the ARB or applicable law.

Section 7. Vehicles. No vehicle may be parked on the Property except within garages or on paved streets and paved driveways. No inoperative vehicles shall be allowed to remain on

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the Property in excess of forty-eight (48) hours unless kept in an enclosure and not visible from the street or any other Lot. No commercial vehicles, except those present on business, shall be parked on any part of the Property. For purposes of this provision, "commercial vehicles" shall mean cars, trucks or any other motorized vehicles, and trailers that may be attached thereto, which are used primarily for business rather than personal purposes. No trailers, boats, campers, trucks, mobile homes, motorized recreational vehicles or motorcycles may be parked in the Property unless parked inside a garage.

Section 8. Temporary and Portable Structures. No building or structure of a temporary or portable character such as trailers, tents, shacks, storage units or utility sheds, inclusive of greenhouse structures and potting sheds, shall be permitted in the Property except as temporary improvements used solely in connection with the construction of approved permanent improvements and removed immediately upon completion of such construction. All such temporary or portable structures must be approved by the Developer prior to placement on the Property. Neither Developer nor any Builder doing business in the Property shall be prohibited from erecting or maintaining temporary dwellings, model homes and other structures for development and marketing purposes, provided such are in compliance with the appropriate governmental requirements, and further provided that any Builder first obtains Developer's written approval of such temporary dwelling, home or structure prior to installing or constructing same, such approval to be granted or denied by Developer in Developer's sole discretion. Such rights of the Developer and Builders shall survive the turnover of control of the Association to the Class "A" Members and shall continue for so long as the Developer or any such Builders owns any Lots within the Property.

Section 9. Signs. No sign (including garage sale signs, brokerage signs, or for sale, lease, or rent signs), advertisements, billboards, solicitation or advertising structures or materials of any kind shall be displayed or placed upon any Lot or within any Dwelling; provided, however, street numbers and signs identifying the Lot owner by name shall be permitted. Developer or the Association may enter upon any Lot and remove any sign which violates this section. Except as provided below, no signs or advertising materials displaying the names or otherwise advertising the identity of contractors, subcontractors, real estate brokers or the like employed in connection with the construction, installation, alteration or other improvement upon, or the sale or leasing of a Lot and/or Dwelling shall be permitted. No signs shall be permitted to be displayed on or within vehicles parked on or kept within the Property visible from the outside, including without limitation lettering or display on a vehicle used in a trade or business. The prohibition on signs displayed on or within vehicles shall not apply to the temporary parking of commercial vehicles used for construction or repair services, pick-up and delivery services and other commercial services being provided to a Lot and/or Dwelling which do not remain overnight. This section shall not apply to Developer or to any Builder doing business in the Property provided that any such Builder first obtains Developer's written approval of any such structures or materials prior to installing same, such approval to be granted or denied by Developer in Developer's sole discretion. Such rights of the Developer and residential builders shall survive the turnover of control of the Association to the Class "A" Members and shall continue for so long as the Developer or any such builders owns any Lots within the Property.

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-21-

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Section 10. Air Conditioning Equipment. No air conditioning equipment other than compressor units may be visible on the exterior of any Dwelling unless previously approved by the ARB, which approval may be based on the adequacy of screening of such equipment. Window or wall air conditioning units are prohibited.

Section 11. Drainage Structures; Master Surface Water Management System. Unless first approved by the ARB and the District, no Owner other than the Developer may obstruct, alter or in any way modify the method and/or structures of drainage utilized or installed by Developer or the Association from, on or across any Lot, Common Property or easement area; nor shall any structure or material be erected, placed or maintained which shall in any way obstruct such drainage devices or facilities or impede their efficient operation. No elevation changes shall be permitted on any Lot which materially adversely affect the drainage of or to neighboring Lots or the Common Property.

The Owners shall not remove native vegetation (including cattails) that becomes established within the wet detention ponds abutting their Lot. Removal includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Lot Owners shall address any questions regarding authorized activities within the wet detention ponds to the District Service Office, Surface Water Regulation Manager.

No Owner of a Lot or other property within the Development may construct or maintain any building, Dwelling, or structure, or undertake or perform any activity in any portion of the Master Surface Water Management System, including, without limitation, the wetlands, wetland mitigation areas, buffer areas, upland conservation areas and drainage easements described in the approved District permit and recorded plat or plats of the Development, unless prior approval is received from the District's Regulation Department. Such prohibited activities shall include, without limitation, digging or excavation, depositing fill, debris or any other material or item, constructing or altering any water control structure, or any other construction to modify the Master Surface Water Management System.

Each Owner within the Development at the time of construction of a building, Dwelling, or structure shall comply with the construction plans for the Master Surface Water Management System approved and on file with the District.

Section 12. Exterior Electronic or Electric Devices. No exterior telecommunications, radio, microwave or television mast, tower, pole, wire, aerial, satellite receiving stations or dish, antenna or appurtenances thereto (if in excess of one (1) meter), nor any other exterior electronic or electric equipment, structures or devices of any kind may be installed or maintained in the Property without the prior written approval of the ARB. Notwithstanding anything herein to the contrary, satellite dishes less than one (1) meter in diameter do not require the prior written approval of the ARB; provided, however, the ARB shall have the ability to monitor the location of any such satellite less than one (1) meter in diameter and such dishes shall not be visible from

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-22-

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the front of any Lot, so long as reception is not impaired in such a way as to impair acceptable quality signal.

Section 13. Subdivision. No part of the Property shall be further subdivided without the prior written consent of Developer for so long as Developer owns any Lot, and thereafter by the Board.

Section 14. Completion. Upon commencement of construction of improvements on any Lot, the Owner shall diligently prosecute the work to the end that the improvements shall be completed as expeditiously as is reasonable. The Owner of the Lot on which improvements are being built shall keep the streets and areas adjacent to the Lot free from dirt, mud, garbage, trash or other debris occasioned by construction.

Section 15. Excavation. No clearing or excavation shall be made except incident to construction, maintenance or repair of an improvement; and upon completion thereof exposed openings shall be back-filled, and disturbed ground shall be leveled, graded and covered with sod or seeded in accordance with the approved landscape plan.

Section 16. Fences and Walls. Except for walls constructed by Developer, there shall be no fence or wall permitted on any Lot unless it meets the requirements below and has been approved by the ARB as to size, material, color, location, etc. Landscape buffers may be required by the ARB on the outside of any fences and walls. All fences must be PVC material of a design equal to the "Lakeland" style as manufactured by Danielle Fence, or equal. No fence or wall may be constructed in the following areas of any Lot: (a) between the street along the front of the Dwelling and a straight line being the extensions of the surface of the furthest set back portion of the front side of the Dwelling to each of the two side Lot lines; (b) between the street facing a side of the Dwelling and a straight line being the extension of the surface of the furthest set back portion of the side of the Dwelling to the rear Lot line; or (c) in any drainage, landscape or other easement area shown on any plat of the Property. (Any fence or wall within a drainage easement area must comply with Section 11 above.) Notwithstanding anything herein to the contrary, so long as Developer or builders designated by Developer maintain any model homes within the Property, they shall have the right to fence all or any part of any Lots being used for parking for the term of such use.

Section 17. Yard Accessories, Play Structures and Portable Basketball Structures. All yard accessories and play structures (such as climbing sets, forts, swing sets, and play houses), shall be located at the rear of the Dwelling, except that, in the case of Dwelling(s) on corner Lots, such accessories and structures shall be restricted to the side yard furthest from the side street and to that portion of the rear yard which is no closer to the side street than a fence would be permitted to be located under Section 16(b), above. Portable basketball structures are permitted at the front of the Dwelling or Lot only when in use and shall be stored in the garage when not in use. No permanent basketball structures are permitted to be affixed to any Lot or Dwelling.

