

**CONTRACT  
FOR MAINTENANCE AND MANAGEMENT OF RESIDENTIAL  
COMPLEX «SANDANSKI PARADISE»**

Today ..... 2009, in the town of Sandanski, between:

**1. “DAVIDOV&BOEV PROPERTY” LTD** with seat and address of management:  
.....,  
represented by the manager – ....., EGN (Personal Identification Number)  
....., residing at .....,  
holder of a personal ID card No. ...., issued on .....,  
and named hereafter “**MANAGER**” on one side:

**2.** ....., owner of a personal ID  
card No.: ....., issued on ..... by....., with EGN (Personal  
Identification number): ....., and address:  
....., named hereafter “**OWNER**” on the other side,  
considering that:

- Between the **MANAGER** and the **OWNER** there is a preliminary agreement signed on .....according to which the **OWNER** accepts to purchase, and the **MANAGER** – to sell the following real estate property, more specifically:  
.....
- The **OWNER** needs maintenance and management of the property and the complex where the property is constructed
- The **MANAGER** offers maintenance and management of the complex, with the aim to ensure the safety of the property and adequate management of the latter. Managing a number of services that satisfy the **COMPLEX** inhabitants’ needs completely.

**THE PRESENT CONTRACT WAS SIGNED UPON THE FOLLOWING CONDITIONS:**

**Article 1  
SUBJECT AND PERIOD OF THE AGREEMENT**

**1.1.** The **OWNER** assigns and the **MANAGER** agrees, in exchange of the remuneration specified in the present Agreement, to provide the **OWNER** with the following services of management and maintenance of the **COMPLEX** “SANDANSKI PARADISE” (named hereafter the **COMPLEX**).

The responsibilities of the **MANAGER** in terms of management and maintenance of the **COMPLEX** include the timely and continuous implementation of the following activities listed below:

1. Daily management of the complex;
2. Providing 24-hour security by means of hiring a licensed company installment and surveillance of specialized signaling and protective equipment and a “panic button” at the Lobby of the **COMPLEX** for providing assistance by the specialized security company;
3. Maintenance of the cleanness in the **COMPLEX**, including general cleaning on a monthly basis and cleaning of the common parts of the building – such as staircase, lobby, elevator, green areas, common relax places on a daily basis, in conformity with the standard applicable to such apartment complexes, as the **OWNER** will provide any additional services and maintenance for previously determined payment;

4. Taking care of and cultivation of the live plants in the **COMPLEX** according to the usual cares implied in such cases;
5. Maintenance and cleaning of the outdoor pool situated in the property.
6. Immediate undertaking, at the **OWNERS'** expense, of all necessary and reasonable actions to prevent, restrict and/or remedy any damages in case of:
  - a) natural disasters;
  - b) fire;
  - c) failure of household appliances or installations in the **COMPLEX** or any adjacent properties;
  - d) failure of common devices or installations of the floor property;
  - e) other extraordinary events, damaging or endangering the complex;
7. Routine maintenance and repair of the installations in the **COMPLEX**, according to the technical instructions, standards or requirements;
8. Routine maintenance and repair of all the buildings including remedy of all damages to the roof, the hydro and sewage system, outdoor and indoor wall-covering. Upon expiration of the warranty period of the construction, the maintenance and the repair of the building will be done at the expenses of the owners of apartments in the building, as all afford mentioned expenses will be collected equally of each owner.
9. To provide order on the territory of the **COMPLEX**;
10. To set up an appropriate admission regime and to provide a 24 hours occupied Lobby at the **COMPLEX**;
11. Making routine and general repairs and/or re-arrangement in the **COMPLEX**, when it is expressly assigned by the **OWNER** and at their expense apart from the remuneration specified in this Agreement;
12. Paying the electricity and drinking water bills of the common part of the **COMPLEX**;
13. Organizing, directing, performing and controlling all the necessary repairs and activities, related to the maintenance of the common parts of the **COMPLEX**;

**1.2.** The costs related to the functioning and maintenance of the common parts of the **COMPLEX** (overheads) which the **MANAGER** is entitled to make in order to ensure the providing of the services on art. 1.1. of the present agreement are the following:

