

(1) “SMARTPARTNERS - BG” Ltd. (COMPANY FILE No: 160/2006)

and

(2) «CONTACT_FIRSTNAME» «CONTACT_LASTNAME»

**THE ORCHARD II DEVELOPMENT
MANAGEMENT CONTRACT**

«OPPORTUNITY_NAME»

Maintenance and management Agreement for The Orchard II

By and between:

1. «CONTACT_FIRSTNAME» «CONTACT_LASTNAME» at address: «ACCOUNT_BILLINGSTREET», «ACCOUNT_BILLINGSTATE» «ACCOUNT_BILLINGPOSTALCODE», «ACCOUNT_BILLINGCITY», «ACCOUNT_BILLINGCOUNTRY» with passport number «CONTACT_PASSPORT_NUMBER» issued on «CONTACT_PASSPORT_ISSUE_DATE» by «CONTACT_ISSUING_AUTHORITY», called hereafter (the **Owner**)

and

2. “**SMARTPARTNERS – BG**” **Ltd.**, registered under company file № 160/2006 with the commercial registry of the Sofia City Court, BULSTAT No 175011093, represented by the Manager Siika Spasova Georgieva , EGN 5411153474, (the **Manager**)

The parties hereto agree for the following:

1. The Owner assigns and the Manager accepts and is obliged for a remuneration to maintain and accomplish organisational, technical and administrative management of The Orchard complex, situated in Bansko town, “Stragite” area, Blagoevgrad municipality, Republic of Bulgaria
2. The management activities include the following:
 - organisation of the internal order of the buildings and common equipment of the building; rendering any assistance and helping the owners with the purpose of their calmly and undisturbed usage of their lodgings and the building as a whole and their undisturbed exercising rights of property;
 - technical support of the common installations, equipment, arrangements or other common areas of the building, private gymnasium for owners use only, lift, lobby with concierge;
 - organising sanitary-hygiene service of the building and the common areas of the apartment building;
 - organising and management of the service activities in the building.
- 2.1 The Owner is obliged to pay the Manager an annual fee to cover the expenses for the management and the general support of the complex the amount of 12.00 (twelve euros and zero cents) Euro /VAT excluded/ per square metre per annum for the legally owned build-up area.
- 2.2 Each management period begins on the 1st of January of the corresponding year and finishes on the 31st December of the same calendar year. As an exception the first year, for which the Owner owes a fee, begins on the day of the official opening of The Orchard development (respectively Owner’s entering into possession of his property – for owners, bought their property after the date of development’s opening) and finishes on the 31 December of the following year.
- 3.1 The Owner is obliged to pay the fee specified in Art 2.1 in the following way:
 - at the signing of the Notary act, the fee for the first year;
 - by the 30th of April of each corresponding year – the fee for the following year.
- 3.2 The Owner pays the fee specified in Art.2 in cash or by bank transfer, at an account supplied by the Manager.
- 4.1. The fee specified in Art. 2.1 includes the expenses for general daily support of the common parts of the building.

- 4.2. The Owner pays proportionally to the owned by him ideal parts of the building all unexpected expenses, connected with removing damages and failures of the common installations, equipment, supplies and other common areas of the building.
- 4.3. The Owner pays proportionally to the owned by him ideal parts of the common areas of the building all the necessary expenses and urgent expenses, needed for ensuring the technical good working condition of the building and the equipment and installations in it in order to keep the health and safety of the residents and citizens.
- 4.4. The Owner pays proportionally to the owned by him ideal parts of the common areas of the building all the planned expenses, needed for major repairs of the buildings and equipment of the building, which are common areas.