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Section 18. Use, Rentals. Lots shall be used for single family residential purposes only. Owners may rent or lease Dwellings for periods of at least thirty (30) days and not in excess of one (1) year provided that (a) the Owner delivers thirty (30) days' prior written notice of the lease or rental to the Association, together with a copy of the written lease or rental agreement; (b) the tenant completes such informational form as may be required by the Association and Owner delivers the same to the Association prior to commencement of the tenancy; and (c) the Association shall have the right to enforce its rules and regulations and the restrictions set forth in this Declaration against such tenant and the Owner but without any obligation to do so against tenant, such enforcement being the sole responsibility of the Owner.

Section 19. Pools. Swimming pools may not be located in the front or side yard of any Lot, nor nearer than the Dwelling to any side street Lot line.

Section 20. Dwellings and Garages.

- a. No Dwelling shall have a heated area of less than 1,500 square feet, exclusive of screened area, open porches, terraces, patios and garage.
- b. No Dwelling shall exceed two (2) stories in height, nor shall it exceed thirty-five (35) feet in height.
- c. No projections of any type other than chimneys, skylights and vent stacks shall be placed or permitted to remain above any roof of the Dwelling, except in accordance with this Article.
- d. No Dwelling shall have exposed structural block on its front elevation.
- e. All driveways shall be constructed of solid concrete or decorative pavers approved by the ARB.
- f. All oil tanks, soft water tanks, wood piles, water softeners, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other or similar mechanical fixtures and equipment, shall be screened or located so as not to be visible from a street or other Lot. This provision shall not apply to central air conditioning compressor units, which shall be governed by Section 10 above.
- g. All Dwellings shall have at least a two (2) car garage, which shall not be enclosed for use as a living area.

Section 21. Tree Removal and Landscaping. Except by Developer, trees measuring six (6) inches or more in diameter at three (3) feet or more above ground level shall not be cut or removed without the prior written consent of the ARB; provided, however, trees located within six (6) feet of the location of the Dwelling as approved by the ARB may be removed without prior approval. More restrictive arbor ordinances or environmental laws shall control in the event

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-24-

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of conflict herewith. There shall be no removal of trees or Lot clearing, other than clearing of underbrush, until the ARB has approved in writing a general, conceptual landscape plan that designates those existing trees to be retained and preserved on the Lot. Unless prohibited by law, natural vegetation shall be finished by removal of underbrush and addition of mulch.

Section 22. Collection. All trash, garbage and refuse shall be placed for pickup not earlier than the evening preceding pickup, and all containers for garbage and refuse shall be returned no later than the evening of pickup to their normal, hidden location. Except for normal construction debris on any Lot during the course of construction of the Dwelling, no weeds, garbage, refuse or debris of any kind shall be placed or permitted to accumulate upon any portion of the Property.

Section 23. Pumping or Draining. The Owner of any Lot which includes or is adjacent to any pond, creek, bay head, or other body of water shall not reduce the depth or size of said body of water by pumping or draining therefrom.

Section 24. Ramps. No skateboard or bicycle ramp or similar structure shall be permanently installed or maintained overnight on any portion of any Lot located forward of the rear wall of the Dwelling or adjacent to any side street.

Section 25. Security Bars. No security bar system may be installed on any window or door of any Dwelling in the Property.

Section 26. Energy-Saving Devices. The Association shall be empowered to adopt rules governing the type of clotheslines, solar collectors, solar heating panels and other energy-saving devices that may be permitted on any Lot and establish reasonable restrictions relating to safety, location and maintenance thereof. Clotheslines permissible pursuant to the rules of the Association may only be installed in a rear yard location, not visible from the street or neighboring property. This restriction and all rules promulgated pursuant hereto shall be construed so as to not conflict with, or violate the terms of Section 163.04, Florida Statutes.

Section 27. Flags. No flags, banners, or pennants or similar items may be displayed where visible from the roadway adjacent to the Lot except flags permitted by Section 720.304(2), Florida Statutes, as may be amended, and which are displayed in a respectful manner and otherwise consistent with the Association's rules and regulations.

Section 28. Zoning. Each Owner, by acceptance of the deed to its Lot or any portion of the Property, acknowledges and agrees that the Property, and all portions thereof, are subject to zoning conditions applicable to the Development as approved by the Board of County Commissioners of the County, and as may be amended from time to time ("Zoning"). Each Owner shall comply with and not violate any terms and conditions of the Zoning. No Owner may impose any additional covenants or restrictions on any part of the Property without the prior written approval of Developer, for so long as Developer owns any Lots, and thereafter without the prior written approval of the Board.

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Declaration

-25-

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Section 29. Developer Reservation. Any provision of this Declaration to the contrary notwithstanding, until Developer has completed all of the contemplated improvements and closed the sales of all of the Lots, neither the Owners nor the Association shall interfere with the completion of Developer's or any Builder's planned improvements and the sale of the Lots. Developer and each Builder may make such lawful use of the unsold Lots and the Common Property, without charge, as may facilitate such completion and sale, including, but not limited to, maintenance of sales and construction trailers and offices, the showing of the Lots and the display of signs and the use of Lots for vehicular parking.

Article X

CABLE TELEVISION

Section 1. Services. The Developer, for itself and the Association, is authorized to negotiate and enter into a contract for the provision of cable television services to the Development, under such terms and conditions as the Developer or the Association, as applicable, deems appropriate in its discretion, and otherwise, if applicable, subject to the requirements of Section 720.3055, Florida Statutes. To the extent that bulk cable television service is to be provided under such a contract, then any charges therefore shall be added to the budget of the Association and shall be a portion of the annual assessment payable by the Owners of all Lots in the Development. If a bulk service contract is entered into, then the provision of additional premium cable services to each Lot shall be determined by each individual Owner, and the cost of such additional premium cable services shall be borne directly by such individual Owner. If any cable television service contract entered into does not provide for bulk services, then the scope and cost for cable services to be provided to each Lot shall be determined by each individual Owner, and the cost thereof shall be borne directly by such individual Owner. Further, to the extent that any easements for the installation and maintenance of cable television facilities are required over any Lot to provide cable television service to the Dwelling to be constructed on such Lot, then the builder or developer of such Lot shall grant to the cable television service provider with whom the Developer or the Association has entered into a written agreement any such easements as are reasonable required by such cable television provider.

Section 1. Easements. Developer and the Association reserve the right to grant, blanket and specific easements to any provider of services in any Common Property for installation and maintenance of the associated system. Such providers shall also have the right to use such easement areas dedicated for utilities as permitted by the Developer or the Association, from time to time. To the extent that any easements for the installation and maintenance of facilities are required over any Lot to provide cable television service to the Dwelling to be constructed on such Lot, then the Builder of such Lot shall grant to the service provider with whom the Developer or the Association has entered into a written agreement any such easements as are reasonably required by such provider.

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Section 2. Performance. The Association shall not be responsible or liable for the performance or non-performance of such service providers, but shall use reasonably diligent efforts to enforce adequate performance under such agreement for the benefit of the Owners.

Section 3. Incentives. Any access fee, per Lot fee or other incentive paid by any provider of intranet, internet, television and radio telecommunications, and/or other services for the Lot shall be retained by the Developer. The Association, and each Owner have no interest therein, and each waives any claim to such fees or incentives.