1. Salaries and other remunerations of the servicing persons, engaged with the exploitation, repairs, and management of the **COMPLEX**, including but not only – gardeners, porters, cleaners, guards and other professionals;
2. Costs for trifle routine repair works – complex maintenance, delivery costs for tools, materials and equipment for the repair and maintenance of the **COMPLEX**;
3. Payments and other costs, related to the insuring of the **COMPLEX**, including: insurance against fire, broad coverage insurance, insurance against natural disasters, earthquake, hurricane, hailstorm and explosion, acts of vandalism etc. The amount necessary for the insurance of the common parts of the building and which will be paid in the form of insurance bonus will be collected proportionally according the owners property.
4. Costs related to control and technical maintenance such as electric bulb replacement in the common areas, garbage discharge, pest control, water treatments, electricity, water-supply and sewer systems and mechanics, including all exterior contracts for maintenance, necessary with a view to the maintenance of **THE COMPLEX** and its respective common parts.
5. Costs for electricity in the respective common parts. Those cover also the water-supply in the common parts of **THE COMPLEX** (including for watering the green areas), pool-water replacement; as well as other necessary costs reasonably necessary for the functioning, repair, management, guard and maintenance of the common parts of the **COMPLEX** in a perfect manner;

## 6. Other necessary costs

**1.3.** In accordance with the present agreement, the **MANAGER** is entitled to make such expenses as cover the necessary, reasonable and actual current overheads, necessary and directly and immediately related to the functioning, maintenance and repairs of the complex.

**1.4.** The **MANAGER** has to make every necessary effort to keep the overheads within reasonable limits, in the same time maintaining the orderly state of the complex.

**1.5.** The present agreement comes into force on the date of notary transfer of the property title of the real estate property described in the preamble and is valid for **5 years**, after which the parties re-sign the new agreement for maintenance and management suggested by the **MANAGER**. In case a new agreement is not signed by the **OWNER** the present agreement will be considered automatically prolonged in validity for the same period.

## Article 2

### PRICES AND METHOD OF PAYMENT

**2.1.** The **OWNER** will pay to the **MANAGER** an annual fee for covering the costs for management and the ordinary maintenance of the **COMPLEX** according to the present agreement concerning the property described in the preamble to the amount of **8 EUR** / Eight Euro/ VAT excluded per square for the first year of the period of this contract;

The amount of the annual fee for maintenance for the years to come will be established by the General Meeting of the Owners of apartments. The established fee cannot be lower than the initially approved one, which is stated in Article 2.1 of the present Agreement.

**2.2.** In the sense of the previous article the year commences on 1st January of the respective calendar year and finishes on 31st December of the same calendar year. As an exception, the first year for which the **OWNER** has to pay a fee, commences one year after the day of the notary transfer of the property title of the real estate property described in the preamble and finishes on 31st December of the same year.

**2.3.** The **OWNER** is obliged to pay the fees due as per art. 2.1. in the following manner:  
- In equal advance three-month installments before the 5th day of January, April, July and October.

**2.4.** The **OWNER** will pay the fee as per art. 2.1. in cash or via bank transfer, to the bank account specified by the **MANAGER**.

**2.5.** Upon expiration of the warranty period of the construction, the **OWNER** will pay in proportion of the ideal parts from the common parts of the building that he/she owns all incidentals, related to the remedy of failures or damages to the common installations, equipment, facilities or other activities performed regarding the common parts of the building.

**2.6.** Upon expiration of the warranty period of the construction, the **OWNER** will pay in proportion of the ideal parts from the common parts of the building that he/she owns all necessary (due) costs, necessary for ensuring the technical serviceability of the building and the devices and installations therein with a view to protecting the health and safety of the inhabitants and visitors of the complex.

2.7. Upon expiration of the warranty period of the construction, the **OWNER** will pay in proportion of the ideal parts from the common parts of the building that he/she owns all planned costs, necessary for capital repairs of the buildings and facilities in the complex, constituting the common parts.

