

ATTACHMENT 2 TO OFFERING CIRCULAR
RULES AND REGULATIONS
OF
ELITE RESORTS AT CITRUS VALLEY, A CONDOMINIUM

Pursuant to the authority vested in the Board of Directors of ELITE RESORTS AT CITRUS VALLEY CONDOMINIUM ASSOCIATION, INC. (the "Association"), the following rules and regulations of ELITE RESORTS AT CITRUS VALLEY, A CONDOMINIUM (the Condominium") have been adopted to govern the use of the Condominium Property ("Condominium Property") as defined in the Declaration of Condominium for Elite Resorts at Citrus Valley, a Condominium.

1. **ENFORCEMENT.** All violations of these rules and regulations shall be reported immediately to a member of the Board, an Association officer and/or the management agent. The Board's determination shall be dispositive in the event of any disagreements concerning violations, including without limitation, disagreements regarding the proper interpretation and effect of these rules. In the event that any person, firm, or entity subject to these rules and regulations, fails to abide by them, as they are interpreted by the Board, such person, firm, or entity shall be liable to be fined by the Association for each such failure to comply or other violation of these rules and regulations. Such fine, which shall not exceed \$100 (or the maximum amount permitted under the Condominium Act) for each violation (provided however, a fine may be levied on the basis of each day of a continuing violation, for a total amount not to exceed \$1,000.00 or the maximum set forth in Chapter 718, Florida Statutes (the "Condominium Act")) shall be collected by the Association and shall become a part of the Common Surplus of the Condominium, all as more fully set forth in the Bylaws. If the Board deems it necessary, it may bring action at law or in equity in the name of the Association to enforce these rules and regulations, including any provision herein for fines. In the event any such action is instituted, and reduced to judgment in favor of the Association, the Association shall, in addition, be entitled to recover its costs and attorneys' fees incurred in enforcing these rules and regulations.

2. **USE OF THE COMMON ELEMENTS AND ASSOCIATION PROPERTY.** The Common Elements and Association Property of the Condominium are for the exclusive use of Unit Owners, and their immediate families, permitted tenants, and no other person shall be permitted to use the Common Elements and Association Property of the Condominium. There shall be no storage or parking of baby carriages, playpens, bicycles, wagons or toys on any part of the Common Elements and Association Property. Such personal property must be stored within the Units, Limited Common Elements or designated storage areas.

3. **DAMAGE TO OR DESTRUCTION OF COMMON ELEMENTS AND ASSOCIATION PROPERTY.** Unit Owners shall be responsible for, and shall bear any expense of, any and all damage to the Common Elements and Association Property caused by the Unit Owner, its family, tenants, guests, contractors, agents and/or invitees.

4. **NOISE.** All noise, including without limitation, talking, singing, television, radio, record player, tape recorder or musical instrument, shall be kept at such volume level that the noise is not audible outside of the boundaries of the Unit in which it originates.

5. **OBSTRUCTIONS.** There shall be no obstruction or cluttering of the Condominium Property, including, without limitation, paved areas, sidewalks, driveways, automobile parking spaces, lawns, entrances, stairways or other Common Elements or Association Property.

6. **UNITS.** Each of the Units is a parcel of real property, improved with stabilized dirt and underground utilities, and is subject to the following general restrictions.

(a) No temporary buildings, trailers or other residential accommodations, except a single Recreational Vehicle or Recreational Park Trailer may be placed on, stored, erected or otherwise kept on any Unit without prior written approval of the Association, which approval may be withheld in the sole and absolute

discretion of the Association. All Recreational Vehicles and Recreational Park Trailers shall be placed on the Unit in a manner in compliance with all County building codes and set-back requirements.

(b) No building, structure, Recreational Vehicle, or Recreational Park Trailer shall be located on any Unit, except in compliance with the applicable Land Development Code.

(c) No screen rooms, utility or storage sheds, carports, metal awnings or any type of temporary or permanent extended overhangs or attached structures may be added or installed without the prior written approval of the Association, which approval may be withheld in the sole and absolute discretion of the Association, and if so approved must be of the same color and basic exterior covering as the Recreational Vehicle or Recreational Park Trailer located on the Unit, and must have a roof line which is contiguous to the original dwelling unit, and must be kept clean, neat and orderly with no visible rust, all as determined by the Association. Any such improvements must comply in all respects with the applicable zoning ordinances and County Code.

