

EXHIBIT “2”

TUSCANY AT HAMMOCK DUNES, A CONDOMINIUM

RULES AND REGULATIONS

1. GENERAL RULES

1.1 Terms not otherwise defined in these Rules and Regulations shall have the meanings ascribed to such terms in the Declaration of Condominium for Tuscany at Hammock Dunes, a Condominium.

1.2 The parking garage is solely for the use of the owners and occupants of Units, and their respective family members, tenants, invitees and guests. Passenger automobiles, sport/utility vehicles, pickup trucks, vans and motorcycles (used for personal transportation and not commercially) that do not exceed the size of one parking space may be parked in the parking garage in the areas provided for that purpose. Garage parking spaces are assigned. Commercial vehicles, commercial trucks, campers, motor homes, trailers, boats and boat trailers are prohibited in the parking garage and the exterior surface parking spaces. Bicycles and mopeds shall be parked only in the bike storage areas or as may otherwise be designated by the Board of Directors. Vehicle maintenance is not permitted on the Condominium Property. All vehicles must be currently licensed and no inoperable or unsightly vehicles may be kept on Condominium Property. The Association shall be exempt from this regulation for vehicles which are engaged in any activity relating to construction or maintenance as are commercial vehicles used by vendors of the Association while engaged in work at the Condominium. For vehicle identification purposes, residents' are to report to the Association Office all authorized vehicle information for each unit such as make, model, color and the license plate numbers and shall report to same of any change.

1.3 Recreational facilities will be used in such a manner as to respect the rights of others, and the Board Directors may regulate duration of use, hours of opening and closing and schedule their use.

1.4 No exterior radio, television or telephone or any exterior wiring for any purpose may be installed without the written consent of the Board of Directors.

1.5 To maintain harmony of exterior appearance no one shall make any changes to, place anything upon, affix anything to or exhibit anything from any part of the Condominium or Association property visible from the exterior of the building or from Common Elements without the prior written consent of the Board of Directors. All curtains, shades, drapes and blinds shall be white or off-white in color or lined with material of these colors. The type and color of tile or other hard surface covering installed on balconies and terraces of Units must be approved by the Board of Directors. Owners shall submit to the Board at least three (3) samples of requested tile or other hard surface covering, which shall be earth tone in color.

1.6 All common Elements inside and outside the buildings will be used for their designated purposes only, and nothing belonging to Owners, their family, tenants or guests shall be kept therein or thereon without the approval of the Board of Directors, and such areas shall at all times be kept free of obstruction. Owners are financially responsible to the Association for damage to the Common Elements caused by themselves, their tenants, guests and family members.

1.7 Unit Owners may not keep in any Unit or bring upon the Common Elements any animals or pets other than dogs, cats, caged birds and aquarium fish which are usually and commonly kept as household pets, provided that any such permitted pets shall only be allowed to remain in the Unit if such pets are: (i) permitted to be kept by applicable laws and regulations; (ii) not left unattended on balconies or lanai terraces; (iii) not being kept or raised for commercial purposes; and (iv) quiet, inoffensive and not a nuisance to residents of other Units or neighboring buildings. No more than two (2) pets are permitted in a Unit. Guests or tenants are not permitted to keep or maintain any pets or animals within Units or bring any pets or animals upon the Condominium Property, unless otherwise permitted by the Board of Directors of the Association. Further, pets shall be subject to the following conditions:

1.7.1 Pets shall not be permitted outside of their Owner's Unit unless attended by an adult and on a leash not more than six (6) feet long.

1.7.2 No pets shall be permitted in the pool area, leashed or unleashed.

1.7.3 Pets shall only be walked or taken elsewhere on those portions of the Common Elements and the Hammock Dunes common property designated by the applicable association or entity governing same from time to time for such purposes, if any. Pets are not permitted in the Tuscany Grand Salon area or front entrance area unless carried by Owner or Guest.

1.7.4 Unit Owners shall immediately pick up all messes and solid wastes from their pets and dispose of same appropriately.

