

Condominium Ownership Management Act

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Chapter One

GENERAL DISPOSITIONS

Section I

Subject

Scope

Article 1. This Act shall regulate public relations involving the management of common areas of buildings under condominium ownership arrangements and the rights and obligations of the owners and occupants of individual dwelling units or parts thereof.

Special arrangements for the management of Common Areas

Article 2. (1) The management of common areas of buildings under condominium ownership arrangements in closed-type residential complexes shall be agreed by written contract with notarially certified signatures, concluded between the investor and the owners of individual units.

(2) The contract referred to in paragraph (1) shall be registered in the record of each individual unit and its validity shall be carried over to any persons to whom the unit is subsequently transferred.

Exceptions

Article 3. The provisions of Articles 42, 43 and 44 of the Ownership Act shall apply to the management of common areas of buildings under condominium ownership arrangements with up to three individual units, where the units belong to more than one owner.

Designation of Adjoining Area

Article 4. (1) The area adjoining a building shall be designated in the course of restructuring of neighbourhoods with residential complex developments and in cases where a building under condominium ownership arrangements cannot be designated as a separate regulated land plot under Spatial Development Act procedures.

(2) In the cases referred to in paragraph (1) the adjoining area shall be designated by the Mayor of the municipality on his or her own initiative or on request of the interested parties under procedures stipulated in an ordinance of the Minister of Regional Development and Public Works.

(3) On designating the adjoining area the Mayor of the municipality shall issue an order, accompanied by a plan showing the boundaries and functional designation of the area.

(4) The designated adjoining area shall be provided for maintenance and use by the respective condominium under conditions and procedures set out in a municipal council ordinance.

Section II

Rights and obligations of owners and occupants of independent units or parts thereof

Rights of Owners and Occupants

Article 5. (1) The owners of independent units in a building under condominium ownership arrangements, hereinafter referred to as "owners", shall have the right to:

1. use the common areas of the building in accordance with their designation;
2. participate in the management of the condominium.

(2) Occupants of a building under condominium ownership arrangements shall have the right referred to in item 1 of paragraph (1) and the right to participate in the management of the condominium in an advisory capacity.

Obligations of Owners and Occupants

Article 6. (1) Owners shall be obliged:

1. not to obstruct the other owners and occupants from using the common areas of the building;
2. not to cause damage to other sites and common areas of the building;
3. not to occupy common areas of the building;
4. not to engage in activities or actions in their individual unit or in any part thereof which cause inordinate inconvenience to other owners and occupants;
5. not to engage in activities in their individual unit or in any part thereof which modify rooms, spaces or parts thereof, intended for common use and not to disturb the architectural appearance, load-bearing capacity, structural stability, fire safety or safe use of the building;
6. to fulfil the requirements set out in the respective statutory regulations when keeping animals in their individual units and not to cause inconvenience to their immediate neighbours;
7. not to infringe good manners;
8. to comply with the decisions of the condominium management bodies;
9. to contribute to the costs of major repairs, routine or urgent repair works, reconstruction, redesignation and renovation of the common areas of the building in a proportion corresponding to their undivided shares in the common areas;

10. to contribute to expenditure on consumables for the maintenance of the common areas;
11. to comply with sanitary and hygiene standards;
12. to provide access to their independent unit or part thereof for essential surveying, design, measurement, construction and assembly works related to maintenance, major repairs, routine or urgent repairs, reconstruction, redesignation and renovation of the common areas or of other rooms;
13. to provide assistance for firefighting or emergency rescue activities by the competent authorities inside the building and in the area around it;
14. to compensate for any damage caused to other units in the building where such damage results from repairing damage to the owner's own independent unit or part thereof;
15. to use the common areas of the building in accordance with procedures set out in the condominium regulations;
16. to enter the members of their households and occupants in the register of owners;
17. to fulfil other obligations stipulated in the condominium regulations.

(2) The occupants of a building under condominium ownership arrangements shall have the obligations stipulated in paragraph (1), with the exception of those set out in item 5 and item 9.

Register of Owners

Article 7. (1) A register of owners shall be kept in each building or entrance under condominium ownership arrangements.

(2) Entries in the register shall include the forenames, patronymics and surnames of the owners, the members of their households, the independent units and the initial dates of occupation.

(3) Entries shall be made within 15 days of acquisition of the right of ownership and within 15 days of the initial date of occupation in the case of occupants.

(4) Access to data in the register shall be given to the Managing Council (Manager), the Control Board (Controller), owners (with regard to their own data) and the authorities of the Interior Ministry, the Ministry of Regional Development and Public Works, the municipal or district administration and the National Veterinary Service.

(5) Data from the register of owners shall be provided by the Managing Council (Manager) on submission of notification or application for an entry to be made in a register of buildings under condominium ownership arrangements.

(6) The register of owners shall have an annexe in which every owner or occupant shall enter animals owned or kept.

(7) The standard form for the register of owners shall be endorsed by the Minister of Regional Development and Public Works.

Chapter Two

CONDOMINIUM MANAGEMENT

Section I

General Rules

Scope of Management

Article 8. (1) Management shall encompass the procedures and control over the use and maintenance of common areas and compliance with house rules in a building under condominium ownership arrangements, as well as control on the fulfilment of obligations by owners and occupants.

(2) Where a building has more than one entrance, management may be implemented separately in each entrance.

Forms of management

Article 9. Condominiums shall be managed by a General Assembly or Association of Owners.

Section II

General Assembly of owners

Management bodies

Article 10. Management bodies shall comprise the following:

1. General Assembly;
2. Managing Council (Manager).

Powers of the General Assembly

Article 11. (1) The General Assembly:

1. shall adopt, amend and supplement condominium regulations;
2. shall elect and dismiss members of the Managing Council (Manager) and a cashier;
3. shall elect and dismiss members of the Control Board (Controller);
4. shall adopt an annual income and expenditure budget and approve the annual reports of the Managing Council (Manager) and of the Control Board (Controller);

5. shall determine the amount of cash contributions to the management and maintenance costs of the common areas of the building;

6. shall distribute the costs of consumables for the common areas of the building;

7. shall determine the amount of cash contributions to the Repair and Renovation Fund;

8. shall adopt a plan for repair, reconstruction and redesignation works and other activities in the common areas of the building, including on implementation of measures prescribed in the technical certificate report or other prescriptions of the competent authorities and shall approve the annual report of the Managing Council (Manager) on the implementation thereof;

9. shall adopt amendments to the plan for repairs where unforeseen expenditure is incurred;

10. shall adopt decisions in connection with:

a) incurring essential or urgent expenditure on the maintenance or restoration of the common areas and beneficial expenditure and for determining the amount of expenditure required to implement the instructions in the technical certificate;

b) letting or provision of common areas of the building free of charge in compliance with fire and accident safety standards;

c) renovation of the building, which shall be entered in a public register;

d) undertaking preparatory actions to establish the right of use, construction, addition of an additional storey, extension or change in the designation of common areas in compliance with the requirements of acting special legislation;

e) placing of advertisements or technical installations on the building;

f) eviction of an owner or occupier from the building under the procedure set out in Article 45 of the Ownership Act for a certain period not exceeding three years;

g) implementation of activities in connection with heating, water supply or other activities in cases where this is stipulated by other laws;

h) establishing conditions for access of disabled persons to the condominium;

i) use of the common areas of the building and the adjacent area in case of disputes and to ensure compliance with the condominium regulations and sanitary and hygiene standards;

j) taking action to sanction an owner or occupant under the procedures set out in this Act;

11. may adopt a decision to assign maintenance works on the common areas of the building to a legal entity or natural person in return for remuneration, also establishing the specific powers of the Managing Council (Manager), which can be assigned for implementation by these persons;

12. may adopt a decision to receive loans, grants and subsidies;

13. may adopt a decision to waive financial liabilities and defer or reschedule instalments;

14. may authorise the Managing Council (Manager) to adopt a decision to implement urgent repairs or incur urgent expenditure.

(2) The General Assembly shall not refuse to adopt a decision to incur expenses which are necessary for the maintenance or restoration of the common areas of the building.

(3) The General Assembly shall be obliged to adopt internal regulations in the condominium.

(4) Decisions adopted by the General Assembly shall also involve new owners of independent units in the condominium.

(5) The Minister of Regional Development and Public Works shall issue sample condominium regulations.

Initiative for Convening the General Assembly

Article 12. (1) The General Assembly shall be convened at least once a year by:

1. the Managing Council (Manager);

2. the Control Board (Controller)

(2) The General Assembly may also be convened on request in writing by owners who have at least 20 undivided shares in the common areas of the building.

(3) The request referred to in paragraph (2) shall be addressed to the Managing Council (Manager) which/who shall convene the General Assembly within 10 days of its reception.

(4) When the Managing Council (Manager) fails to convene the General Assembly within the term referred to in paragraph (3), the request shall be addressed to the Mayor of the municipality or district. The Mayor shall convene the General Assembly in accordance with the legal procedures within 14 days of receipt of the request.