Article XI

AMENDMENT

The holders of at least two-thirds (2/3) of the votes in the Association (without regard to class) may change or amend any provision hereof either (1) by causing the Association to execute and record a written instrument setting forth such amendment, or (2) by causing a certified copy of a duly adopted resolution of the Owners to be prepared, and having the same recorded in the Public Records of the County. In addition, Developer may amend this Declaration for so long as Class "B" membership exists, without the joinder or consent of any Owner or other party, to correct a scrivener's error, meet the requirements of the HUD, FHA, VA, the District, or any other agency of government, or for any other purpose deemed appropriate by Developer. Any proposed amendment may be initiated by the Developer, the Association, or by petition signed by at least ten percent (10%) of the Owners. If a proposed amendment is to be adopted by vote, a written copy of the proposed amendment shall be furnished to each Owner at least thirty (30) days but not more than ninety (90) days prior to the meeting to discuss the proposed amendment. If adopted by vote, the affirmative vote required for adoption shall be two-thirds (2/3) of the votes in the Association, without regard to class. The amendment shall be effective upon recording in the public records of the County.

Article XII

HUD/FHA/VA AND DISTRICT APPROVAL RIGHTS

Notwithstanding anything in this Declaration to the contrary, as long as there exists Class "B" membership, if any one or more of HUD, FHA or VA requires approval or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any mortgage lien on the Common Property, dedication to the public of any Common Property, any amendment of this Declaration, or dissolution of the Association, by any one or more of said agencies as a condition of making, insuring or purchasing loans on Dwellings in the Property, and any such loan has been approved, insured or purchased by the applicable agency at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained. In addition, any amendment to this Declaration which alters the Master Surface Water Management System beyond maintenance in its original condition, including the surface water

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Declaration
-27-

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management portions of the Common Property, must have the prior approval of the District. This Declaration may not be amended without the prior written consent of the District if such amendment would change any of the provisions of this Declaration governing or affecting the operation, maintenance or repair of the Master Surface Water Management System for the Property.

Article XIII

DURATION AND TERMINATION

This Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by Developer, the Association and any Owner, and their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date this Declaration is recorded in the public records, after which time this Declaration and each Supplemental Declaration shall be automatically extended for successive periods of ten (10) years unless prior to the commencement of any 10-year extension period an instrument signed by the Owners of eighty percent (80%) of the Lots and agreeing to terminate this Declaration is recorded in the Public Records of the County.

Article XIV

ENFORCEMENT

Section 1. Remedies for Violations. If any person shall violate this Declaration, it shall be lawful for Developer, any Owner, or the Association (a) to prosecute proceedings for the recovery of damages against those so violating this Declaration, (b) to maintain a proceeding in any court of competent jurisdiction against those so violating this Declaration, for the purpose of preventing or enjoining all or any such violations, or (c) to maintain a proceeding for any other equitable or legal recourse or remedy available at law or in equity. In addition, whenever there shall have been built or there shall exist on any Lot any structure, thing or condition which violates this Declaration, Developer or the Association (but not any Owner) shall have the right, but not the obligation, to enter upon the Lot where such violation exists and summarily to abate and remove the same, all at the expense of the Owner of such Lot, which expense shall constitute an individual assessment to be treated and collected as set forth in Article VI, and such entry and abatement or removal shall not be deemed a trespass or make Developer or Association, or the agents or employees of either, liable for any damages on account thereof. The remedies contained in this provision shall be cumulative of all other remedies now or hereafter provided by law or this Declaration. The failure of Developer, the Association, or an Owner to enforce any covenant, restriction, obligation, right, power, privilege or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

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Declaration

-28-

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Section 2. Presuit Requirement; Alternative Dispute Resolution. Notwithstanding anything to the contrary in this Declaration, any dispute between the Association and Owner regarding use of or changes to a Lot or the Common Areas, or disputes regarding enforcement of covenants, disputes regarding amendments to the Governing Documents, meetings of the Board, and committees appointed by the Board, membership meetings (not including meetings for election), and access to the official records of the Association, shall be filed for mandatory mediation before any such dispute is filed in court, in the manner and as required by Section 720.311, Florida Statutes, as may be amended.

Section 3. District Enforcement. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions of this Declaration which relate to maintenance, operation and repair of the Master Surface Water Management System. In addition to the enforcement rights of the Developer and the Association as set forth elsewhere in this Declaration, the District shall have the right to take enforcement measures, including a civil action for injunction and/or penalties, against the Association to compel the Association to correct any outstanding problems with the Master Surface Water Management System which are in violation of Article IX, Section 1 hereof. If the Association ceases to exist, all of the Owners shall be jointly and severally responsible for the operation and maintenance of the Master Surface Water Management System in accordance with the requirements of the District's permit for the Development unless and until an alternative entity assumes responsibility therefor.

Section 4. Action Against Developer. Any action brought by the Association against the Developer, at law or in equity, shall require at least three-fourths (3/4) of the votes of the outstanding Class "A" votes in the Association.

Section 5. Severability. The invalidation of any provision or provisions of the covenants and restrictions set forth herein by judgment or court order shall not affect or modify any of the other provisions of said covenants and restrictions, which other provisions shall remain in full force and effect.

Section 6. Attorneys' Fees. Unless otherwise required by law, in the event Developer or any Owner brings suit to enforce any provision hereof or for damages on account of any breach of this Declaration or any warranty, covenant, condition, requirement or obligation contained herein, Developer or any other Owner will be entitled to recover from the other party(ies), in addition to any damages or other relief granted as a result of such litigation, all costs and expenses of such litigation, including without limitation reasonable attorneys' fees.

Section 7. Notices. All notices shall be in writing. Any notice sent to an Owner shall be deemed to have been properly sent when hand delivered or when mailed, postage paid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing. Notices may be sent by like method to Developer at the address set forth in the preamble to this Declaration, and by like method to the Association at its address last registered with the Office of the Secretary of State, State of Florida.

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Declaration

-29-

THIS IS NOT A
IN WITNESS WHEREOF, Developer has executed this Declaration on the day and year first
above written.

WITNESSES:

Witness #1

Printed Name

Witness #2

Printed Name

DEVELOPER:

ARCHERD KINGSWAY LLC,
a Florida limited liability company

By: The Archerd Company,
Its: Manager

By:

Frederic M. Archerd, Jr.

Its: President

STATE OF FLORIDA
COUNTY OF Hillsborough

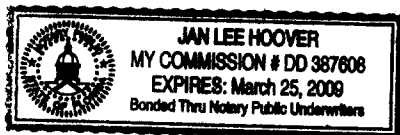
THE FOREGOING INSTRUMENT was acknowledged before me this 11 day of January, 2006, by Frederic M. Archerd, Jr., as President of The Archerd Company, the Manager of Archerd Kingsway LLC, a Florida limited liability company, on behalf of the Company. He is personally known to me or has produced _____ as identification.

(NOTARY STAMP)

Name:

Title: Notary Public

My Commission Expires: _____



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EXHIBIT "A"
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[Legal Description of Kingsway Estates Phase 1 attached]

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Declaration

-31-

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LEGAL DESCRIPTION

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KINGSWAY PHASE 1

Description: KINGSWAY PHASE I, according to the map or plat thereof as recorded in Plat Book 106, Page 162 of the Public Records of Hillsborough County, Florida

KINGSWAY PHASE 2
(PLAT)

DESCRIPTION: A parcel of land lying in Sections 26 and 35, Township 28 South, Range 20 East, Hillsborough County, Florida, and being more particularly described as follows:

Commence at the Northeast corner of said Section 35 for a **POINT OF BEGINNING**, run thence along East boundary of the Northeast 1/4 of the Northeast 1/4 of said Section 35, S.00°42'57"E., 830.92 feet to a point on a curve on the Northerly maintained right-of-way line of U.S. Highway No. 92 (State Road No. 600); thence along said Northerly maintained right-of-way line, the following two (2) courses: 1) Westerly, 300.87 feet along the arc of a curve to the right having a radius of 2873.34 feet and a central angle of 05°59'58" (chord bearing S.74°50'45"W., 300.73 feet) to a point of tangency; 2) S.77°50'44"W., 1420.15 feet; thence N.12°10'00"W., 628.93 feet to a point on the Southerly boundary of KINGSWAY PHASE 1, according to the plat thereof as recorded in Plat Book __, Page __, of the Public Records of Hillsborough County, Florida; thence along the Southerly and the Easterly boundaries of said KINGSWAY PHASE 1, the following eleven (11) courses: 1) N.89°50'00"E., 162.71 feet; 2) N.82°40'14"E., 50.00 feet to a point on a curve; 3) Northerly, 48.72 feet along the arc of a curve to the right having a radius of 975.00 feet and a central angle of 02°51'46" (chord bearing N.05°53'53"W., 48.71 feet) to a point of tangency; 4) N.04°28'00"W., 46.45 feet to a point of curvature; 5) Northeasterly, 38.08 feet along the arc of a curve to the right having a radius of 25.00 feet and a central angle of 87°16'14" (chord bearing N.39°10'07"E., 34.50 feet) to a point of reverse curvature; 6) Easterly, 88.92 feet along the arc of a curve to the left having a radius of 1025.00 feet and a central angle of 04°58'14" (chord bearing N.80°19'07"E., 88.89 feet); 7) N.12°10'00"W., 50.00 feet; 8) N.77°50'00"E., 23.86 feet; 9) N.12°10'00"W., 220.00 feet; 10) N.77°50'00"E., 25.00 feet; 11) N.12°10'00"W., 187.56 feet to a point on the Southerly maintained right-of-way line of Orsley Road; thence along said Southerly maintained right-of-way line, S.89°27'12"E., 218.88 feet to a point on the West boundary of the aforesaid Northeast 1/4 of the Northeast 1/4 of Section 35; thence along said West boundary of the Northeast 1/4 of the Northeast 1/4 of Section 35, N.00°19'44"W., 11.68 feet to the Southwest corner of the Southeast 1/4 of the Southeast 1/4 of the aforesaid Section 26; thence along the West boundary of said Southeast 1/4 of the Southeast 1/4 of Section 26, N.00°30'57"W., 666.39 feet to the Southwest corner of the North 1/2 of said Southeast 1/4 of the Southeast 1/4 of Section 26; thence along the South boundary of said North 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 26, S.89°22'08"E., 440.57 feet; thence along the West boundary of the East 2/3 of said North 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 26, N.00°29'44"W., 511.12 feet to a point on the Southerly

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limited access right-of-way line of Interstate Highway No. 4 (State Road No. 400) per Florida Department of Transportation Right-of-way Map Section 10190-2428; thence along said Southerly limited access right-of-way line, the following four (4) courses: 1) N.61°33'36"E., 179.50 feet to a point on a curve; 2) Northeasterly, 531.76 feet along the arc of a curve to the left having a radius of 28781.44 feet and a central angle of 01°03'31" (chord bearing N.66°24'43"E., 531.75 feet); 3) N.65°52'58"E., 170.70 feet; 4) N.85°10'01"E., 74.10 feet to a point on the East boundary of the Northeast 1/4 of said Southeast 1/4 of Section 26; thence along said East boundary of the Northeast 1/4 of the Southeast 1/4 of Section 26, S.00°27'43"E., 226.34 feet to the Northeast corner of the aforesaid Southeast 1/4 of the Southeast 1/4 of Section 26; thence along the East boundary of said Southeast 1/4 of the Southeast 1/4 of Section 26, S.00°27'43"E., 1337.39 feet to the **POINT OF BEGINNING**.

Containing 73.443 acres, more or less

KINGSWAY OFF-SITE DRAINAGE PARCEL

DESCRIPTION: A parcel of land lying in the Southwest 1/4 of Section 25, Township 28 South, Range 20 East, Hillsborough County, Florida and being more particularly described as follows:

Commence at the Southwest corner of said Section 25 and run thence along the West boundary of said Section 25, N.00°27'43"E., 263.84 feet to the POINT OF BEGINNING; thence continue along said West boundary of Section 25, N.00°27'43"W., 721.50 feet; thence N.80°45'58"E., 508.68 feet; thence S.10°50'00"E., 241.71 feet; thence S.10°15'16"W., 330.84 feet to a point on a curve; thence Southwesterly, 542.44 feet along the arc of a curve to the left having a radius of 1437.08 feet and a central angle of 21°37'37" (chord bearing S.63°33'17"W., 539.23 feet) to the **POINT OF BEGINNING**. Containing 7.365 acres, more or less

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ARTICLES

[Articles of Incorporation of Association attached.]

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Declaration

-32-

THIS IS NOT A
ARTICLES OF INCORPORATION
OF KINGSWAY ESTATES
HOMEOWNERS ASSOCIATION, INC.
CERTIFIED COPY

In compliance with the requirements of Chapter 617 and 720, Florida Statutes, the undersigned incorporator has executed, adopted and caused to be delivered for filing these Articles of Incorporation for the purpose of forming a corporation not for profit and does hereby certify:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is KINGSWAY ESTATES HOMEOWNERS ASSOCIATION, INC. (hereinafter called the "Association").

ARTICLE II

PRINCIPAL OFFICE OF THE ASSOCIATION

The principal place of business and the mailing address of the Association is located at 214 Shore Crest Drive, Tampa, FL 33609.

ARTICLE III

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the Association is 214 Shore Crest Drive, Tampa, FL 33609, and the name of the initial registered agent to accept service of process within the State of Florida at that address is Frederic M. Archerd, Jr.

ARTICLE IV

DEFINITIONS

Unless otherwise provided herein to the contrary, all terms used in these Articles shall have the same definitions and meanings as those set forth in that certain Declaration of Covenants, Conditions and Restrictions for Kingsway Estates Homeowners Association recorded or to be recorded in the Public Records of Hillsborough County, Florida, as it may from time to time be amended (hereinafter called the "Declaration").

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ARTICLE V

PURPOSE AND POWERS OF THE ASSOCIATION

The Association does not contemplate pecuniary gain or profit to the Members thereof. The specific purposes for which the Association is formed are to promote the health, safety, and general welfare of the residents within the Property described in that certain Declaration of Covenants, Conditions and Restrictions for Kingsway Estates Homeowners Association, to be recorded in Hillsborough County, Florida, and any additions thereto as may hereafter be brought under the jurisdiction of the Association. The Association shall not pay dividends and no part of any income of the Association shall be distributed to its Members, directors or officers. The Association shall have all the powers of a non-profit corporation organized under the laws of the State of Florida, subject only to such limitations upon the exercise of such powers as are expressly set forth in these Articles, the Bylaws, or the Declaration. The Association shall have the power and duty to do any and all lawful things which may be authorized, assigned, required or permitted to be done by the Declaration, these Articles or the Bylaws, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association for the benefit of the Owners and for the maintenance, operation and improvement of the Property, Common Property and Areas of Common Responsibility, including, without limitation, the following powers:

- (a) Own and convey real property;
- (b) Own, operate, maintain and convey the Common Property and to operate and maintain Areas of Common Responsibility, including, without limitation, the Master Surface Water Management System and any personal property owned by the Association;
- (c) Operate and maintain the Master Surface Water Management System including all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lake, flood plain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas;
- (d) Grant easements as to the Common Property to public and private utility companies, including, without limitation, cable television, and to public bodies or governmental agencies or other entities or persons, with or without cost or charge at the sole discretion of the Board, where convenient, desirable or necessary in connection with the development of the Properties, and the providing of utilities and other services thereto, and to enter into shared facilities agreements and related reciprocal easement agreements as may be deemed desirable to provide for utilities and other facilities, and the maintenance thereof and costs associated therewith with any third parties, including, without limitation, homeowners', condominium and property owners' associations and other public and private utility companies, agencies and entities;

S: Clients/William Ryan Homes/Kingsway Estates/Kingsway Estates HOA Articles V1

Articles -2-

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- (e) Establish rules and regulations for the operation of the Association, the Common Property and the Development;
 - (f) Annex additional real property in accordance with the provisions of the Declaration;
 - (g) Sue and be sued;
 - (h) Fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the Association;
 - (i) Abate nuisances and enjoin or seek damages from Owners for violation of the provisions of these Articles, the Bylaws, the Declaration and any rules and regulations of the Association;
 - (j) Contract for services to be provided to and for the benefit of the Association, including, without limitation, contract for services to provide for the operation and maintenance of the Master Surface Water Management System if the Association contemplates employing a maintenance company for such purposes, and contracts for utility, telecommunications, and internet services whether through franchise agreements or otherwise; and
 - (k) Purchase insurance of any nature in such amounts and with such companies as the Board shall deem necessary or appropriate.

