

TOWN RULES
OF
LUSTICA BAY

1. Introduction

The Town Rules are aiming to establish a set of standards and policies to protect the interests of each Member and User of the Town and ensure an enjoyable and pleasant living for everyone residing and/or visiting the Town.

2. Definitions

- 2.1 **Architectural Guidelines** mean, and refer to those certain architectural standards, landscape standards and other general policies, procedures and criteria, with respect to look and feel of the Town and any Unit in the Town which may be adopted by the Developer and/or the Manager from time to time.
- 2.2 **Board** means, the board of directors of the Town Association.
- 2.3 **Common Areas** means, all open areas, services, facilities, roads, pavements, water features, gardens, utility and administrative buildings or areas, installations, improvements and common assets in the Town, which are intended for use by all Members, the Developer and the Manager and that do not form part of the title of any Unit or any of the assets of the Manager and Developer.
- 2.4 **Developer** means, Lustica Development AD, Tivat a company registered under registration number 4-0008824.
- 2.5 **Local Authority** means, the governing authorities of Montenegro that have jurisdiction over the operations of the Town.
- 2.6 **Manager** means, LB FM Services DOO, Tivat a company registered under registration number 5-0941296; and/or any of its affiliates as nominated by the Developer.
- 2.7 **Member** means, a member of the Town Association who became a member via a valid accession agreement.
- 2.8 **Marina Occupant** means any person who is authorized to be a user of the main marina and any of its associated facilities either as a boat owner, and/or any of his/her crew members.
- 2.9 **Notice of Noncompliance** means, a formal citation that informs a Member or a User that a Town Rule has been violated. The purpose of the Notice of Noncompliance is to initiate corrective action that will stop the violations. A Notice of Noncompliance may also result in Noncompliance Penalties.
- 2.10 **Noncompliance Penalty** is the result of a Notice of Noncompliance where corrective action has not taken place. Violation Penalties are often monetary fines but may include reporting of the violation to the Local Authorities and temporary suspension of enjoyment of Town benefits and privileges.
- 2.11 **Paying User** means, any person allowed by the Manager to use the Town Common Areas against fee.
- 2.12 **Promotional User** means, any person allowed by the Manager to use the Town Common Areas against no fee, provided adding value to the Town, including but not limited to promotion of the Town, charity and social activities, etc.
- 2.13 **Resident** means, any person occupying or visiting Unit owned by a Member for a duration longer than 24 hours, including but not limited to such Member's tenants, visitors, servants, agents, employees, guests, and family members.
- 2.14 **Stereo Equipment** means, defined as any electronic device sound materials through speaker.
- 2.15 **Town Rules** means, Lustica Bay Town Rules as set out in this document and such further rules and regulations the Town Association, the Board and/or the Manager may issue from time to time.
- 2.16 **Town Association** means, the Lustica Bay Town Association, a nongovernmental association registered under registration number 5967, responsible for the upkeep of the Town and through the Manager is providing management, maintenance, utility services and other necessary services to operate the Town.
- 2.17 **Tenant** means, a person or corporate body renting a property from Member(s).
- 2.18 **Town** means, the areas of the resort known as Lustica Bay that includes any and all phases of Lustica Bay resort from time to time as determined by the agreement between the Developer and the Town Association.
- 2.19 **Town Common Areas** means, all the areas of the Town that include recreation areas, parks and playgrounds, streets, pathways, sports courts, gardens, swimming pools, beaches, etc. that are nominated by the Developer and the Manager as common areas available for use by the Members and the Users.
- 2.20 **Unit** means, a property such as any apartment, floor, part of a land, villa, townhouse, commercial use property, office or shop, etc. owned by a Member.
- 2.21 **User** means, a Tenant, Resident, Marina Occupant or a Visitor.
- 2.22 **Visitor** means, any person occupying or visiting Unit owned by a Member for a duration shorter than 24 hours, including but not limited to such Member's tenants, visitors, servants, agents, employees, guests, clients, and family members.