1.7.5 Pets that are vicious, noisy or otherwise unpleasant will not be permitted in the Condominium. In the event that a pet has become a nuisance or unreasonably disturbing in the opinion of the Board of Directors, written notice shall be given to the owner or other person responsible for the pet and the pet must be removed from the Condominium property within three (3) days.

1.7.6 The Board of Directors has the authority and discretion to make exceptions to the limitations in this regulation in individual cases and to impose conditions concerning the exceptions.

1.7.7 The Association may require registration of all pets and may establish reasonable fees in connection with same and/or may require pet owners to place with the Association a reasonable security deposit.

1.8 Disposition of garbage and trash shall be only by use of trash chutes, receptacles, trash dumpsters and/or recycling bins approved by the Association or by use of garbage disposal units. Owners and occupants of Units must: (i) place trash in the trash chutes, receptacles and dumpsters securely bagged (which bags may not contain bulky items or breakable glass objects); (ii) bundle newspapers; (iii) dispose of food and vegetable scraps in the individual residence garbage disposals; (iv) carry bulky items and breakable glass objects down to the designated garage level trash dumpsters or outside recycling bins; and (v) not leave or place garbage or trash in hallways or corridors.

1.9 All persons occupying Units other than the Owners shall be registered with the Manager or other designate of the Association at or before the time of their occupancy of the residence. This includes renters and house guests.

1.10 Units may not be rented for periods of less than thirty (30) consecutive days nor more than two (2) times a calendar year. A copy of these Rules and Regulations must be given to the tenants and guests by the Owner, or the Owner's agent. No unit may be permanently occupied by more than persons

that the number of bedrooms times two, nor may more persons, including guests, occupy a residence overnight than the number of bedrooms times two, plus four.

~~1.11 This regulation may not be amended in a way that would be detrimental to the sales of residences by the developer so long as the developer holds residences for sale in the ordinary course of business.~~

1.12 The Association shall retain a pass key to the Units, and the Owners of Units shall provide the Association with a new or extra key whenever locks are changed or added for the use of the Association pursuant to its statutory right of access to the residences. Duplication of Owners' keys to common element facilities is restricted in the interest of security. Such keys shall be duplicated only with the assistance of the Manager. Changing locks must be done through the Association.

1.13 Children shall be under the direct control of a responsible adult. Children under the age of 12 may not use the waterfront areas unaccompanied by an adult nor shall they be permitted to run, play tag or act boisterously on the Condominium property. Skateboarding, "Big Wheels", or loud or obnoxious toys are prohibited. Children may be removed from the common areas for misbehavior by or on the instructions of the Board of Directors.

1.14 Loud and disturbing noises are prohibited. All radios, televisions, tape machines, compact disc players, stereos, singing and playing of musical instruments, etc. shall be regulated to sound levels that will not disturb others. No vocal or instrumental practice is permitted after 9:00 p.m. or before 8:00 a.m.

1.15 Use of barbecue grills on exterior areas of the Common Elements shall only be allowed in areas designated as safe and appropriate by the Board of Directors. The use of such grills shall be subject to such applicable laws and reasonable rules and regulations as may be now or subsequently enacted or amended from time to time by the Board of Directors. Grills shall not be used on balconies or terraces.

1.16 Unit Owners shall not change or alter in any manner any building planters located on lanai terraces, balconies and/or elsewhere on the Common Elements, nor shall such Unit Owners install or place any improvements or flowers, plants or other landscaping materials upon or within such planters.

1.17 The Unit Owners of Units 101, 102, 103, 104, 105 and 106 shall use, operate, maintain, repair and replace (if the Owner desires to replace same) the hot tubs, if any, located on the private terraces appurtenant to such Units in accordance with any and all applicable laws and reasonable rules, regulations and requirements as may be now or subsequently be enacted or amended from time to time by the Board of Directors. Such permitted hot tubs, if any, shall be personal property of the Unit Owner.