ARTICLE VI

MEMBERSHIP

Section 1. Members. Every person or entity who is a record Owner of a fee interest in any Lot in the Property shall be a Member of the Association. The Developer under the Declaration shall also be a Member for so long as Developer owns any portion of the Property. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association. The Association membership of each Owner (other than Developer) shall be appurtenant to and may not be separated from the Lot giving rise to such membership, and shall not be transferred except upon the transfer of title to said Lot and then only to the transferee of title thereto. Any prohibited separate transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

S: Clients/William Ryan Homes/Kingsway Estates/Kingsway Estates HOA Articles V1

Articles -3-

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Section 2. Classes. The Association shall have two (2) classes of voting membership:

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- (a) Class "A". Class "A" Members shall be all Owners of Lots, with the exception of Developer for so long as Developer retains Class "B" voting rights. Class "A" Members shall be entitled on all issues to one (1) vote for each Lot in which they hold the interest required for membership.
 - (b) Class "B". The sole Class "B" Member shall be Developer. Developer shall be entitled to three (3) votes for each Lot actually or potentially included in the Property owned by Developer. The actual number of votes of Developer shall be determined, from time to time, in accordance with the terms of the Declaration. The Class "B" Member shall be entitled to cast all of its votes in any vote or election held by the Association.
 - (c) Termination of Class "B" Membership. As each Lot in the Property is conveyed by Developer to a Class "A" Member, Developer's votes for that Lot shall lapse. The Class "B" membership shall terminate and become converted to Class "A" membership upon the earlier of the following:
 - (i) When the total outstanding Class "A" votes in the Association equals or exceeds the total outstanding Class "B" votes; or
 - (ii) Twenty (20) years from the date of recording this Declaration; or
 - (iii) At such earlier time as Developer, in its discretion, may so elect.

Upon the happening of any one of these events, Developer shall call a special meeting of the Members to advise of the termination of Class "B" membership, and provide written notice of such event.

Section 3. Multiple Owners. Each vote in the Association must be cast as a single vote, and fractional votes shall not be allowed. If joint or multiple Owners are unable to agree among themselves as to how their vote is to be cast, none of the votes for that Lot shall be counted. If any Owner casts a vote on behalf of a Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot. If more than one Class "A" vote is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

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ARTICLE VII

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BOARD OF DIRECTORS

The affairs of this Association shall be managed and administered by a board of directors ("Board") consisting of at least three (3) members. Initially, the Board shall consist of three (3) members, with the number in subsequent years to be determined by the members of the Board or by amendment to the Bylaws of the Association; provided that there shall always be an odd number of directorships created. Each director must be either (1) a Member of the Association, or (2) an officer, director or agent either of Developer or of a member of Developer. The names and addresses of persons who are to act in the capacity of director until appointment or election of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Frederic M. Archerd, Jr.	214 Shore Crest Drive Tampa, FL 33609
Delton Cunningham	6522 Gunn Hwy. Tampa, FL 33625
Jason P. Janssen	3925 Coconut Palm Drive, Suite 117 Tampa, FL 33619

Any other provision of this Article VII to the contrary notwithstanding, Owners other than Developer shall be entitled to elect at least a majority of the members of the Board not later than the earliest of the events specified in Article VI, Section 2(c) above. Until then, Developer shall be entitled to appoint and remove all members of the Board. Thereafter, Developer shall be entitled to elect at least one (1) member of the Board as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of the Development. After Developer relinquishes control of the Association, Developer may exercise the right to vote any Developer-owned voting interests in the same manner as any other Owner, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board. Interim vacancies in the Board shall be filled by Developer until Developer has no authority to appoint directors and thereafter by the majority of the remaining directors, and any such appointed director shall serve for the remaining term of his predecessor. After Developer relinquishes its right to appoint the Board, the Members shall elect the directors by majority vote, for staggered terms of three (3) years each. To create the staggered terms, one post shall become vacant in one (1) year and a successor director shall be elected. The second post shall be deemed vacant at the end of the second year, and a successor director shall be elected. The third post shall be deemed vacant at the end of the third year, and a successor director shall be elected. All successor directors shall serve for terms of three (3) years each. In the event that the number of people comprising the Board is changed, such change in number

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Articles -5-

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shall be implemented in such a manner as to have as nearly equal in number as possible the
number of directors whose terms expire in any given year.

ARTICLE VIII

OFFICERS

The day-to-day affairs of the Association shall be administered, subject to the direction and authority of the Board, by the officers of the Association, which may include a President, Vice President, Secretary and Treasurer and such other officers as permitted by the Bylaws. The Developer shall have the right to appoint and remove any officer so long as Developer has the right to appoint the members of the Board; thereafter the officers shall be appointed by the Board and they shall serve at the pleasure of the Board. The names and addresses of the officers who shall serve until their successors are designated by the Board are as follows:

NAME

ADDRESS

President:

Frederic M. Archerd, Jr.

214 Shore Crest Drive
Tampa, FL 33609

Vice President:

Jason P. Janssen

3925 Coconut Palm Drive, Suite 117
Tampa, FL 33619

Secretary/Treasurer:

Delton Cunningham

6522 Gunn Hwy.
Tampa, FL 337625

ARTICLE IX

DURATION

The corporation shall commence to exist upon the filing of these Articles with the Florida Department of State and shall thereafter exist in perpetuity. In the event the Association is dissolved, the Master Surface Water Management System and any other Common Property shall be conveyed to an appropriate agency of local government, and that if such property is not accepted thereby, then the Master Surface Water Management System and any other Common Property shall be dedicated to another not for profit corporation.

THIS IS NOT A ARTICLE X CERTIFIED COPY AMENDMENTS

Amendments to these Articles shall be proposed and adopted in the following manner:

Section 1. Notice. Notice of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered and shall be otherwise given in the time and manner provided in Chapters 617 and 720, Florida Statutes. Such notice shall contain the proposed amendment or a summary of the changes to be affected thereby.

Section 2. Adoption. Amendments shall be proposed and adopted in the manner provided in Chapters 617 and 720, Florida Statutes. Subject to the terms of Section 3 below and Article XIV, any amendment to these Articles shall require the assent of two thirds (2/3) of the votes of the entire membership without regard to class.

Section 3. Amendment by Developer. Notwithstanding the provisions of Sections 1 and 2 of this Article X, the Developer shall have the right to amend these Articles at any time in its sole and absolute discretion so long as Class B Membership exists.

Section 4. Recording. A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the public records of Hillsborough County, Florida.

Section 5. Limitations. No amendment shall be made that is in conflict with the Declaration.

ARTICLE XI

BYLAWS

The Bylaws of the Association shall be adopted by the Board and may be altered, amended, or rescinded in the manner provided in the Bylaws.