3. General Rules

3.1 Use of Unit/ Changes on Unit

- 3.1.1 The Units sold by the Developer as residential Units shall all the time be used for the designated and approved purpose and cannot be used for any non-residential purposes.
- 3.1.2 No business or commercial activity to which the general public is invited shall be conducted within any Unit designated as residential Unit without the prior written permission of the Developer and the Manager.
- 3.1.3 Members who rent their Units shall ensure that all leases be accompanied by a signed undertaking of the Tenant that all Town Rules shall be strictly adhered to by the Tenant. However, in all cases, the Member will remain liable before the Town Association for any violation(s) by the Tenant.
- 3.1.4 Members shall refrain from carrying out any partitioning of the Unit for the purposes of leasing individual rooms.
- 3.1.5 Each Member is responsible for ensuring that all Users of his Unit follow the Town Rules.
- 3.1.6 No Member or User shall engage in any activity upon the Unit that implies a violation of any law, ordinance, statute, rule, or regulation of Montenegro.
- 3.1.7 No Member or User should use his Unit in a manner that jeopardizes public security, safety, health, conduct or public order.
- 3.1.8 No Member or User shall make any internal or external modifications to his/her Unit that may affect the safety of any neighboring property or Town in general.
- 3.1.9 No Member or User shall cause any of the following without being compliant with the Architectural Guidelines and without obtaining a prior written approval of the Manager and the Developer, which is independent from any approval or permission, that the Member or User may be due to acquire from public authorities:
 - 3.1.9.1 Change the external appearance of his/her Unit (including paint, colour, external walls, balconies, windows, doors, and other elements in facades); and
 - 3.1.9.2 Demolish or make any structural additions, changes or alterations to his/her Unit (including facades).
- 3.1.10 In the event that a Member /or User violates the rules as articulated by articles 3.1.9 and 3.1.10 hereinabove, the Manager shall oblige Member /or User to return the conditions of the Unit to the original conditions, by either:
 - (i) Having the Member /or User perform all necessary works within a reasonable timeline, or
 - (ii) Conducting such works and having reimburse all the incurred expenses from the Member /or User within 15 (fifteen) days from the date the Manager issues the respective invoice. The invoice shall be subject to a regular default interest under Montenegrin law in case the compensation becomes partly or entirely overdue.

3.2 Nuisance Activities

- 3.2.1 No activities that imply noise can be carried out in any part of the Town without a prior written consent of the Manager.
- 3.2.2 Nothing can be done or maintained in any part of the Town including Member's Units which may be or may become an annoyance or nuisance to the Town or interfere with the quiet enjoyment by any Member or User, including but not limited to odors, smoke, vibrations, and obstruction of views, and noises that are caused by pets, televisions, Stereo Equipment, musical instruments, revving car engines, revving motorcycles, and car stereos. Noise is considered to be too loud if it can be heard by an adjacent Member/User when inside their Unit with the windows and doors closed. The determination of any activity as an annoyance or nuisance is the duty and at the discretion of the Manager.
- 3.2.3 For the Units that form part of a residential building and designated as commercial use Units, it is required to adhere to the relevant law related the installation of sound limiters, and the music level must not exceed the limits established by the relevant laws of Montenegro, and in all cases cannot exceed the following limits:

Time Interval	Maximum Limit
24:00 o'clock till 10:00 o'clock	No Music
10:01 o'clock till 22:00 o'clock	65 decibels
22:01 o'clock till 23:59 o'clock	50 decibels

- 3.2.4 Conditional obtaining the prior written consent of the Manager, operators of commercial Units may organize or be involved in the organization of cultural and entertainment events, which may cause extraordinary noise, and the Manager shall determine in the written consent what is the maximum level of sound approved.
- 3.2.5 No drones operated by Member or User are allowed all over the Town, without an explicit prior written consent of the Manager and provided full compliance with the Manager's instructions.
- 3.2.6 Except for those organized and/or managed by the Manager, no golf carts, electric scooters, children scooters or other scooters, hoverboards or similar types of vehicles are allowed in the Marina Village promenade area and the area of the main marina breakwaters, and any other areas where the Manager indicates such types of vehicles are prohibited.
- 3.2.7 Car and Unit alarms must be closely monitored by their Owners. Excessive and frequent sounding of these alarms will be considered as noise ordinance violations

- 3.2.8 Unless fitted with headphones Stereo Equipment of any type is not permitted within the Common Areas.
- 3.2.9 Members and Users are required to refrain from being present in the Common Areas while being inappropriately dressed, including being in swimwear outside the areas of swimming pools and beaches.
- 3.2.10 It is expressly prohibited that a Member or User carries out any repair or similar works in his/her Unit that imply noise without a prior written consent of the Manager and in all cases such works cannot be performed before 10am or after 4pm as well as during Sundays and Saturdays and any public holidays.
- 3.2.11 It is expressly prohibited that a Member or User carries out any repair or similar works in Common Areas.

3.3 Privacy

- 3.3.1 Members and Users shall refrain from carrying out any activities that may unreasonably interfere with the right of privacy of any other Members or Users.
- 3.3.2 The right to install surveillance and CCTV systems is the exclusive right of the Developer and the Manager, and no Member or User shall procure or install any similar systems that do look into Common Areas or any other Members' Units.