RIGHTS AND OBLIGATIONS

- 5.1. The Owner and his guests have the right to exercise in full amount their right of property of their lodgings without disturbing the rest of the residents or the Manager.
 - 5.2. The Owner is entitled to use the services, provided in the building.
 - 5.3. The Owner is entitled to quality management services provided by the Manager.
 - 5.4. The Owner is obliged to pay the Manager the stipulated fee in compliance with the terms of the present contract.
 - 5.5. The Owner is obliged to inform the Manager about all his claims, considering the usage of the built equipment.
 - 5.6. In order to ensure the effectiveness of the security of the building, the Owner is obliged to inform the Manager in advance (in due course) for the identity of his guests (data about their automobiles), as well as the time of their stay.
 - 5.7. The Owner is obliged to inform the Manager in due course for any disorderly conducts or damages on the property, in time when identified, damages of the entrances of the buildings and equipment for common use in the building, as well as every disturbing illegal behaviour of the residents in the building, threatening the rest of the owners or their guests.
 - 5.8. The Owner is entitled to use the common areas of the complex only in a way that is fit for its intended purpose and to refrain from any activity that might prevent the others from doing so or from using their individual properties.
 - 5.9. The Owner is obliged to comply with the maintenance rules and fire-regulations of The Orchard.
 - 5.10. The Owner is obliged to keep the integrity and the clean state of the yard, building and equipment for common use, to use them according to their purpose and refrain from any activities that might damage the green areas, the building and the equipment. The Owner shall refrain from any activities that may expose the abovementioned property and facilities to danger of fire or considerable damage.
 - 5.11. Exercising his right of property in his own apartment or in the building the Owner is obliged to refrain from any actions, which threaten or could threaten the life or health and safety of the rest of the residents, service staff or other people based on the territory of the building, as well as not to take any actions, which disturb the occupants of the other premises more than normally.
 - 5.12. The Owner is obliged to repair timely any damage in his own apartment, that could lead to damage to the common areas of the building or to damage to any other apartments, as well as (according to his share) immediately to pay for the expenses, necessary to repair the building, yards and equipment for common use.
 - 5.13. The Owner is obliged to provide access to his premises for accomplishing the necessary researching, design, measurement or construction-building works, connected to improvements, repairs and changes of the common areas or other premises in compliance with the statutory provisions.
 - 5.14. The Owner cannot reject expenses (respectively the refund of made ones), necessary for repairs of the common parts of the building, the yard and equipment for common use, as well as urgent and unexpected expenses.
- 6.1. The Manager is entitled to introduce regulations for behaviour and usage of the common areas of The Orchard, including in the apartment buildings, which regulations are mandatory to the Owner.

- 6.2. The aforementioned regulations shall not disturb the inviolability of the Owner's lodging or restrict by any means the rights of it, as well as the rights for using the common areas and the yard.
- 6.3. The Manager is entitled to receive the fee as specified in Art. 2.1. of this contract.
- 6.4. The Manager is entitled to make improvements and changes to the common areas, facilities and installations;
- 6.5. To determine in the regulations the rules for usage of the services, facilities and the common areas of the building.
- 6.6. In order to ensure the good organisation and the internal order of the facilities of The Orchard complex Electronic cards access system shall operate within its premises.
- 6.7. The Manager of the complex shall organise the installation and the operational management of the system.
- 6.8. The access to the *facilities as defined in clause 11 whole complex/ individual premises* shall be monitored by the electronic cards system.
- 6.9. Each Owner of a flat situated within The Orchard complex shall be given a number of electronic cards depending on the size of a flat. The number of cards corresponding to the flat sizes is as follows:
- 6.9.1. Studio – 4 cards;
- 6.9.2. 1 bedroom – 6 cards;
- 6.9.3. 2 bedroom – 8 cards;
- 6.9.4. 3 bedroom – 10 cards.*
- *The above number correspond to the number of concurrent users per flat and are related to the actual flat type.
- 6.10. In case of violations of the internal order regulations by the Owner or his guests the Manager is entitled to ask the Owner /respectively the violator/ to discontinue with the illegal behaviour and to restrict his/her access to the common areas, facilities, equipment for common use by deactivating the Owner's electronic cards. In such cases any damages caused are to be repaired at the violator's expenses. This right of the Manager does not exclude the possibility to seek assistance from the external authorities.
- 6.11. Exercising the powers specified in Art.1 of the present contract, the Manager is obliged to accomplish routine repairs of the common parts of the building and equipment with the due care.
- 6.12. The Manager is obliged to organize sanitary-hygiene activities in the building:
- compulsory – in the common areas of the buildings and in the whole yard;
 - additional (at Owner's request and within additionally agreed payment terms) in the individual lodgings.
- 6.13 The Manager is obliged, in due time, to repair any damage to the equipment for common use, as well as of the common areas of the buildings, due to natural use or a result of fire-precaution activities, the expenses of which are paid in compliance with the provisions of the present contract. This obligation does not restrict the right of the Manager to act in compliance with Art. 6.5 of the present contract
- 6.14. The Manager is obliged to keep an account of the expenses made, which according to the regulations of this contract and the Propriety Act are at the expense of the Owners and to dispose them to their attention. He is obliged in due time to inform the Owner for the incurred or planned expenses mentioned above, giving proper term to the Owners for the refund of the amount.

GENERAL REGULATIONS

- 7.1. In case the Owner fails to fulfil his financial obligations specified in Art. 2.1 of this contract, as well as for the incurred or planned expenses for support (Art. 4.2, 4.3, 4.4) he owes a compensation of the amount of 0.5% (zero point five per cent) of the principal amount for each day overdue.
- 7.2. In case the Owner delays payment of the fee specified in Art. 2.1 for a period of more than two months, he owes the fee for the corresponding year plus 50% (fifty per cent).
- 7.3. Any delay for a period of over 6 months starting from the moment when the payments are due or any delayed payment amounting over 750 Euro entitles the Manager to either accede into the rights of the Owner for the rental payments /if the respective flat is subject to rental agreement/ or if the flat is not

subject to rental agreement the Owner empowers the Manager to rent the flat in order to cover the due delayed payments.