### **Article 3**

#### **RIGHTS AND OBLIGATIONS OF THE OWNER**

3.1. The **OWNER** has the right to exercise to the full his/her properties title over his/her living place without disturbing the other owners in the **COMPLEX** or the **MANAGER**.

3.2. The **OWNER** may require that the Manager manages the **COMPLEX** conscientiously and with the care of a good host.

3.3. The **OWNER** will pay the Manager the agreed remuneration within the terms and in the method, specified in the present agreement.

3.4. The **OWNER** will address the Manager with all his/her claims regarding the use of the **COMPLEX** and the facilities constructed therein.

3.5. With the aim of ensuring the security of the complex, The **OWNER** has to:

- in case of absence – inform in advance (and in time) the **MANAGER** of the identity of the visitors (as well as information of their motor vehicles) who have been invited to stay in the **COMPLEX** during that period of absence;
- observe the Rules of Access to the complex, specified by the **MANAGER**;
- observe the fire-prevention and emergency safety rules specified by the **MANAGER** and the relevant authorities.

3.6. The **OWNER** has to inform immediately the **MANAGER** of any known to them violations of people or objects, damages in the building entrances and the facilities intended for common use in the complex, as well as of any unlawful conduct of persons in the complex, that endanger the interests of the other owners or their visitors.

3.7. The **OWNER** may not, except upon the express written consent on behalf of the **MANAGER**, construct, position and place in the **COMPLEX** (and the facilities therein) any individual devices or objects for personal use.

3.8. The **OWNER** has to observe the interior order established in the **COMPLEX** by the **MANAGER**.

3.9. The **OWNER** has to protect the wholeness and hygiene of the complex, the buildings and the facilities for common use, to exploit them according to their intended use and, in general, not to perform any acts that harm or might harm the green areas, the buildings and the facilities, and not to allow anything that may expose them to the risk of fire or significant damage.

3.10. While exercising their title right over their own property or in the **COMPLEX**, the **OWNER** has to abstain from undertaking any actions that endanger or may endanger the life and health of the other owners and their visitors, of the service staff and other persons, located on the territory of the complex, or perform actions that are more disturbing for the inhabitants of the other premises than usual.

**3.11.** The **OWNER** has to remedy immediately any damages in their own property that may lead to harm of the common parts of the building, complex or other parts in the property, and to pay immediately (according to their respective share) the costs necessary for protection and restoration (repair) of the building, complex and the facilities for common use. In case they cannot remedy the damages in their own property, the **MANAGER** has to be informed thereof.

**3.12.** The **OWNER** has to ensure access to their own premises for the necessary exploration, designing, measuring or mounting works regarding improvements, repairs or changes of the common parts or of someone else's property.

**3.13.** The **OWNER** may not refuse to pay some costs (respectively, the recovery of some such) that are necessary for the restoration of the common parts of the building, complex and the facilities for common use, or some due or incidental costs.

**3.14.** The **OWNER** may not perform commercial activity on the territory of the complex without the express preliminary consent of the **MANAGER**.

#### **Article 4**

#### **RIGHTS AND OBLIGATIONS OF THE MANAGER**

**4.1.** The **MANAGER** has the right to approve and generate rules and regulations for conduct and conditions for use of the complex, including the residential buildings, which are binding for the owner. The rules specified in the above article may not refer to the inviolability of the **OWNER**'s property described in the preamble or restrict in any way the title of property of the latter.

**4.2.** The **MANAGER** may receive the remunerations and payments as per art. 2 of the present agreement.

**4.3.** The **MANAGER** may, at his own discretion:

- perform improvements and changes in the places for common use and the installations;
- determine the conditions for use of services in the complex, as well as use of the sports facilities, the green areas, etc.

**4.4.** In case a breach of the rules for the interior order or of the provisions of the present agreement is established on behalf of the **OWNER** or his/her visitors, the **MANAGER** may demand that the **OWNER** should cease the unlawful conduct and immediate remedy of the damages or harms caused, at the expense of the violator. In any case, the rights as per the previous sentence do not exclude the possibility that the **MANAGER** turns for assistance to the competent authorities and the police.

**4.5.** While exercising his rights as per art. 1.1. of the present agreement the **MANAGER** has to perform routine maintenance of the common parts of the buildings, the facilities and the **COMPLEX** with the care of a good host.

**4.6.** The **MANAGER** shall organize the sanitary-hygienic activities in the complex.

**4.7.** The **MANAGER** shall organize the security and protection of the complex.

**4.8.** The **MANAGER** will remedy immediately any damages in the facilities for common use, as well as the common parts of the buildings, due to the usual exploitation, the costs for which are payable as per the provisions of the present agreement. That obligation does not restrict the right of the **MANAGER** to initiate the actions as per art. 4.5. of this agreement.

## **Article 5**

### **LIABILITY AND FORFEITS**

**5.1.** In case the **OWNER** delays the payment of the fee as per art. 2.1. of this agreement, or of the performed or planned costs for the maintenance, the **OWNER** owes compensation to the amount of 1% (one per cent) on the principle for each expired day, but not more than 30 days. In case the **OWNER** delays the payment of the due as per art. 2 by more than a month, the **OWNER** owes the fees for the respective year together with the interests specified in the previous sentence.

**5.2.** In case the **OWNER** delays more than 60 days as per the previous article the **MANAGER** has the rights to restrict the access of the **OWNER** to the complex, including to the facilities for common use.

**5.3.** The responsibility as per art. 5.1. and 5.2. will not restrict the possibility that the **MANAGER** will seek also compensation for all material and non-material damages incurred, nor will it prevent him from exercising the rights as per art. 10, par. 2 and 3 from the Rules and Regulations for management, order and supervision of the floor property.

**5.4.** In case the Manager fails to perform his obligations as per articles 4.6 to 4.8 of the present agreement, the **MANAGER** owes to the **OWNER** compensation for all directly caused material damages.

## **Article 6**

### **ADDITIONAL PROVISIONS**

**6.1.** The amount of the fee as per art. 2 of this agreement will be indexed annually in accordance with the annual inflation or during the calendar year in case of sudden or serious change of the price level in the country.

**6.2.** The **OWNER** accepts and entitles the **MANAGER** to transfer the activity as per this agreement to a third party who will perform the complete activity on the management of the **COMPLEX** or part of it, while keeping the conditions of the present agreement and the **MANAGER** is responsible for his choice.

**6.3.** At the performance of a regulatory deed with the property the **OWNER** must ensure the transfer of all the rights and obligations from this agreement to the new owner. In case the property is transferred in any way to a third party and, to the date of transfer of the property, the **OWNER** has not ensured the transfer of the obligations specified in the present agreement to the new owner, then the **OWNER** will continue to be responsible for their obligations as per the present agreement until the new owner takes them.

**6.4.** The **MANAGER** may terminate the agreement unilaterally with a **30 (thirty) days** written notice, in case the execution of the agreement has become economically unbearable due to the fact that the same may not permanently cover the overheads of the **COMPLEX** and for the profit norm for such activity at the amount of 10% of the total costs needed for the maintenance of the **COMPLEX** as accepted in the good commercial practice

**6.5.** The parties on the present agreement unconditionally and irrevocably agree that regarding issues not settled in the agreement, such as (including, but not limited to): access to the facilities, the order for, access rules for fire-prevention and emergency safety, the sanitary-hygienic standards, the owners and visitors' conduct, the sanctions for breach of the rules, etc, the Rules and Regulations for the interior order of the complex, approved by the **MANAGER**, will be applied.

**6.6.** The **OWNER** and the **MANAGER** may agree in exchange of additional payment that the **MANAGER** will perform individual maintenance and management of the property described in the preamble. In that case the parties sign an agreement arranging the individual maintenance.

**6.7.** The **MANAGER** has the exclusive right to organize and provide the paid and free services in the **COMPLEX**.

**6.8.** Any disagreements regarding the interpretation and execution of the agreement will be solved by means of negotiations, on a good-will basis. If agreement cannot be reached, the issue will be taken to the competent court in the Republic of Bulgaria.

**On the Behalf of the Manager:**

**On the behalf of the Owner:**