3.4 Pets

- 3.4.1 Provided that they are not kept for commercial purposes and are kept in reasonable quantities, no animals other than a domestic non-dangerous household pet shall be brought into or kept within the Town and/or Units.
- 3.4.2 A Member or a User who possesses pet(s) shall ensure that his pet(s) is not causing any nuisance to the other Members and Users.
- 3.4.3 A Member or a User who possesses dog(s) shall ensure that his dog(s) be kept on a leash when not within the boundary walls of his Unit.
- 3.4.4 A Member or a User who possesses dog(s) shall ensure that any dog faeces are promptly removed and properly disposed of in a sanitary manner.
- 3.4.5 Upon observation and in the event of receiving complaints from other Members and/or Users, the Manager shall determine in accordance with the Town Rules whether an animal is not a domestic non-dangerous household pet, whether an animal is deemed a nuisance, which if becomes to be the case, the Manager shall issue a decision whereby the Member or the User shall comply with the prompt removal of the animal from the Town.
- 3.4.6 Except for those organized and/or managed by the Manager, pet houses or pens are not permitted within the Town.
- 3.4.7 No feeding of street dogs, cats and any other animals is allowed in the Town.

3.5 Hazardous Activities

- 3.5.1 All hazardous activities, including but not limited to hunting, use of firearms, use of fireworks are expressly prohibited within the Town.
- 3.5.2 Except for those organized by the Manager, No fires shall be lit or permitted within the Town, including fires for the purpose of barbecues.
- 3.5.3 Any activities that may endanger the health and/or safety of others are expressly prohibited within the Town.
- 3.5.4 Nothing shall be done or kept in any Unit or in the Common Areas which may endanger the safety of the Town and/or increase the Town's risk categorization.
- 3.5.5 Only the Manager can organize and approve fireworks within the Town's designated areas.

3.6 Waste Management

- 3.6.1 Members and Users must use the designated areas for the disposal of waste including but not limited to garbage, grass, solid waste and any type of refuse.
- 3.6.2 It is the responsibility and the cost of the Members and Users, to undertake the removal of any waste other than household waste, including but not limited to large and/or heavy items.
- 3.6.3 All rubbish for collection shall be placed inside waste containers provided within each cluster as designated by the Manager.
- 3.6.4 Members and Users of villas and townhouses shall regularly remove all waste and unsightly objects or materials of any kind from their plot and shall not allow such items to accumulate in the plot.

4. Use of Town Common Areas and Access Regulations

4.1 Recreation Areas, Parks and Playgrounds

- 4.1.1 All the recreation areas, parks and playgrounds included in the Town Common Areas are for the exclusive use of the Promotional Users, Paying Users, and Members, Users, their direct family members and guests as defined by the Manager.
- 4.1.2 Members and Users shall limit the number of guests using the facilities to ensure access for other Members and Users is maintained at all times. The Manager reserves the right to assess whether the number of guests accompanying the Member and/or User is indeed reasonable or not.
- 4.1.3 Members and Users shall use recreation areas, parks and playgrounds with the due care and refrain from causing any damage by excessive use of the facilities.
- 4.1.4 Members and Users who wish to use any of the recreation areas, parks or playgrounds to hold private functions in must obtain a prior written confirmation by the Manager. The Manager may require the payment of a deposit and the Member or User will be responsible for any damage or cleaning costs arising from the function.
- 4.1.5 Any damage to property or amenities in the recreation areas, parks and playgrounds will be chargeable to the individual responsible for causing the damage or, if they are a minor, their parent or legal guardian or the Member who owns the property in which they are a User or guest.

4.2 Sports Areas

- 4.2.1 Members, Users and their guests must adhere to the following rules while using the sports areas included in the Town Common Areas:
 - 4.2.1.1 Skates, skateboards, bicycles, tricycles, and other wheeled toys are not allowed on the sports areas.
 - 4.2.1.2 Stereo Equipment of any type (unless fitted with headphones) is not permitted within the sports areas.
 - 4.2.1.3 Suitable attire must be worn in and around the sports areas at all times.
 - 4.2.1.4 Only specified sports activities are permitted to be played on the sports courts unless otherwise is approved by the Manager.
 - 4.2.1.5 The Manager is responsible for managing the sports areas, including the availability management, collection of usage fee, and reserves the right to close any of the facilities for maintenance or for special Town functions, tournaments or events.
 - 4.2.1.6 The Manager reserves the right to update the rules and guidelines related to the sports areas from time to time as needed.

4.3 Swimming Pools

- 4.3.1 Members, Users and their guests must adhere to the following rules while using the swimming pools included in the Town Common Areas:
 - 4.3.1.1 Running, jumping or pushing is not allowed anywhere in the pool areas.
 - 4.3.1.2 No diving or acrobatics is permitted by, or in, the swimming pools.
 - 4.3.1.3 No activities are to be undertaken that would affect the peaceful use of the facilities by other Members and Users including excessive noise.
 - 4.3.1.4 Children under the age of fourteen (14) years must be under the supervision of an adult at all times.
 - 4.3.1.5 In the interest of hygiene, all persons are required to shower prior to using the pool.
 - 4.3.1.6 Unless fitted with headphones Stereo Equipment of any type is not permitted within the swimming pools areas.
 - 4.3.1.7 Suitable attire must be worn in and around the swimming pools areas at all times.
 - 4.3.1.8 All rules and regulations posted at the pools by the Manager must be adhered to.
 - 4.3.1.9 The Manager is responsible for managing the swimming pools, including the availability management and reserves the right to close any of the facilities for maintenance or for special Town functions or events.
 - 4.3.1.10 Members and Users and their guests must refrain from using any swimming pools other than the swimming pool allotted to the Unit they occupy and as notified by the Manager.
 - 4.3.1.11 Members and Users and their guests must adhere to the maximum number of users allotted to their Unit as notified by the Manager, and as currently indicated in Appendix#1 to the Town Rules.
 - 4.3.1.12 No reservation of sunbeds is allowed and any sunbeds occupied by Member /or User and their families and guests that remain unattended for more than 2 hours, the Manager will remove the personal belongings and make the sunbed available for other Members, Users and their families and guests.
 - 4.3.1.13 Use of scuba or snorkelling equipment, inner-tubes, swimming fins, toys and the like in the pools is not permitted. For safety purposes, young children may use small inner tubes or water wings but still must be accompanied in the water by an adult.
 - 4.3.1.14 Glass and other breakable items present a safety hazard and are therefore not permitted in the pool area.

- 4.3.1.15 Furniture for poolside use including tables, lounges and chairs are provided in the pool area for pool users dressed in swimming attire. Members and Users and their guests are not entitled to bring their own tables, chairs or deckchairs to the pool area
- 4.3.1.16 The Manager reserves the right to update the rules and guidelines related to the swimming pools from time to time as needed.
- 4.3.1.17 The Manager reserves the right to install access control systems, and all Members and Users are required to abide by the access control guidelines.

4.4 Beaches

- 4.4.1 Members, Users and their guests must adhere to the following rules while using the beaches included in the Town Common Areas:
 - 4.4.1.1 No activities are to be undertaken that would affect the peaceful use of the facilities by other Members and Users including excessive noise.
 - 4.4.1.2 Children under the age of fourteen (14) years must be under the supervision of an adult at all times.
 - 4.4.1.3 Unless fitted with headphones Stereo Equipment of any type is not permitted within the beaches areas.
 - 4.4.1.4 Suitable attire must be worn in and around the beaches' areas at all times.
 - 4.4.1.5 All rules and regulations posted at the beaches access points by the Manager must be adhered to.
 - 4.4.1.6 Members and Users and their guests must understand that the beaches are with limited capacity and that the Manager will exert all reasonable efforts to allow Members and Users and their guests to use the beach of their preference. However, in case of unavailability the Members and Users and their guests must refrain from using any beach other than the beach as notified by the Manager as available beach.
 - 4.4.1.7 Members and Users and their guests must adhere to the maximum number of users allotted to their Units as notified by the Manager, and as currently indicated in Appendix#2 to the Town Rules.
 - 4.4.1.8 No reservation of sunbeds is allowed and any sunbed occupied by Member /or User and their families and guests that remain unattended for more than 1 hour, the Manager will remove the personal belongings and make the sunbed available for other Members, Users and their families and guests.
 - 4.4.1.9 The Manager is responsible for managing the beaches, including the availability management and reserves the right to close any of the facilities for maintenance or for special Town functions or events.
 - 4.4.1.10 The Manager reserves the right to update the rules and guidelines related to the beaches from time to time as needed.
 - 4.4.1.11 The Manager reserves the right to install access control systems, and all Members and Users are required to abide by the access control guidelines.
- 4.4.2 Members and Users shall be aware that the Manager has the absolute right to privatize part(s) of the beach for exclusive programs.

4.5 Vehicles

- 4.5.1 All Members, Users and their guests are required to adhere to the following rules regarding vehicles access into the Town:
 - 4.5.1.1 Only complying Members, Users and their families, domestic employees and guests are allowed to access the Town with their vehicles.
 - 4.5.1.2 Delivery personnel and taxi and drivers are also allowed into the Town for the express purpose of delivering to or dropping off or picking up Members, Users and their families and guests.
 - 4.5.1.3 Service providers, building contractors and handymen are permitted to enter into the Town only with approved entry permits and documents issued by the Manager.
 - 4.5.1.4 Members and Users and their guests must adhere to the maximum number of vehicles allowed into the Town as allotted to their Unit as notified by the Manager, and as currently indicated in Appendix#3 to the Town Rules
 - 4.5.1.5 Members and Users must notify the Manager at least 24 hours in advance with any planned deliveries of furniture, equipment, plants, etc. that will require a transfer by non-passenger vehicles.
 - 4.5.1.6 The Manager reserves the right to deny access to any vehicles that may cause nuisance to the other Members and Users
 - 4.5.1.7 No vehicle will be granted access into the Town unless it has readable registration number plates affixed to it.
 - 4.5.1.8 The Manager reserves the right to deny access to any person who is known to the Manager as noncomplying driver.
 - 4.5.1.9 The Manager reserves the right to impose certain temporary restrictions on accessing the Town with vehicles, and Members and Users are required to adhere to such restrictions and ensure the compliance of their families and guests.
 - 4.5.1.10 The Manager reserves the right to implement access control systems and the Members, and their families and guests are required to adhere to such systems.
 - 4.5.1.11 Inoperable (either temporary or permanent) or wrecked vehicles of any type are prohibited within the Town, and will be removed on the Member's /or User's cost.

4.6 Parking (including sheltered place (indoors), and outside place)

4.6.1 All Members, Users and their guests are required to adhere to the following rules regarding parking in the Town:

- 4.6.1.1 Members, Users and their guests must use their reserved parking spaces as the primary location for parking their vehicles.
- 4.6.1.2 Members and Users and their guests must adhere to the maximum number of users allotted to their Units as notified by the Manager, and as currently indicated in Appendix#2 to the Town Rules.
- 4.6.1.3 Parking spaces must not be used for storage of any goods and/or materials therein, nor use any portion of the parking space for a workshop or other use.
- 4.6.1.4 In the event the Member or User has no reserved parking spaces, then they are required to use the public parking spaces allotted by the Manager.
- 4.6.1.5 If necessary, vehicles may be temporarily parked for a maximum of 15 minutes on the street spaces provided that it doesn't endanger the road safety and doesn't hinder the traffic flow.
- 4.6.1.6 Parking on the pavements or gardens or any lawn area is strictly prohibited.
- 4.6.1.7 Oversized vehicles may not be parked on a street with the exception of delivery and removal vehicles while performing services for Member or User. An oversized vehicle is deemed to be any vehicle that does not fit into a residential unit's carport or driveway.
- 4.6.1.8 No dune buggy, water craft, water craft trailer, truck, recreational vehicle, mobile home, motor home, van or camper shell which is detached from a vehicle shall be parked within any private street or alley or anywhere else within the Town, unless for a temporary period and with the express approval of the Manager.
- 4.6.1.9 Vehicles are not to be parked in a handicapped parking space without a handicap placard or similar authorization.
- 4.6.1.10 Vehicles are not to be parked in a manner which interferes with any entrance to, or exit from, either the Town or any residence therein.
- 4.6.1.11 Vehicles are not to be parked in a manner which occupies multiple parking spaces.
- 4.6.1.12 Street parking spaces and any unassigned parking spaces are not reserved by any particular Unit unless specified by the Manager.
- 4.6.1.13 No dismantled or wrecked vehicle or equipment shall be parked, stored or deposited within the Town.
- 4.6.1.14 No trailer, truck, or recreational vehicle shall be used as a living area within the Town.
- 4.6.1.15 The provisions of these rules shall not prevent any reasonable emergency vehicle repairs or operation of any emergency vehicle, ambulance, etc., within the Town.
- 4.6.1.16 The provisions of these rules shall also not prevent the reasonable operation or temporary use of construction trailers, vans, or other trucks, machinery/equipment, construction shelters or facilities maintained during and used exclusively in connection with the construction, improvement and repair works by the Developer.
- 4.6.1.17 Major repairs shall not be conducted to any vehicle of any kind in the Town except for emergency repairs to the extent necessary to enable the vehicle to be moved to a proper repair facility.
- 4.6.1.18 Changing vehicle oil or other automotive fluid is prohibited in the Town.
- 4.6.1.19 Washing vehicles is prohibited in the Town.
- 4.6.1.20 Bicycles must be secured exclusively to the bicycle racks located throughout the Town. Bicycles shall not be left unattended or secured to other objects such as benches, light posts, trees, handrails or disabled access ramps. Bicycles shall not be placed in hallways or obstruct or impede any means of access. Bicycles are not allowed on the Marina Village promenade and Main Marina breakwaters which are both pedestrian only zones.

4.7 Roads

4.7.1 All Members, Users and their guests are required to adhere to the following rules regarding roads in the Town:

- 4.7.1.1 The maximum speed limit on the Town streets is 30 kilometers per hour. However, in all instances, the posted speed limit signs will apply.
- 4.7.1.2 No motorised vehicle of any kind may be operated in any manner which is dangerous, noisy or which creates a nuisance. Any violation of the speed limit or driving considered to be dangerous by the Manger will be deemed to be a serious violation of the Town Rules and will be dealt with accordingly.
- 4.7.1.3 Vehicles that drip fluids or damage the streets shall be removed or repaired. The Member or User will be responsible for the clean-up and/or repair or the reimbursement to the Manager for the clean-up and/or repair.
- 4.7.1.4 Pedestrians always have the right-of-way on roads, walkways and footpaths.
- 4.7.1.5 No parts of any street, walkway or footpath shall be used for the storage of personal items or material.

5. Maintenance, Aesthetics and Home Rules

- 5.1 Each Member is required to at his/her sole expense, keep all landscaping, including shrubs, trees, grass and other plantings, neatly trimmed, properly cultivated and maintained. Each Member who owns villa or townhouse shall additionally keep his/her Plot free of debris and maintained in such a manner as to enhance its appearance.
- 5.2 No major landscape improvements are allowed without the prior approval of the Manager. Failure to obtain prior approval could result in removal, at the Member's cost, of the unapproved improvements. Improvements includes but not limited to irrigation systems, sheds, pergolas, swimming pools, shade structures, fences, gates etc., whether temporary or permanent.
- 5.3 It is prohibited to remove any trees or soft landscape elements that were originally planted by the Developer
- 5.4 Each Unit should be routinely controlled for pests. This shall include the regular cleaning of any water feature to ensure that mosquito or other pestilence does not breed in the water feature.
- 5.5 Windows are not to be covered by paper, paint, tinfoil, sheets, or similar items.
- 5.6 Window screens must be maintained in good condition. Damaged screens are to be repaired or replaced by the Member.
- 5.7 Outside television, radio, satellite or similar types of antennae is expressly prohibited.
- 5.8 Nothing may be attached to the exterior of the building or car port (where relevant) without the approval of the Manager. Such items may include awnings, pergolas, shade cloth, shade or protective sheeting, curtains, etc.
- 5.9 Hanging of laundry outside on clotheslines, balconies, or other apparatus visible to other Members and Users from the street or the ground level of a neighboring plot or the external common area is not permitted.
- 5.10 No holiday or festival lighting is permitted in residential Units.
- 5.11 Flashing decorative lights, or lighting that creates glare visible from outside the property is not permitted.
- 5.12 No private parties / get-togethers are allowed in Town Common Areas without the explicit prior approval of the Manager.
- 5.13 'For Sale', 'Lease' or 'Rent' signs are prohibited.
- 5.14 No sign or advertising device of any character may be erected, maintained or displayed upon any portion of the Unit by the Member or User.
- 5.15 No signs, including banners and flags are to be placed on balconies, roofs and windows by the Member or User.
- 5.16 Balconies and backyards may not be used for the storage of any storage units, boxes, refuse, unused furniture, cabinets, cartons, automobile parts, recyclable materials, storage and/or recycling containers, woodpiles, clotheslines, clothes drying racks, barbecue grills and/or other equipment, bicycles, or any children's tricycles, wagons, strollers, skateboards, scooters, slides and playhouses so as to be visible to other Members and Users from the street or the ground level of a neighboring plot.
- 5.17 Rugs, curtains, towels or other articles shall not be draped or hung on balcony railings, patio walls, from windows, or from clotheslines which are visible above the balcony walls.
- 5.18 No items on the balcony may extend higher than the balcony railing, including personal items.
- 5.19 Sun umbrellas, sun sails or any other equipment for providing shade have to be agreed with Manager prior to installation. All of these must be kept in good condition and be aesthetically agreeable. Any resulting damage to the exterior of the residence caused by the installation of hooks or attachments for the purpose of hanging decorative items will be the responsibility of the Member owning the Unit.
- 5.20 The storage of any combustible items such as charcoal lighter or other flammable items is strictly prohibited.
- 5.21 No pots or other items shall be placed on top of any wall or railing.
- 5.22 No Member or User shall make any improvements to a balcony, entry, backyard or patio or similar area unless and until the plans are approved in advance by the Manager and Developer.
- 5.23 No Member or User shall build, construct, erect or install any improvements on his/her plot and/or Unit.
- 5.24 Children should use designated playground areas and stay out of streets and parking lots at all times. Also, Members and Users shall ensure that no ball games and similar activities are allowed by their children outside the playground areas specifically designated by the Manager for such purposes.
- 5.25 Minors in any event must be accompanied by a responsible adult at all times
- 5.26 No Members, Users or their guests shall mark, paint, drill or in any way deface or alter any exterior wall, doors, shrubbery, vehicles, grounds or any signs on the grounds
- 5.27 Member or User shall provide for any substantial repairs of the Unit necessary in order to preserve the overall appearance of the Town, provided that the prior written consent of the Manager and Developer for such works has been obtained. As an exception, the Manager may perform the necessary works and require from the Member or User a reimbursement of its expenses.

6. Town Employees

Members and Users are to treat all employees and representatives of Manager, Developer, Town Association, retailers, and other service providers within the Town (including their contractors, sub-contractors, service providers, and advisors) in a cordial manner. Verbal and/or physical abuse will not be tolerated and will be treated as a serious violation of the Town Rules. Complaints regarding the mistreatment will be presented in writing to the Board.

7. Enforcement of Town Rules

- 7.1 Adherence to the Town Rules is mandatory as it will maintain, preserve, enhance, and protect the property values and the assets of the Town. All Members and Users are subject to the Town Rules, and each Member shall become familiar with, fully enforce and act in accordance with the Town Rules and shall further ensure that each User connected with the Member's Unit equally becomes familiar with, fully enforce and act in accordance with the Town Rules. The mere acquisition or rental of a Unit, or the mere act of occupancy thereof shall constitute the acceptance of the Town Rules by the Members and Users. Each Member, including Users connected with the Member's Unit, is responsible for any damage caused – out of negligence, willful misconduct or omission, to movable or immovable property of another Member, User, the Town, the Manager and the Developer.
- 7.2 The enforcement of the Town Rules is the exclusive right of the Manager. Members and Users and their guests and families are required to refrain from confronting any other Members or Users on any noncompliance with the Town Rules and in the event that any Member /or User notices any noncompliance with the Town Rules and wishes to report it, he/she may report it to the Manager.

8. Noncompliance

In the event of noncompliance with the Town Rules either by the Members or Users, the following fines shall apply at the absolute discretion of the Manager:

Noncompliance Act	Remedial Period	Noncompliance Penalty	
Delay in payment of the dues to the Town Association	30 days	Any delay by the Member in clearing his/her dues to the Town Association (including any levied Noncompliance Penalty) may trigger the following penalties:	
		Delay for more than 30 days and less than 90 days	Euro 250 + delay interest calculated as per the laws of Montenegro
		Delay for more than 90 days and less than 180 days	Euro 500 + delay interest calculated as per the laws of Montenegro
		Delay for more than 180 days and less than 365 days	Euro 1,000 + delay interest calculated as per the laws of Montenegro + suspension* of any privileges and benefits as a Member * Shall cease once the dues are cleared
	Delay for more than 365 days	Euro 2,000 + delay interest calculated as per the laws of Montenegro + suspension* of any privileges and benefits as a Member + legal procedures to enforce the collection of the dues	

			* Shall cease once the dues are cleared
Activities creating noise and nuisance	Immediate	Euro 500 + violations may be reported to Local Authorities	
Inadequate pet management	Immediate	Euro 500 + violations may be reported to Local Authorities	
Hazardous activities	Immediate	Euro 1,000 + violations may be reported to Local Authorities	
Dumping and poor trash management	3 days	Euro 1,000 + violations may be reported to Local Authorities	
Violation of terms regarding access control	Immediate	Euro 500 In case of 3 repeated violations, suspension of access right into the Town for 3 months may apply	
Damage/misuse of recreation areas (e.g. parks and playground)	Immediate	Euro 500 + actual repair costs	
Damage/misuse of other common areas	Immediate	Euro 500 + actual repair costs	
Damage/misuse of sports areas	Immediate	Euro 500 + actual repair costs	
Damage/misuse of swimming pools and beaches	Immediate	Euro 500 + actual repair costs	
Violation of the terms of using swimming pools and beaches	Immediate	Euro 1,000 In case of 3 repeated violations, suspension of access right into the Town for 3 months may apply	
Violation of parking rules	Immediate	Euro 500 + violations may be reported to Local Authorities In case of 3 repeated violations, suspension of access right into the Town for 3 months may apply	
Violation of terms regarding road usage and road safety	Immediate	Euro 1,000 + violations may be reported to Local Authorities In case of 3 repeated violations, suspension of access right into the Town for 3 months may apply	
Poor maintenance of garden and landscape	3 days	Euro 500 + actual repair costs if the Manager has to take corrective actions	
Improper home maintenance/appearance	3 days	Euro 500 + actual repair costs if the Manager has to take corrective actions	
Unauthorized exterior attachments/alterations and signages	Immediate	Euro 1,000 + actual repair costs if the Manager has to take corrective actions	
Misuse of balconies, patios and backyards	3 days	Euro 500 + actual repair costs if the Manager has to take corrective actions	
Inadequate pest control	3 days	Euro 500 + actual repair costs if the Manager has to take corrective actions	
During move in/out the Member is responsible for any damage caused to any of the Town areas while moving in/out (either directly or by the appointed moving company). Floor protection is the Member's responsibility. The Member has to keep all areas neat and clean after use. Any violation the above will be deemed a noncompliance.	3 days	Euro 500 + actual repair costs if the Manager has to take corrective actions	

9. Complaint

Each Member has the right to address either the Board or the Manager with any complaints. Such complaint must be in writing and shall be delivered to the customer service office or sent by email to customerservice@lusicadevelopment.com.

10. Miscellaneous

10.1 The Town Rules shall be governed by and construed in accordance with the laws of Montenegro.

10.2 Members and Users acknowledge that the Town is still in a development mode, and that emissions may result from construction works performed in the vicinity of their property.

10.3 Town Association assumes no responsibility for the personal property of Members and other Users. Members and Users acknowledge that Town Association assumes responsibility only in cases of gross omission or wilful misconduct.

**APPENDIX#1 – MAXIMUM NUMBER OF USERS OF SWIMMING POOLS
ALLOTTED PER UNIT TYPE**

	Studio/1 Bedroom	2 Bedroom	3 Bedroom	Townhouse/Villa
Number of Users	2 Users	4 Users	6 Users	6 Users

Member and Users are required to be aware of and adhere to the following:

- 1) The accommodation capacity of the swimming pools is limited and they will be made available on a first-come first-served basis.
- 2) Swimming pool access is limited to the swimming pool associated with the residential buildings cluster that the User is a member of in his/her condominium association.
- 3) Access to the swimming pool is granted only via the Manager's approved access system (if any).
- 4) Access right to the swimming pool is personal and attached to the Members and cannot be offered via a commercial arrangement to any persons other than the Users defined herein in this Town Rules document.

**APPENDIX#2 – MAXIMUM NUMBER OF USERS OF BEACHES
ALLOTTED PER UNIT TYPE**

	Studio/1 Bedroom	2 Bedroom	3 Bedroom	Townhouse/Villa
Number of Users	2 Users	4 Users	6 Users	6 Users

Member and Users are required to be aware of and adhere to the following:

- 1) The accommodation capacity of the beaches is limited and they will be made available on a first-come first-served basis.
- 2) Additional guests or invitees will be charged per person at public rates and a 20% homeowner discount will be applied.
- 3) Additional guests or invitees access is subject to availability.
- 4) Access to the beaches is granted only via using the Manager’s approved access system (if any).
- 5) Access right to the beaches is personal and attached to the Members and cannot be offered via a commercial arrangement to any persons other than the Users defined herein in this Town Rules document.

APPENDIX#3 – MAXIMUM NUMBER OF VEHICLES ALLOWED INTO THE TOWN AND PARKING SPACES ALLOTTED PER UNIT TYPE

	Studio/1 Bedroom	2 Bedroom	3 Bedroom	Townhouse/Villa
Number of Vehicles	1 Vehicles	2 Vehicles	3 Vehicles	3 Vehicles

Member and Users are required to be aware of and adhere to the following:

- 1) There is a limited number of parking spaces available in the Town and it will be made available on a first-come first-served basis.
- 2) Additional guests or invitees access is subject to availability and will chargeable.
- 3) Leasing of garage spaces in the garages in F and G buildings can be arranged in advance via the customer service office, which is subject to availability, subject to charges, and is offered on a first-come first-served basis.
- 4) In case of occupancy of 100% parking capacity in the Marina Village, the Manager will organize shuttle busses to facilitate parking in other zones in the Town. More information on shuttle buses schedules and timing can be obtained via the customer service office.
- 5) Access right to the town and parking spaces (other than dedicated public parking areas) is personal and attached to the Members and cannot be offered via a commercial arrangement to any persons other than the Users defined herein in this Town Rules document.