ARTICLE XII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. The Association shall defend, indemnify and hold harmless any person who is made a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceedings, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, committee member, employee or agent of the Association:

S: Clients/William Ryan Homes/Kingsway Estates/Kingsway Estates HOA Articles V1

Articles -7-

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(a) From and against expenses (including reasonable attorneys' fees for pretrial, trial, or appellate proceedings), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with an action, suit, or proceeding (other than one by or in the right of the Association), if he acted in good faith, and, with respect to any criminal action or proceedings, he had no reasonable cause to believe his conduct was unlawful; and

(b) From and against expenses (including reasonable attorneys' fees for pretrial, trial, or appellate proceedings) actually and reasonably incurred by him in connection with the defense or settlement of an action or suit by or in the right of the Association, if he acted in good faith.

Section 2. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith, or, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that his conduct was unlawful.

Section 3. Notwithstanding any other provision hereof to the contrary, no indemnification shall be made with respect to any claim, issue, or matter as to which such person shall have been adjudged to be liable for gross negligence or misconduct in the performance of his duty to the Association.

Section 4. Any indemnification under Section 1 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director or officer, committee member, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Section 1. Such determination shall be made (a) by the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or (b) if such quorum is not obtainable, or even if obtainable and a quorum of disinterested Directors so directs, by a majority vote of Members of the Association.

Section 5. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association from time to time as incurred rather than only after the final disposition of such action, suit, or proceeding. Payment of such expenses shall be authorized by the Board in each specific case only after receipt by the Association of an undertaking by or on behalf of the director or officer to repay such amounts if it shall later develop that he is not entitled to be indemnified by the Association.

Section 6. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which the Association's directors, officers, committee members, employees or agents may be entitled under the Bylaws of the Association, agreement, vote of Members or disinterested directors, or otherwise, both as to actions in their official capacities and as to action in another capacity while holding such offices or positions, and shall continue as to a

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person who has ceased to be a director, officer, committee member, agent or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 7. Notwithstanding the foregoing provisions, indemnification provided under this Article shall not include indemnification for any action of a director, officer, committee member, agent or employee of the Association for which indemnification is deemed to be against public policy. In the event that indemnification provided under this Article is deemed to be against public policy, such an event shall not invalidate or affect any other right or indemnification herein provided.

Section 8. The Association shall have the power, but shall not be obligated, to purchase and maintain indemnification insurance to provide coverage for any liability asserted against any director, officer, committee member, agent or employee of the Association in any of his capacities as described in Section 1, whether or not the Association would have the power to indemnify him or her under this Article.

Section 9. Any person requesting indemnification shall first look to any insurance maintained by the Association for indemnification against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement (as described above). The Association shall be obligated to indemnify such person (if entitled to indemnification by the Association) only to the extent such insurance does not indemnify such person. In the event that any expenses, judgments, fines, or amounts paid in settlement are paid pursuant to insurance maintained by such Association, the Association shall have no obligation to reimburse the insurance company.

ARTICLE XIII

INCONSISTENCY

In the event of any inconsistency between the terms and provisions contained in the Declaration and those contained in these Articles of Incorporation, the terms and provisions of the Declaration shall prevail.

ARTICLE XIV

REQUIRED APPROVALS

Notwithstanding anything in these Articles to the contrary, as long as there exists a Class "B" membership, if any one or more of HUD, FHA or VA requires approval or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any mortgage lien on the Common Property, dedication to the public of any Common Property, any amendment of the Declaration or these Articles, or dissolution of the Association, by any one or more of said agencies as a condition of making, insuring or purchasing loans on Dwellings in the Property, and any such loan has been approved, insured or

S: Clients/William Ryan Homes/Kingsway Estates/Kingsway Estates HOA Articles V1

Articles -9-

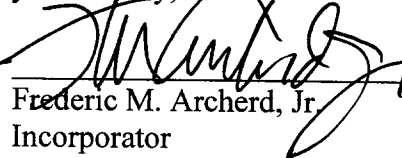
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purchased by the applicable agency at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained. In addition, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Master Surface Water Management System must be transferred to and accepted by an entity which would comply with Section 40D-4, F.A.C., and be approved by the Southwest Florida Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XV

INCORPORATOR

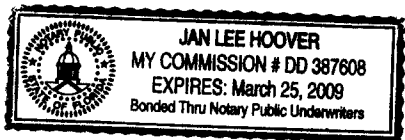
The name and street address of the sole incorporator of these Articles of Incorporation is Frederic M. Archerd, Jr.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, constituting the sole incorporator of this Association, has executed these Articles of Incorporation this 11th day of January, 2006.

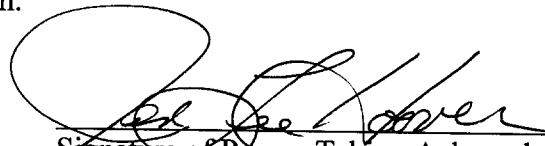

Frederic M. Archerd, Jr.
Incorporator

STATE OF FLORIDA
COUNTY OF Hillsborough

The foregoing Articles of Incorporation were acknowledged before me this 11th day of January, 2006, by Frederic M. Archerd, Jr., who is personally known to me or had produced _____ as identification.



(NOTARY SEAL)


Signature of Person Taking Acknowledgment
JAN LEE HOOVER
Name of Acknowledger Typed, Printed or Stamped

Notary Public, State of Florida

Notarial Serial Number

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**CERTIFICATE DESIGNATING REGISTERED AGENT FOR
SERVICE OF PROCESS**

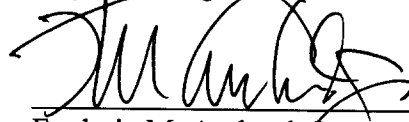
Pursuant to Chapters 48 and 617, Florida Statutes, the following is submitted in compliance with said Acts.

KINGSWAY ESTATES HOMEOWNERS ASSOCIATION, INC., desiring to organize as a corporation under the laws of the State of Florida, with its registered office at 214 Shore Crest Drive, Tampa, FL 33609, has named Frederic M. Archerd, Jr., located at the above-registered office, as its Registered Agent to accept service of process within this State.

ACKNOWLEDGMENT:

Having been named to accept service of process for the above-stated corporation at the place designated in this Certificate, I hereby accept to act in this capacity and agree to comply with the provisions of said Acts relative to keeping open said office.

Registered Agent:



Frederic M. Archerd, Jr.

Dated: January 11, 2006

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BYLAWS

[Bylaws of Association attached.]

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Declaration

-33-

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BYLAWS
OF
KINGSWAY ESTATES
HOMEOWNERS ASSOCIATION, INC.
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ARTICLE I

IDENTITY AND LOCATION

These are the Bylaws of KINGSWAY ESTATES HOMEOWNERS ASSOCIATION, INC., herein called the Association, a not for profit corporation organized and existing under Chapters 617 and 720, Florida Statutes, for the purpose of administering the Property, as defined in and in accordance with the terms and conditions of that certain Declaration of Covenants, Conditions and Restrictions for Kingsway Estates Homeowners Association (the "Declaration"). The principal office of the Association shall be located at 214 Shore Crest Drive, Tampa, FL 33609, but meetings of the Board may be held at such places within the State of Florida as may be designated by the Board.

ARTICLE II

GENERAL

Section 1. Incorporation of Declaration. As supplemented herein, the regulation of the business and affairs of the Association shall be governed by certain provisions of the Declaration, as amended from time to time, which are incorporated herein by reference as if set forth verbatim.

Section 2. Definitions. The definitions set out in the Declaration are incorporated herein by reference.