- 7.4. The above mentioned rental revenue shall be calculated in accordance with the rental prices negotiated with the tour operators for the corresponding period for properties located within the same or similar premises.
- 7.5. The abovementioned authority shall be exercised by the Manager with the due care. Any damage to the property as a result of the Manager's actions regarding the collection of the delayed payments shall be at Owner's expense,
- 7.6. Any rental revenue exceeding the actual due payment shall be transferred to the Owner within 14 days of the excess rental revenue being received by the Manager.
- 7.7. The Manager is obliged to inform the Owner for any actions that are undertaken under the provisions of Art. 7.2. – 7.6.
- 7.8. In case of a delay in the due payments specified above the Manager has the right to restrict the access of the Owner to the common areas, facilities of the building and the equipment for common use by deactivating the electronic access cards corresponding to the flat of the Owner.
- 7.9. The moment all due penalty payments are settled by the Owner the Manager is obliged to activate the electronic cards and to ensure the access to the Owner to his premises, common areas, facilities and equipment for common use immediately.
8. In case the Manager does not accomplish his obligations at item 6.13 and 6.14. of this contract, he owes the Owner a compensation for all the property and non-property damages limited to the amount of the management fee for a one year period.
9. At the end of first year starting from the actual readiness of the building, the Owners will be provided with a report for all the incurred expenses and consumptions. The amount of the fee according to Art.2.1 of the present contract can be adjusted pro rata upwards in accordance with the higher of the inflation rate or the average salary percentage change for Bulgaria in the proceeding year. Upon reviewing the above-mentioned reports the annual maintenance fee can be updated if necessary.
10. The Owner agrees to authorize the Manager to assign the rights and the obligations arising from this contract to a third person, who will accomplish the whole activity of managing The Orchard development under the condition that the provisions of this contract shall not be changed..

ADDITIONAL REGULATIONS

11. Terms and Definitions:

Unless the context requires otherwise, the terms defined below shall have the meaning ascribed to them as follows:

Owner – a person, either natural or juridical, who(which) owns as his/her/its individual property an apartment, shop or a parking place of the secure parking in the Building or holds a limited property right thereon;

Visitor - this is an individual who has the right (either as a guest, including renting the apartments to third persons who can be classified as tourists, regarding Tourism Law in Bulgaria, visitor or employee) to visit or use the premises, open areas or facilities for common use, or to stay at places – subject to individual ownership;

Resident – Owner or a Visitor

Common Areas of the Buildings – these are the elements and parts of the Buildings which fall within the definition of Art. 38 of the Property Act;

Premises, Areas and Facilities for Common Use – these are all premises, open areas and facilities on the territory of the Building, notwithstanding the ownership title on them, which by their function are meant for public use or access by the Owners/Residents – either free of charge or charged.

1. Ice rink – access free of charge, boot hire – charged;

2. Cinema – access to the cinema - free of charge, however public broadcasts shall conform with the intellectual property rights, a nominal fee may be levied up to the cost of obtaining the appropriate intellectual property rights for the broadcast;
3. Full spa including:
4. Indoor swimming pool – free of charge;
5. A selection of saunas – free of charge;
6. A selection of steam rooms – free of charge;
7. A snow room – free of charge;
8. Lobby area with open fire – free of charge;
9. 24 hour security for common and outdoor areas – free of charge
10. Licensed restaurant – charged;
11. Bar and coffee shop – charged;
12. Ski shop and ski hire – charged;
13. Ski boot storage – free of charge;
14. Laundry room- charged

Necessary Expenses – expenses made for maintaining the good technical condition of the buildings and of the installations and equipment placed in them with a view to preserving the health and safety of the owners, residents, tenants and visitors in the Building;

Useful Expenses – expenses, other than the necessary expenses, made for improving the conditions for maintenance, operation, safety and management of the common parts of the buildings and the premises, areas and facilities for common use;

Emergency Expenses - expenses made for repair of the damage caused by unforeseen events (force-majeure).

12. The present contract could be amended, voided, terminated or ceased by mutual written agreement of the parties.

13. Arguments about the interpretation and accomplishment of the contract are to be settled voluntarily with negotiations. When agreement cannot be achieved, each of the parties is entitled to bring an action before the respective court in the Republic of Bulgaria.

14. For all matters not specified by the present contract, the Regulations for interior order and the provisions of the Property Act and PURNES are applied.

15. This contract was prepared and signed in two uniform copies, one for each of the parties.

EXECUTION PAGE

FOR AND ON BEHALF OF THE MANAGER _____

Date:

FOR AND ON BEHALF OF THE OWNER _____

Date: