

## **AGREEMENT FOR MAINTENANCE AND MANAGEMENT OF RESIDENTIAL COMPLEX OF “DZHANAVARA”**

Today, ..... 2008, between

**1. “WIND – ENERGY” OOD**, seat and address of management: Varna, 32 “Dragash” Street, entr. A, floor 1, apt. 1, entered under company file 2423/2006 of Varna District Court, registered in the Commercial Companies Register under No. 14, volume 576, page 62, by decision No. 4744 dated 04.07.2006, BULSTAT 148041495, represented by the manager – Vladin Nikolaev Tsvetkov, named hereafter **“MANAGER”** on one side:

**2.** ..... named hereafter **“OWNERS”** on the other side, considering that:

- Between the Manager and Owner there is a preliminary agreement signed on ..... according to which the Owners 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 AGREEMENT 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 “Dzhanavara” (named hereafter The Complex) that are listed in details below:

- Daily management of the complex
- Providing 24-hour security by means of installment and surveillance of specialised signaling and protective equipment
- Maintenance of the cleanness in the complex, including general cleaning on a monthly basis and cleaning of the common parts of the building – that is staircase, lobby, elevator, green areas, underground car park and parking lots, common relax places on a daily basis, in conformity with the standard applicable to such apartment complexes.

- Taking care of and cultivation of the live plants in the complex according to the usual cares implied in such cases;
- Maintenance and cleaning of the indoor pool situated in the property.
- 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;
- Routine maintenance and repair of the installations in the complex, according to the technical instructions, standards or requirements;
- To provide order on the territory of the complex;
- To set up an appropriate admission regime in the complex.
- Making routine and general repairs and/or re-arrangement in the complex, when it is expressly assigned by the Owners and at their expense apart from the remuneration specified in this Agreement;
- Paying the electricity and drinking water bills of the common part of the complex;
- Organising, directing, performing and controlling all the necessary repairs and activities, related to the maintenance of the common parts of the complex;
- Maintenance of the set up accounting system;
- Organising and management of all paid services in the complex: medical service; room-service; dry cleaning; senior citizens' cares; paid services of the SPA-centre, as well as hour-service of children care.

**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:

- 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;
- Costs for trifling routine repair works – complex maintenance, delivery costs for tools, materials and equipment for the repair and maintenance of the complex;
- 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.
- 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.
- Costs for electricity and communications in the complex and 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;
- Other necessary costs.

**1.3.** The Manager has no right to cover other costs apart from the ones specified in art. 1.2. Such costs bind the client only in case of force majeure that seriously endangers the existence or the appropriate functioning of the complex.

**1.4.** 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.

**1.5.** 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.

**1.6.** 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 10 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 6 EUR / Six Euro/ VAT excluded per square meter common area for a year;

**2.2.** In the sense of the previous point the year commences on 1<sup>st</sup> January of the respective calendar year and finishes on 31<sup>st</sup> 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 31<sup>st</sup> December of the same year.

**2.3.** The Owner has to pay the fees due as per art. 2.1. in the following manner:

- In equal advance three-month installments before the 5<sup>th</sup> day of January, April, July and October. The Owner is exempt from fee for a year after the signing of the Notary Deed, by which the title on the property is acquired, and for the following year the fee is proportionate to the unexpired period of the year.

- In case of advance payment of the fee as per art. 2.1. for the entire year, the Owner will have a discount to the amount of 10% (ten percent).

**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 property title over his/her living place without disturbing the other owners in the complex or the Manager.

**3.2.** The Owner may use the swimming pool and the gym free of charge and the services provided at the SPA centre with a charge, according to the provisions of the present agreement and the Rules and Regulations concerning the use thereof, without disturbing the other owners and visitors of the complex.

**3.3.** The Owner may require that the Manager manages the complex conscientiously and with the care of a good host.

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

**3.5.** The Owner will address the Manager with all his/her claims regarding the use of the complex and the facilities constructed therein.

**3.6.** 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.

**3.7.** 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.

**3.8.** 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.

**3.9.** The Owner has to observe the interior order established in the complex by the manager.

**3.10.** 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.

**3.11.** 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.

**3.12.** 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.

**3.13.** 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.

**3.14.** 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.

**3.15.** 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.

**4.2.** 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.

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

**4.4.** 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, the car park and inside the common parts of the buildings.

**4.5.** 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.

**4.6.** 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.

**4.7.** The Manager will organize the sanitary-hygienic activities in the complex.

**4.8.** The Manager will organize the security and protection of the complex.

**4.9.** 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.

**4.10.** The Manager will keep the accounts for the costs made, which as per the provisions of the agreement and the Property Act, are the responsibility of the owners and will bring them to their attention. He will inform in a timely manner the Owner of the previously mentioned costs that have been performed or planned, giving enough time-period for the Owners to be able to install, respectively – restore the costs.

## **Article 5**

### **LIABILITY. 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 4.10 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) day 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, 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.

**For and on behalf of the Manager:**  
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**For and on behalf of the Owners:**  
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