ARTICLE III

ASSOCIATION PURPOSES AND POWERS

Section 1. Association's Purposes. The Association has been organized for the purposes set forth in the Declaration and Articles, including, without limitation, the following:

- (a) to own, operate, maintain and convey the Common Property and to operate and maintain Areas of Common Responsibility, including without limitation the Master Surface Water Management System, and any personal property owned by the Association;
- (b) to provide maintenance for both the Common Property and the Areas of Common Responsibility;

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(c) to fix assessments to be levied against the Lots in the Property;

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(d) to enforce any and all covenants and agreements contained in the Declaration; and

(e) to pay taxes and insurance, if any, on the Common Property or Areas of Common Responsibility.

Section 2. Records of the Association. The Association shall maintain such documents as may be required by Chapter 720, Florida Statutes, as amended from time to time including each of the following items, when applicable, which constitute the official records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Property or Areas of Common Responsibility;
- (b) A copy of these Bylaws and of each amendment thereto;
- (c) A copy of the Articles and of each amendment thereto;
- (d) A copy of the Declaration and each amendment thereto;
- (e) A copy of the current rules of the Association;
- (f) The minutes of all meetings of the Board;
- (g) All of the Association's insurance policies or copies thereof;
- (h) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility; and
- (i) The financial and accounting records of the Association, kept according to good accounting practices, which financial and accounting records shall be maintained for a period of at least seven (7) years. The financial and accounting records shall include: (1) accurate, itemized, and detailed records of all receipts and expenditures, (2) a current account and a periodic statement of Assessments or other charges, the due date and amount of each Assessment or other charge, the date and amount of each payment on the account, and the balance due, (3) all tax returns, financial statements, and financial reports of the Association, and (4) any other records that identify, measure, record, or communicate financial information.

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Section 3. Inspection of Records. The official records of the Association shall be maintained within the State of Florida and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of written request for access. This Section may be complied with by having a copy of the records available for inspection or copying in the Development. Notwithstanding the foregoing, the records set forth in Section 720.303(5), Florida Statutes, shall not be accessible to Members.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Association shall be held within ninety (90) days after all Dwellings and other improvements to be constructed by the Developer, or builders and developers within the Development, on the Property and any additions thereto have been completed and conveyed to Members other than the Developer, builders or developers, or other third parties, as applicable, or at such earlier date as Developer may establish in a written notice to the membership. Each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. Business transacted at the annual meeting shall include the election of directors of the Association.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the president, the Board or upon written request of Members entitled to vote one-half (1/2) of all votes in the Association.

Section 3. Notice of Meeting. Actual notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, within the time and in the manner set forth in Section 720.306, Florida Statutes, as the same may be amended from time to time.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If such quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of title to that Member's Lot.

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ARTICLE V BOARD OF DIRECTORS

Section 1. Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed by a board of directors ("Board"). The initial Board shall consist of at least three (3) directors who shall be selected by the Developer. In subsequent years, the Board shall determine the number of members of the Board; provided that there shall always be an odd number of directorships created. Each director must be either (a) a Member of the Association, or (b) an officer, director or agent either of Developer or of a member of Developer. The Developer shall have the sole right to appoint and remove any member or members of the Board of the Association pursuant to Article VII of the Articles until the earliest of the events specified in Article III, Section 3.c., of the Declaration. At such time, the members of the Board shall be determined as set forth in Article VI herein. Developer shall be entitled to elect at least one (1) member of the Board as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of the Development.

Section 2. Vacancies in the Board of Directors. Vacancies in the Board shall be filled by Developer until Developer has no authority to appoint directors and thereafter by the majority of the remaining directors, or by a sole remaining director. Any such appointed director shall serve for the remaining term of his predecessor.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. At such time as the Developer is no longer entitled to appoint all of the directors pursuant to Article V above (and with the exception of the one (1) director Developer is entitled to elect as set forth in Article V, Section 1 above), nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members, subject to Article VII of the Articles.

Section 2. Election. When the Board is chosen by the Nominating Committee, said election to the Board shall be by secret written ballot. At such election the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative

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voting is not permitted and votes must be made in person at a Members' meeting or by ballots
the Members personally cast.
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ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Board of Directors' Powers Generally. The Board has the power to exercise for and on behalf of the Association all powers, duties, and privileges vested in, or delegated to, the Association and not reserved to its Membership by any provision of these Bylaws, the Articles, the Declaration, or applicable law. Without limitation, the Board may employ all managers, independent contractors, professional advisors, and employees and agents as the Board deems advisable, prescribe their duties, and fix their compensation, if any. The Board has the authority to contract for services and materials to be provided for the benefit of the Owners or the Property consistent with the provisions of the Declaration.

Section 2. Rules and Regulations. The Board has the power from time to time to adopt, amend, rescind, and enforce reasonable rules and regulations governing the use of all or any portion of the Property and the Association's activities, so long as such rules and regulations are consistent with the rights and duties established by the Articles and the Declaration.

Section 3. Enforcement.

- a. Authority. For a material violation of any of the Governing Documents by a Member or his family members, tenants, guests, contractors, agents or invitees, the Board has the authority to: (i) require any Member to make restitution to the Association for any loss resulting from any violation; and/or (ii) impose reasonable fines; and/or (iii) suspend for a reasonable period of time, the rights of a Member or a Member's family members, tenants, guests or invitees, or both, to use the Common Property.
- b. Procedures. Imposition of any of the foregoing sanctions requires the following procedures:
 - i. Notice. Prior to imposition of a fine or sanction, the party against whom the fine or sanction is to be imposed shall be afforded an opportunity for hearing after reasonable notice in the form and in the manner required by, and as provided in Section 720.305(2)(a), Florida Statutes, as may be amended from time to time.
 - ii. Hearing. The alleged violation shall be presented to a committee of at least three Members appointed by the Board who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee of the Association (the

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"Committee"). The person(s) against whom the sanctions may be imposed shall have an opportunity to respond, to present evidence, to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Committee. A written decision of the Committee shall be submitted to the person(s) not later than twenty-one (21) days after the hearing. If the Committee does not by majority vote approve the sanction, the sanction shall not be imposed.

- iii. Penalties. For each non-compliance or violation, the Board may impose a fine not in excess of One Hundred Dollars (\$100.00). However, each day that a non-compliance or violation is allowed to exist may be deemed another violation, provided that no such fine shall, in the aggregate, exceed One Thousand Dollars (\$1,000.00). For violations of the Governing Documents pertaining to the use of Common Property recreational facilities or other common facilities, the Board may also suspend a Member's or Member's family member's, tenant's, guest's or invitee's use of such facilities for a period not to exceed ninety (90) days. The Board shall consider, among other factors, the nature of the violation and the number of prior violations of the same or similar rules or regulations by the violator.
- iv. Payment of Penalties. Fines shall be paid not later than ten (10) days after receipt of notice of the imposition or assessment of a fine, and thereafter shall bear interest until paid at the interest rate adopted by the Board for delinquent assessments.
- v. Collection of Penalties. Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in the Declaration; provided, however, that only fines for assessment delinquencies may become a lien against a Lot.
- vi. Application of Penalties. All monies received from penalties shall be allocated as directed by the Board.
- vii. Limitation. The requirements of this subsection do not apply to the imposition of suspensions or fines authorized by the Governing Documents upon any Member because of the failure of the Member to pay assessments or other charges when due.
- c. Expenses. In addition to the sanctions set forth above, if the Association incurs any expenses in enforcing the provisions of the Governing Documents against an Owner or his or her family members, tenants, guests or invitees after the Association's initial notice (the "Initial Notice") setting forth the violation or non-compliance and the expiration of any cure period stated in the Initial Notice,

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then the Owner shall reimburse the Association for all expenses incurred by the Association after the Initial Notice within ten (10) days of the Association's statement setting forth the expenses. The foregoing includes all expenses incurred by the Association after the Initial Notice that are reasonably necessary to obtain compliance by the offending Owner or his family members, tenants, guests or invitees, including without limitation, fees and costs charged by attorneys for additional demands for compliance or the Sanction Notice described in subparagraph (b) above. Expenses shall be treated as an assessment subject to the provisions for the collection of assessments as set forth in the Declaration. The Owner shall be liable for payment of the Association expenses as set forth above, whether or not the Association invokes the provisions of subparagraph (b) above.

Section 4. Suspension of Membership Rights. The Board is authorized, without prior notice, to suspend any Member's voting rights during any period in which the Member is more than ninety (90) days delinquent in the payment of any assessment levied by the Association.

Section 5. Assessments. The Board has the power to determine what, if any, assessments are to be levied pursuant to the Declaration.

Section 6. Board of Directors' Duties. It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by at least one-fourth (1/4) of the Class "A" Members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot;
 - (2) send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and
 - (3) foreclose the lien against any Lot for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay same;
- (c) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment as against third parties relying thereon;
- (d) procure and maintain adequate liability, hazard and other insurance on any Common Property or Areas of Common Responsibility;

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- (e) cause all officers or employees having fiscal responsibilities to be bonded, if the Board deems appropriate;
 - (f) cause the Common Property, Areas of Common Responsibility, and the Master Surface Water Management System for the Property to be maintained;
 - (g) prepare the annual budget in accordance with the Declaration; and
 - (h) prepare a roster of the Owners and Lots and the assessments applicable thereto, which roster shall be kept in the office of the Association.

Section 7. Resignation. A director of the Association may resign at any time by giving a written notice to the Board of the Association. The resignation of any director shall take effect upon delivery of the notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. Removal. For the period set forth in Article V, Section 1 above, any director may only be removed, with or without cause, by the Developer. Thereafter, except as otherwise provided in the Declaration, any director may be removed, with or without cause, by a two-thirds (2/3) vote of the members of the Board.

Section 9. Directors' Fees. There shall be no directors fees paid to members of the Board, except that directors shall be entitled to reimbursement of out-of-pocket costs authorized by the Board.

ARTICLE VIII

DIRECTORS' MEETINGS

Section 1. Directors' Annual Meeting. The annual meeting of the Board shall be held at the discretion of the Board with ample notice given to each member.

Section 2. Notice. Not less than ten (10) days written notice of such annual meeting shall be given to each director, and notice of the meeting shall be conspicuously posted in the Development. To the extent not expressly stated herein, the provisions of Section 720.303(2), Florida Statutes, as amended from time to time, shall control as to the manner of providing notice of meetings of the Board.

Section 3. Regular Meetings. Regular meetings of the Board shall be held at such time and at such place and hour as may be fixed from time to time by a majority of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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Section 4. Special Meetings. Special meetings of the Board shall be held when called by any officer of the Association or by any two (2) directors after not less than three (3) days notice to each director.

Section 5. Waiver of Notice. A director may waive notice of a meeting of the directors before or after the date and time stated in the notice. Except as otherwise provided in this Section 5, the waiver must be in writing, signed by the director entitled to the notice and filed with the minutes or corporate records. Attendance of a director at any meeting shall constitute waiver of notice of such meeting, except where the director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. If a meeting otherwise valid of the Board is held without notice where such is required, any action taken at such meeting shall be deemed ratified by a director who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto. Objection by a director shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

Section 6. Action Upon Written Consent Without a Meeting. Action of the Board may be taken without a meeting upon the written consent signed by all members of the Board. Any such action without a meeting shall be effective on the date the last Board member signs the consent or on such date as is specified in the consent. Any such action by written consent shall have the same effect as a vote taken at a meeting of the Board.

Section 7. Board Quorum and Voting. The majority of the Board shall constitute a quorum thereof. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Directors may not vote by proxy or by secret ballot at board meetings, except that secret ballots may be used in the election of officers.

ARTICLE IX

OFFICERS

Section 1. Association Officers. The officers shall be a President, a Vice-President, a Secretary and a Treasurer. The officers may be, but shall not be required to be, members of the Board.

Section 2. Election of Officers. The Developer shall have the sole right to appoint and remove any officer of the Association for the period of time during which the Developer may appoint and remove directors as set forth in Article V, Section 1 above. Thereafter, all officers shall hold office at the pleasure of the Board.

Section 3. Removal of Officer. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his

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successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine. When a final decision regarding an expenditure of Association funds is to be made by such special appointment, no vote may be made by proxy or secret ballot.

Section 5. Multiple Offices. The holding of multiple offices shall be permitted.

Section 6. Duties. The duties of the officers are as follows:

- (a) President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members and of the Board. Except where otherwise provided by law or these Bylaws, the president shall have the general powers and duties of supervision and management of the Association, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments, shall co-sign all promissory notes, and shall perform all such other duties as are incidental to his or her office or as are required by the Board.
- (b) Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board or the president.
- (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.
- (d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

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ARTICLE X

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LIABILITY AND INDEMNIFICATION

Section 1. Liability of Board Members. No Board member or officer of the Association shall be liable to any Owner for any decision, action or omission made or performed by such Board member or officer in the course of his duties unless such Board member or officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws.

Section 2. Indemnification. To the fullest extent allowed by Section 617.0831, Florida Statutes, as same may be amended, and subject to any limitations set forth in the Declaration or Articles, the Association shall indemnify the directors, officers, employees, agents and other persons specifically designated from time to time by the Board whom it may indemnify pursuant to law. In this connection, the Association is authorized to take out such insurance as it may deem necessary or desirable consistent with such indemnification.

ARTICLE XI

INSURANCE

The Board or its duly authorized agent shall obtain hazard insurance for improvements to the Common Property and Areas of Common Responsibility and a broad form public liability policy covering all Common Property and Areas of Common Responsibility and all damage or injury caused by negligence of the Association or any of its agents as more fully described in the Declaration.

ARTICLE XII

AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws adopted by the directors so long as Developer has the authority to appoint the directors and thereafter by a majority vote of the Board present, in person or by proxy, and entitled to vote at a regular or special meeting of the Board; provided that any matter which is in fact governed by the Declaration may not be amended except as provided in the Declaration. Notwithstanding anything herein to the contrary, HUD, FHA and VA shall have the right to veto any amendments to these Bylaws as long as a Class "B" membership exists.

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ARTICLE XIII

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COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XIV

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual, special and individual assessments which are secured by a lien upon the property against which the assessment is made.

ARTICLE XV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Kingsway Estates Homeowners Association, Inc., a Florida not for profit corporation," and the year of incorporation in the center of that circle.

ARTICLE XVI

GENERAL

Section 1. Conflicts. It is intended that the provisions of the Declaration which apply to the governance of the Association, as supplemented by the provisions in these Bylaws which are not contained in the Declaration, shall operate as the Bylaws of the Association. In the case of any conflict between such provisions set forth in the Declaration and these Bylaws, the Declaration shall control.

Section 2. Waiver. No provision of these Bylaws or any regulation promulgated by the Board pursuant hereto shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 3. Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

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Section 4. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

Section 5. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

Section 6. Roberts Rules. All meetings of the membership of the Board shall be conducted in accordance with *Roberts Rules of Orders Revised*.

Section 7. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 8. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the meanings given to those terms in the Declaration.

IN WITNESS WHEREOF, we, being all of the directors of Kingsway Estates Homeowners Association, Inc., have adopted these Bylaws as the Bylaws of the Association this 11th day of January, 2006.

Delton Cunningham, Director

Frederic M. Archerd, Jr., Director

Jason P. Janssen, Director

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EXHIBIT "D"
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DESCRIPTION OF FUTURE LANDS ELIGIBLE FOR ANNEXATION

[Legal description of Phase 2 attached.]

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Declaration

-34-