(d) No fence or wall of any kind shall be erected. Nothing herein shall be construed to disallow the building of a perimeter fence around the Land or any portion thereof by the Developer or the Association.

(e) Each Unit Owner may elect to improve the stabilized portion of his Unit by constructing a driveway or other improvements composed of approved material which extend from the Recreational Vehicle or Recreational Park Trailer to the paved roadway located at the front of the Unit; approval or disapproval of the same shall be made by the Association in the manner specified by the Association. All driveways are subject to the construction requirements set forth in Paragraph 10 below.

(f) Tables, benches, and mobile grills, all in good condition, may be erected, however, no other personal property shall be permitted to remain where it can be seen by other Owners or visitors, except when the Unit is actually occupied and in use, and in such event such personal property shall be kept clean, neat, orderly and in good condition, as determined by the Association, in its sole and absolute discretion.

(g) Any concrete pad other than as installed by the Developer, as well as additions to concrete pads, must be approved in writing by the Association, as to size, design and construction prior to the commencement of any construction thereof. All construction shall be done in compliance with the construction requirements set forth in Paragraph 10 below.

(h) Recreational Vehicles or Recreational Park Trailers on Lots shall be kept in a neat and attractive manner and state of repair as determined by the Association. This includes the proper washing and maintenance to remove mildew and dirt. If a Unit Owner fails to adhere to the foregoing, such work may be performed on behalf of the Unit Owner by the Condominium Association and the cost thereof, plus a twenty percent (20%) administrative charge, shall be charged to the Unit Owner, which charge, if not paid within five (5) days of billing shall become a lien on said Unit upon recording a Notice of Lien by the Condominium Association on the Public Records of Lake County, Florida. Such lien shall entitle the Condominium Association to those rights set forth in the Declaration. Any vehicle permitted hereunder shall be parked on street in a neat and orderly manner.

(i) The Association shall be responsible for the general maintenance of all landscaping (mowing, and such other services as determined by the Association) and no Unit Owner should proceed with installation of any landscaping without the prior approval of the Association. Each Unit Owner shall be responsible for planting, weeding and otherwise maintaining its Unit in a clean and attractive manner, provided any landscaping is subject to the Association's approval as set forth herein.

(j) No Unit or portion thereof shall be used for the deposit, accumulation or storage of building materials, appliances, equipment, motor vehicles or personal property, except for use in construction of approved improvements on that Unit, and in such case, shall not remain there more than thirty (30) days before commencement nor more than thirty (30) days after completion of such construction.

(k) No vehicles of any sort shall be parked in the front of any Unit except on the driveway or in a designated, approved parking awning. A maximum of two (2) vehicles other than the dwelling may be parked on a Unit at any given time. Any vehicle permitted hereunder shall be parked or stored in a neat and orderly manner.

(l) No unlicensed vehicles, boats or trailers, except golf carts, shall be stored on any Unit. Visible repair of motor vehicles or outboard motors, or building, rebuilding or storage of boats or recreational vehicles shall not be permitted on any Unit.

(m) Tree removal from any Unit is prohibited, except upon prior written approval of the Association. The Association may adopt a written policy on trees as part of the Rules and Regulations.

(n) The Condominium Association has reserved the right to provide cable television under bulk contract and this provision shall not give any Unit Owner the right to be excluded thereunder, except as allowed by the Condominium Act.

(o) The Association shall be responsible to provide dumpsters or other central collection facilities for all trash and garbage pickup at the bathhouses within the Condominium Property and shall make such rules as are reasonably necessary to ensure that the use of same shall be done in an orderly and sanitary manner.

(p) No mailbox, paper box or other receptacles of any kind for the use in the delivery of mail or newspaper, magazines or similar material shall be erected or located on any Unit. Mail will initially be delivered to the clubhouse which is a part of the Recreational Facilities. It is the intent of the Developer to construct mail kiosks within the Condominium Property in such areas as permitted by the United States Postal Service. After construction of same, each Unit will have a box allocated to it as a Limited Common Element.

(q) Temporary or permanent clothes drying lines are not permitted on any Unit.

(r) No garage sales, flea market or other sales activities shall be allowed on any Unit, whether indoors or outdoors.

(s) Individual unit landscaping plans, subject to the Association's approval, must take into consideration the storm water drainage for the lot to insure that the natural drainage is not obstructed.

(t) In no event shall any Unit have more than one (1) Recreational Vehicle or Recreational Park Trailer placed on it at any one (1) time.

(u) In NO EVENT shall any Mobile Home be permitted in the Condominium. In addition, no previously-titled Recreational Park Trailer shall be permitted within the Condominium without the approval of the Developer, which approval may be withheld in its sole and absolute discretion. All Recreational Park Trailers are subject to the prior approval of Developer, which approval may be withheld by Developer in its sole and absolute discretion. After the sale of the last Unit(s) within the Condominium Property, the rights herein shall pass to the Condominium Association.

7. REFUSE. All refuse, waste, bottles, cans, newspapers, magazines and garbage shall be deposited in the covered sanitary containers provided within the Condominium Property.

8. CHILDREN. Children shall be allowed to reside in the Units, provided that an adult shall supervise any children in the Common Elements, the Association Property. No person under eighteen (18) years of age shall occupy a Unit unless his or her parent or the Unit Owner is also in residence.

9. SIGNS AND FLAGS. No signs shall be displayed from a Unit or from the Condominium Property except those signs as shall have advance written approval by the Association except that the Developer shall be entitled to install such marketing signs as are necessary and convenient during the period of time the

Developer is marketing the Units. Notwithstanding the foregoing, a Unit Owner may display one (1) portable, removable United States flag in a respectful way and on Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veteran's Day may display in a respectful way the flag of the United States Army, Navy, Marine Corps or Coast Guard, which flag shall not be larger than 4 ½ by 6 feet.

10. **CONSTRUCTION REQUIREMENTS.** In order to control the quality and process of construction within the Condominium Property, no construction shall be permitted by a Unit Owner to its Unit (specifically including, without limitation, the construction of a pad or driveway) without the prior written consent of the Developer (and, after all Units are sold, the Condominium Association), which consent shall be subject to the provisions set forth in this provision. The Developer (or the Condominium Association, as applicable) shall have the right to create standards with respect to any and all types of surface treatments to be permitted within the Condominium Property, as determined by the Developer (or Condominium Association) in its sole and absolute discretion from time to time. Prior to construction, a Unit Owner shall first provide the Developer (or the Condominium Association, as applicable) with (i) a written copy of its proposed plans and specifications, including such specificity as required by the Developer (or Condominium Association, as applicable) (the "Plans"); and (ii) the name of the contractor to perform the construction. All construction must be performed by a contractor, licensed in the State of Florida, and of good reputation in the building community. Provided Developer (or Condominium Association) approves the Plans, all permits required by the applicable authorities for construction of the improvements shall be obtained prior to and during construction. In order to control the quality and process of construction within the Condominium Property, no construction shall be permitted by a Unit Owner to its Unit (specifically including, without limitation, the construction of a pad or driveway) without the prior written consent of the Developer (and, after all Units are sold, the Condominium Association), which consent shall be subject to the provisions set forth in paragraph 12.16 of the Declaration. The Developer (or the Condominium Association, as applicable) shall have the right to create standards with respect to any and all types of surface treatments to be permitted within the Condominium Property, as determined by the Developer (or Condominium Association) in its sole and absolute discretion from time to time. Prior to construction, a Unit Owner shall first provide the Developer (or the Condominium Association, as applicable) with (i) a written copy of its proposed plans and specifications, including such specificity as required by the Developer (or Condominium Association, as applicable) (the "Plans"); and (ii) the name of the contractor to perform the construction. All construction must be performed by a contractor, licensed in the State of Florida, and of good reputation in the building community. Provided Developer (or Condominium Association) approves the Plans, all permits required by the applicable authorities for construction of the improvements shall be obtained prior to and during construction. Pursuant to Chapter 3.02.08 of the Lake County Zoning District Regulations ("Country Regulations"), all additions to Units must be constructed in accordance with Standard Building Codes (as defined in the County Regulations). Additions are limited to screen rooms, awnings, vinyl windows and storage sheds. Pursuant to the County Regulations, permits for the foregoing additions shall only be issued to a licensed contractor with written permission from the Developer or Condominium Association (or a manager appointed by the Condominium Association) authorizing both the construction and the placement of the addition. Developer (or the Condominium Association, as applicable) shall have the right to inspect any construction within the Condominium Property to ensure that the provisions herein are being followed, and shall have the right to cease and remove any such construction not meeting the requirements set forth herein. Developer hereby acknowledges Phoenix Construction LLC meets the standards for a contractor set forth herein and approves Phoenix Construction LLC as an acceptable contractor for construction within the Condominium. No further approvals are required with respect to the contractor if Phoenix Construction LLC performs the construction (provided, however, the Plans must still be approved as set forth herein). Developer (or the Condominium Association, as applicable) shall have the right to inspect any construction within the Condominium Property to ensure that the provisions herein are being followed, and shall have the right to cease and remove any such construction not meeting the requirements set forth herein. Developer hereby acknowledges Phoenix Construction LLC meets the standards for a contractor set forth herein and approves Phoenix Construction LLC as an acceptable contractor for construction within the Condominium. No further approvals are required with respect to the contractor if Phoenix Construction LLC performs the construction (provided, however, the Plans must still be approved as set forth herein).

11. **PROHIBITED PARKING AND VEHICLES.** No more than two (2) vehicles shall be permitted on a Unit at any time. No commercial trucks or vans or other commercial vehicles shall be parked in any parking space or on any Unit except with the written consent of the Board of Directors of the Condominium Association, except such temporary parking spaces provided for such purpose as may be necessary to effectuate deliveries to the

Condominium, the Condominium Association, Unit Owners, or residents. It is acknowledged that there are pickup trucks and vans that are not used for commercial purposes, but are family vehicles. It is not intended that such noncommercial, family vehicles be prohibited. A commercial vehicle is one with lettering or display on it, has equipment affixed to it, or is used in a trade or business. Any car, truck, boat, motorcycle or other vehicle shall be parked/stored in a neat and orderly manner. Any vehicle or recreational equipment parked in violation of these or other regulations contained herein or in the rules and regulations adopted by the Condominium Association may be towed by the Condominium Association at the sole expense of the owner of such vehicle or recreational equipment if it remains in violation for a period of twenty-four (24) consecutive hours or for forty-eight (48) non-consecutive hours in any seven (7) day period. The Condominium Association shall not be liable to the owner of such vehicle or recreational equipment for trespass, conversion, damages, or otherwise, nor guilty of any criminal act by reason of such towing, and neither its removal nor failure of the owner of such vehicle or recreational equipment to receive any notice of said violation shall be grounds for relief of any kind.

12. OCCUPANCY RESTRICTION. The applicable zoning for the Condominium property limits occupancy of a Unit to a maximum of one hundred eighty (180) consecutive days during any consecutive twelve (12) month period. Neither Developer nor the Association shall have any obligation to enforce this limitation, such enforcement being the obligation of the County.

13. AUTHORIZED PERSONNEL. Only authorized personnel are permitted to enter upon roofs, equipment rooms or power rooms.

14. LAUNDRY. No laundry or clothing shall be hung or displayed a manner which is visible from the outside of the Recreational Vehicle.

15. PETS. Unit Owners are granted a license to maintain not more than a total of two (2) pets, which must be either dogs or cats. This license may be revoked by the Board of Directors of the Condominium Association and no pet will be permitted on the Condominium Property which creates a nuisance, as determined in the sole and absolute discretion of the Board of Directors of the Condominium Association. No Pit-Bulls, Rottweillers, Doberman Pinschers or other dangerous dogs shall be permitted within the Condominium Property. All animal waste must be properly disposed of by the Unit Owner. The Board of Directors is authorized from time to time to make additional rules regarding pets. Neither the Board, Developer nor the Condominium Association shall be liable for any personal injury, death or property damage resulting from a violation of the foregoing in rules and regulations governing pets and any Unit Owner maintaining a pet on the Condominium Property shall indemnify and hold the Condominium Association, Developer, each Unit Owner and the Boards harmless from any loss, claim or damage arising from or in connection with the maintenance of a pet on the Condominium Property.

16. SATELLITE DISHES. Subject to federal guidelines, all antennae, satellite dishes and other receptor devices shall be installed in such areas as permitted by the Condominium Association. Such devices shall not be placed on the roof, Common Elements or Association Property of the Condominium. In addition, Owners shall endeavor to assure that the location of such devices is screened to the extent possible from the view of others. The foregoing limitation shall not apply to the Condominium Association or to a telecommunication service provider.

17. RENTING OF UNITS. Entire Units may be rented provided the occupancy is only by the renter, his family and guests. No rooms may be rented. The rental of any Unit shall not release or discharge the Owner from compliance with any of his obligations and duties as a Unit Owner. Rentals are permitted to the extent permitted by applicable law. All renting of Units shall be subject to the Rental Procedures set forth in Paragraph 19 below. Any rental agreement shall be in writing and provide that all of the provisions of the Declaration, the Bylaws, the Rules and Regulations of the Condominium Association pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Unit to the same extent as against a Unit Owner, and a covenant shall exist upon the part of each such renter or occupant to abide by the Rules and Regulations of the Condominium Association, the terms and provisions of the Declaration and the Bylaws, and designating the Condominium Association as the Unit Owner's agent for the purpose of and with the authority to terminate any such lease agreement in the event of violations by the renter of such covenants, which covenant shall be an essential element of any such lease or tenancy agreement.

18. NOTICE REQUIREMENTS FOR TRANSFER OF A UNIT. In order to provide for the smooth and uninterrupted operation of the Condominium, all Unit Owners are required to provide the Condominium Association with prior written notice of the proposed sale of a Unit by any Unit Owner (other than Developer) to a third party, including any family member of the Unit Owner. Therefore, notwithstanding anything herein to the contrary, prior to the sale of any Unit by any Unit Owner other than the Developer, the Unit Owner must first provide the Condominium Association with at least ten (10) days prior written notice of the proposed transfer. The notice shall be in form and content as determined by the Condominium Association. An application/transfer fee of \$100.00 shall be payable to the Condominium Association by the Unit Owner that is the seller for each proposed sale. Any dues or assessments in arrears must be collected in full at closing. A copy of the Warranty Deed and relevant closing documentation shall be provided to the Condominium Association at closing.

19. RENTAL PROCEDURES. Subject to the provisions set forth in Paragraph 17 above, each Unit Owner is entitled to rent his Unit. The Condominium is secured by a gate with limited access, which is managed by the Condominium Association and the preferred management company handling rentals for Condominium Association, Elite Resorts Management, Inc., as same may be replaced from time to time ("Rental Company"). The access gate shall have dual access capabilities- card and code access. Each Unit Owner shall receive two (2) cards to access the gate and each renter shall be given the access code, which code shall change at such times as determined by the Condominium Association and/or Rental Company, as more specifically set forth herein. Prior to the renting of any Unit, a Unit Owner must provide the Condominium Association and the Rental Company with at least twenty four (24) hours prior written notice on the Rental Notice form ("Rental Notice") prepared by the Rental Company. The Rental Notice shall contain the Unit number, the name, address, phone number and e-mail address of the renter, the dates for which the Unit will be occupied by the renter, the vehicle or trailer number of the renter, if applicable, and the Unit Owner's signature. The Rental Notice shall also include an acceptance by the Unit Owner for all claims and liabilities arising as a result of the use of the Unit by the renter and an indemnification and agreement to hold the Developer, Condominium Association and Rental Company harmless for all matters arising as a result of the Unit Owner's renting of its Unit. Upon receipt of the Rental Notice, the Rental Company shall provide the Unit Owner with the then-current access code for the gate. Each renter shall be required to check in with the Rental Company upon arrival. Any renter who arrives at the Condominium Property without the Rental Company having first received the Rental Notice may be turned away by the Rental Company, in its sole and absolute discretion. The Unit Owner shall pay the Rental Company a fee as determined by the Rental Company for servicing any rental. A compilation of all such fees shall be billed to the Unit Owner quarterly. Failure to pay the assessed fees within fifteen (15) days of notice shall result in an eighteen percent (18%) fee for each day of delay the bill is not paid, and any fees not paid within thirty (30) days shall become a lien on the Unit Owner's Unit upon recording a Notice of Lien by the Rental Company and/or Condominium Association on the Public Records of Citrus County, Florida. Such lien shall entitle the Rental Company and/or Condominium Association to those rights set forth in the Declaration.

20. NUISANCES. No nuisance shall be allowed upon the Condominium Property or within a Unit, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All parts of the Condominium Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or make any use of the Common Elements or Association Property that will increase the costs of insurance upon the Condominium Property.

21. RULE CHANGES. Reasonable regulations and rules concerning the use of the Condominium Property may be promulgated, modified or amended from time to time by the Board of Directors of the Association. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Condominium upon request. The Association shall have the right to enforce all restrictions set forth in this Article and in the Declaration in any manner it deems necessary, including without limitation injunctions, suits for damages, or fines.

22. COMPLIANCE WITH DOCUMENTS. All members and every lessee, guest or visitor of a member, shall comply with all of the terms, conditions, covenants, restrictions and limitations contained in the Declaration of Condominium, the Articles of Incorporation and the Bylaws.