1.18 Illegal and immoral practices are prohibited.

1.19 Lawns, shrubbery or other exterior plantings shall not be altered, moved or added to without permission of the Association.

1.20 Laundry, bathing apparel, beach and porch accessories shall not be maintained outside of the residences or limited common elements (balconies and terraces), and such apparel and accessories shall not be exposed to view.

1.21 No nuisance of any type or kind shall be maintained upon the Condominium Property.

1.22 Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the building or contents thereof, without the prior written consent of the Board of Directors. No owner shall permit anything to be done or kept in a Unit or in the Common Elements which will result in the cancellation of insurance on the building, or contents thereof, or which would be in violation of any law or building code.

1.23 Persons moving furniture and other property into and out of Units must notify the Manager in advance and use the designated access door into the Condominium. All such moving must be Mondays through Saturdays between the hours of 8:00 a.m. and 5 p.m. Moving vans and trucks used for this purpose shall only remain on condominium property when actually in use.

1.24 Repair, construction, decorating or remodeling work shall only be carried on Mondays through Saturdays between the hours of 8 a.m. and 5:00 p.m. and the rules for decorators and subcontractors set forth herein must be complied with.

1.25 These Rules and Regulations shall apply equally to Owners, their families, guests, staff, invitees, employees, customers and tenants.

1.26 The Board of Directors of the Association may impose up to a \$100 fine for each violation (except for non-payment of an assessment) or each day of continuing violation, provided that no such fine shall exceed \$1,000.00, of any of the provisions of the Declaration of Condominium, the By-Laws and the Rules & Regulations.

1.27 The Condominium and management staff are not permitted to do private work for Owners, their families, guests, staff, invitees, employees, customers or tenants while on duty. If both parties are agreeable, staff may assist such persons privately when off duty.

1.28 The Board of Directors shall adopt specifications for the laminated glass for all exterior windows and exterior doors to Units. Exterior windows and exterior sliding glass doors are a special architect approved laminated glass and have been designed and installed to meet or exceed the wind load and wind-borne debris impact standards of the applicable building code in effect as the time of design and installation. For this reason and for the purpose of preserving the aesthetic appearance of the building, hurricane shutters shall not be installed on any windows or sliding glass doors in the Condominium. If such windows or sliding glass doors in the Condominium are replaced, they must be replaced with laminated architectural glass equal to or exceeding the specifications of the original glass and which comply with the applicable building code.

1.29 If an Owner is a corporation, business equity or multiple owners, the Owner shall designate one individual who shall be the "designated occupant" of the Unit and approval of ownership by the corporation, fiduciary, business equity that is the Owner shall be conditioned by requiring that such "designated occupant" be also approved by the Association. The approval of ownership by trustee or other holder of legal title for a beneficial owner who is to be the designated occupant of a Unit shall also be conditioned upon approval of such designated occupant by the Association. Any change in the "designated occupant" of a Unit shall be considered a transfer of title to the Unit that shall be subject to the provisions of the Declaration of Condominium. The term "designated occupant" shall be a natural person who, for residential purposes with his or her immediate family, will be the persons permitted to occupy the Unit and use any limited common elements appurtenant thereto.

1.30 It is required that unoccupied Units thermostats be set at no higher than 78 degrees to avoid possible mold damage.

1.31 Due to excessive winds during hurricane season, do not place any exceptionally heavy furniture, statues, etc. on balconies or terraces that cannot be removed in case of an emergency.

2. PROCEDURES AND RULES FOR USE OF GUEST SUITE

2.1 The guest suite (the “Guest Suite”) is part of the Common Elements, and is for the use and the convenience of Condominium Owners and their guests while the host Owner is in residence. The guest suite is not for extended use or for public use. Maximum number of over-night guests is five.

2.2 Reservations should be made through the office of the Property Manager.

2.3 Requests for reservations will be handled on a first come, first serve basis. Also, to assure that all owners have fair and equitable access to the Guest Suite for their guests, any one owner is limited to two consecutive uses, one use per holiday per calendar year on a rotating basis, and to a maximum of three uses per calendar year, unless the Property Manager determines that demand for the Guest Suite allows otherwise to best accommodate the needs of all owners. Guest Suite may not be booked more than two months in advance.

2.4 The maximum stay for guests is seven days, unless an extension has been specifically authorized by the Property Manager for not more than seven additional days.

2.5 The use fee for the Guest Suite is currently \$100.00 per day during the period from October 1 through and including April 30 and \$75.00 per day during the period from May 1 through and including September 30.

2.6 Please notify the Property Manager as soon as possible, but at least twenty-four (24) hours prior to the date for which the Guest Suite is reserved, if you need to cancel your reservation. Your fellow owners would appreciate this courtesy. If a cancellation notice is not given twenty-four (24) hours in advance there will be an appropriate charge billed to the owner’s account, not to exceed the use fee for the Guest Suite, unless another owner uses the Guest Suite on such reserved day.

2.7 Check-In time is 3:00 p.m. Check-out time is 12:00 noon. Owners shall register their guests and pick up keys at the On-Site Manager’s office Monday through Friday, from 8:30 a.m. to 4:30 p.m. If guests are arriving after business hours or on weekends, the unit owner must obtain the keys from the On-Site Office during regular business hours. A registration form will be available at the time of check-in. The guest’s name, address, telephone number and vehicle registration information must be provided at registration. Host owners are responsible for authorizing guest access at the Hammock Dunes Main Gate (386) 446-6234.

2.8 Maid service will be provided daily unless otherwise requested.

2.9 Long distance telephone calls may only be made by credit card or reverse charges on the telephone in a guest suite.

2.10 The host owner will be responsible for any damage to the guest suite or to other association property caused by the guest, as well as for the guest’s compliance with all applicable Condominium Rules and Regulations, which will be available in the guest suite. There are NO pets allowed in the Tuscany Guest Suite.

2.11 After the guest’s departure, a billing statement will be forwarded to the host owner.

2.12 The Guest Suite is part of the Common Elements of the Association and therefore subject to Florida law which PROHIBITS SMOKING in the interiors of these areas. Your guest's compliance is appreciated.

2.13 These rules and procedures may be changed without notice.

3. PROCEDURES AND RULES FOR USE OF THEATER

3.1 The theater is part of the Common Elements, and is for the use of Condominium unit owners and their respective tenants and guests while the host owner/tenant is in residence. The theater is not for extended use or for public use.

3.2 Reservations for and rules relating to the use of the theater shall be administered through a program established from time to time by the Board of Directors of the Association.

4. RULES FOR DECORATORS, CONTRACTORS AND SUB-CONTRACTORS

4.1 The Unit Owner must pre-register with the Property Manager giving him/her the name, address, telephone number and fax number of the Unit Owner's representative who will be overseeing the work being done in the Unit whether it be the interior decorator, the general contractor or the Unit Owner.

4.2 Prior to commencing work, the Unit Owner's representative must submit to the Property Manager the "Board Approval Process Form", a list of names, addresses and telephone numbers of all sub-contractors who will be working in the unit, together with a schedule for their work.

4.3 The Unit Owner will coordinate with the Unit Owner's representative the issuance of temporary passes for access for decorators and contractors into the Condominium.

4.4 Work hours are 8:00 a.m. to 5:00 p.m. Monday through Saturday.

4.5 The contractor and all sub-contractors must have all licenses required by Flagler County, City of Palm Coast and other applicable governmental authorities and submit proof of same for the Property Manager's file.

4.6 Prior to authorization for access, the contractors and all sub-contractors must produce from their insurance carrier a Certificate of Insurance of general liability of no less than \$250,000 per occurrence and no less than \$500,000 aggregate, and provide proof of Worker's Compensation coverage for the Property Manager's file.

4.7 Vehicles are not permitted in the parking garage and must be parked in the exterior parking areas designated by the Property Manager. All persons working on Units will enter the building through the parking garage.

4.8 The Property Manager must be notified in advance of contractors, subcontractors or unit owners for the moving of furniture, freight or other personal property in and out of Units by use of elevators. This will enable maintenance to pad the prospective elevator to prevent damage to mirrors and walls.

4.9 After unloading, workers must park their vehicles in the designated areas specified by the Property Manager.

4.10 Work preparations will not be allowed in the garage, i.e. mixing of paints, mud, grout, etc.

4.11 The trash chute or the Tuscan recycling or waste disposal bins are not to be used, nor is any trash to be left in Units or hallways. The Property Manager will provide information on disposal of trash.

4.12 All trash and debris shall be hauled off by the workers on a daily basis unless a dumpster is specifically designated for their use.

4.13 Grout, paint, wall mud or any other material may not be poured down building drains, sinks, toilets or bathtubs. Check with the Property Manager for location of cleaning area.

4.14 Sub-contractors are not to use carts owned by the Condominium or the Property Manager. (Supply your own.)

4.15 Breaks and lunches, if taken inside the building, should be confined to the Unit Owner's Unit.

4.16 No radios will be allowed in the building unless used with headphones.

4.17 Access to the individual condominium units must be coordinated through the owner, decorator or other designee.

4.18 Do not tamper with or hang extension cords from any of the sprinkler heads.

4.19 Unit smoke alarms are to be left in place. They are to be properly protected during the interior finish work which generates heavy airborne particles, i.e., sanding and painting.

4.20 Workers are not to wander around in areas other than the specific area or unit they are assigned.

4.21 Each Unit Owner who elects to install or modify in any portion of a Unit hard surface flooring materials (i.e., tile, marble, wood) shall first be required to install, in accordance with manufacturer's recommendations and the requirements of the Board of Directors from time to time, an approved sound underlayment beneath it equal or superior to Proflex Mega Sound Control 90 mil underlayment membrane or other sound isolation material acceptable to the Board of Directors from time to time. Each Unit Owner is required to submit for approval to the Board of Directors or its representative the proposed hard surface floor underlayment material. Written approval for the proposed materials is required prior to installation of hard surface flooring, and then the installed sound isolation material must be inspected and approved prior to installation of the hard flooring.

4.22 Each Unit Owner is responsible for his or her decorator's, contractor's and subcontractor's action and inactions while on the premises and in Hammock Dunes. Decorators, contractors, and subcontractors are on the premises at their own risk and agree to indemnify and hold harmless the Condominium Association and Hammock Dunes Owners Association, Inc. for any liability or damages which might arise in connection with their activities on the premises or in Hammock Dunes.

4.23 Should a decorator, contractor or subcontractor discover a defect in a Unit, they must notify the **Owner or owner representative** immediately so the defect may be verified and corrected prior to doing any work which might be impacted by the defect.

4.24 Decorators, contractors and subcontractors are prohibited from smoking in the Building.

4.25 Please help us keep the building clean.

4.26 Activities will be monitored during the day. Non-compliance may result in firm being barred from the building.

5. PARKING

5.1 The parking garage is solely for the use of the owners and occupants of Units, and their respective family members, tenants, invitees and guests.

5.2 Passenger automobiles, sport/utility vehicles, pickup trucks, vans and motorcycles (used for personal transportation and not commercially) that do not exceed the size of one parking space may be parked in the parking garage in the areas provided for that purpose.

5.3 Garage parking spaces are assigned. Commercial vehicles, commercial trucks, campers, motor homes, trailers, boats and boat trailers are prohibited in the parking garage and the exterior surface parking spaces.

5.4 Bicycles and mopeds shall be parked only in the bike storage areas or as may otherwise be designated by the Board of Directors and marked with unit and name identification. Abandoned bicycles will be removed and stored by Association only for ninety days prior to disposal.

5.5 Vehicle maintenance is not permitted on the Condominium Property.

5.6 All vehicles must be currently licensed and no inoperable or unsightly vehicles may be kept on Condominium Property. The Association shall be exempt from this regulation for vehicles which are engaged in any activity relating to construction or maintenance, as are commercial vehicles used by vendors of the Association while engaged in work at the Condominium.

5.7 For vehicle identification purposes, residents are to report to the Association Office all authorized vehicle information for each unit such as make, model, color and the license plate numbers and shall report to same of any change.

5.8 Vans/trucks **WILL NOT CLEAR THE GARAGE ENTRANCE**. Movers will park outside the building and use hand carts to move furniture to the assigned elevators located inside the garage.

5.9 Move-Ins are not allowed through the front building entrance at the porte cochere. Vehicles are to back in and stay as close to the grassed hill to the left of the garage door opening to allow garage access and egress.

5.10 Contractors' Vehicles are not permitted in the parking garage and must be parked in the exterior parking areas designated. Contractors' parking spots are located to the north of the recycling bin covered area. If these spots are occupied, the first level guest parking to the south or the Beach Club parking lot may be used. There is to be no parking in the front Tuscany round-about.

5.11 All persons working on Units will enter the building through the parking garage which must be arranged by the Owner and/or Owner's Representative. If the Owner is not in residence, the office manager or maintenance may be contacted by the Owner for assistance.

6. RULES FOR OWNER PARTICIPATION IN BOARD OF DIRECTORS MEETINGS, A BUDGET COMMITTEE MEETING AND A MEETING OF ANY COMMITTEE AUTHORIZED TO TAKE ACTION ON BEHALF OF THE BOARD; AND OF THE LOCATION FOR POSTING NOTICES OF MEETINGS.

6.1 RIGHT TO SPEAK:

6.1.1 To the maximum extent practical, the posted Board meeting agenda for each meeting shall list the substance of matters and actions to be considered by the Board.

6.1.2 Roberts Rules of Order (latest edition) shall govern the conduct of the Association meeting when not in conflict with the Declaration of Condominium, the Articles of Incorporation, the By-Laws or the Condominium Act.

6.1.3 After each motion is made and seconded by the Board members the meeting Chairperson will permit owner participation regarding the motion on the floor, which time may be limited depending on the complexity and effect on the Association.

6.1.4 Owner participation may be prohibited after reports of officers or committees unless a motion is made to act upon the report, or the Chair determines that it is appropriate or is in the best interest of the Association.

6.1.5 An owner wishing to speak must first raise his or her hand and wait to be recognized by the Chair.

6.1.6 While an owner is speaking he or she must address only the Chair, no one else is permitted to speak at the same time.

6.1.7 An owner may speak only once for not more than three (3) minutes and on the subject or motion on the floor.

6.1.8 The Chair may, by asking if there be any objection and hearing none, permit an owner to speak for longer than three (3) minutes, or to speak more than once on the same subject. The objection, if any, may be that of a Board member only and if there is an objection then the question will be decided by a vote of the Board.

6.1.9 The Chair will have the sole authority and responsibility to see to it that all owner participation is relevant to the subject or motion on the floor.

6.2 THE RIGHT TO VIDEO OR AUDIOTAPE:

6.2.1 The audio and video equipment and devices which owners are authorized to utilize at any such meeting must not produce distracting sound or light emissions.

6.2.2 Audio and video equipment shall be assembled and placed in position in advance of the commencement of the meeting in a location that is acceptable to the Board or the Committee.

6.2.3 Anyone videotaping or recording a meeting shall not be permitted to move about the meeting room in order to facilitate the recording.

6.2.4 At least 24 hours advance written notice shall be given to the Board by any owner desiring to utilize any audio and/or video equipment to record a meeting.

6.3 ALL NOTICES OR MEMBERSHIP, DIRECTORS AND COMMITTEE MEETINGS AT WHICH OWNERS ARE ENTITLED TO PARTICIPATE WILL BE POSTED IN A CONSPICUOUS PLACE IN THE MAILROOM.

12/03/2013