(5) In the case of new condominium ownership arrangements, the first General Assembly shall be convened within six months of its establishment by owners of individual units who have at least 20

undivided shares in the common areas. Where the General Assembly has not been convened within the aforementioned term, it shall be convened in accordance with the conditions and procedures stipulated in paragraph (3) and paragraph (4).

Procedures for convening the General Assembly of owners

Article 13. (1) The General Assembly shall be convened by invitation delivered at least three days prior to the date of the meeting, or at least 24 hours before the meeting for urgent cases. The invitation shall be posted at a visible location in the condominium.

(2) The invitation shall be delivered to the owner, the occupier or an adult in the household who is entered in the register referred to in Article 7.

(3) Delivery shall be confirmed by a receipt in two copies, which shall be signed by the recipient and the deliverer and marked with the date and time of delivery.

(4) In cases where the owner or occupier is absent or refuses to receive the invitation, the latter shall be considered as delivered if attached to the entrance door of the individual unit within the terms referred to in paragraph (1). Attachment of the invitation shall be certified by the deliverer by means of a record indicating the circumstances due to which the invitation was not delivered in person and the date and time at which it was attached. The record shall also be signed by a witness who shall be an owner or an occupier in the condominium.

(5) An owner who does not occupy an independent unit shall be invited through a person authorized by him or her, or where such a person has not been designated, under the procedures stipulated in Article 4.

(6) In the case of joint ownership of an independent unit, delivery of the invitation to one of the joint owners shall be considered to mean that the other owners have also been invited.

(7) The invitation shall indicate the agenda, date, time and location of the General Assembly.

(8) Except in urgent cases, a General Assembly shall not be convened during:

1. the period between 15th July and 15th September;
2. days declared as official holidays;
3. days declared as holidays by the Council of Ministers;

Representation at the General Assembly

Article 14. (1) An owner who cannot participate in the General Assembly may authorize in writing an adult member of his or her household to whom he or she is related, or another owner, to represent him or her.

(2) Where the condominium includes municipalities, the state or legal entities as owners, authorization shall be given by the Mayor, the Regional Governor, the respective minister or the management bodies of the legal entities.

(3) An owner may also authorise another person to represent him or her. In this case the power of attorney shall be certified by a notary.

(4) One person may not represent more than three owners.

(5) The participation of an authorised representative shall be entered in the minutes of the General Assembly and a copy of the power of attorney shall be attached thereto.

General Assembly quorum

Article 15. (1) A General Assembly shall be held if it is attended, in person or through representatives, by the owners of at least 67 undivided shares of the common areas of the condominium.

(2) Where the meeting cannot be held at the time indicated in the invitation due to the absence of the quorum referred to in paragraph (1), it shall be postponed by one hour and subsequently held in accordance with the agenda announced in advance. It shall then be considered legal regardless of the number of undivided condominium shares represented.

Holding a General Assembly

Article 16. (1) The General Assembly shall be held at an appropriate location in the condominium, its adjacent area or at another location nearby.

(2) The General Assembly shall be chaired by the chairperson or another member of the Managing Council, or by the manager.

(3) The General Assembly of owners may not adopt decisions on matters not included in the agenda announced in advance except in urgent cases.

(4) Minutes of the General Assembly shall be kept. The person responsible for keeping the minutes shall be elected by ordinary majority on a motion submitted by the Chair of the meeting.

(5) The minutes shall include the date and location of the General Assembly, the agenda, the persons present and the undivided shares of the condominium which they represent, the essence of statements made, the motions submitted and the decisions adopted.

(6) The minutes shall be prepared within 7 days of the meeting and shall be signed by the person chairing the meeting and the person who has taken them. Any refusal to sign the minutes shall be recorded therein.

(7) A notice of the minutes shall be delivered to the owners within the term stipulated in paragraph (6) and under the procedures set out in Article 13 (2) to (6). The notice shall be posted at a visible location in the condominium.

(8) The chairperson of the Managing Council (Manager) shall provide every owner or owner's representative with the opportunity to familiarise themselves with the minutes and a copy of the minutes on request.

(9) Every member of the General Assembly may contest the contents of the minutes, including the veracity of the decisions recorded in them. The contestation shall be submitted in writing to the Managing Council (Manager) within 7 days of delivery of the notice specified in paragraph (7), but no later than one month in cases where the owner or occupier is absent and the notice has been served by attaching it to the entrance door of the individual unit.

Adoption of General Assembly decisions

Article 17. (1) At the General Assembly the owners shall have the right to vote in proportion to the undivided shares which they own in the condominium.

(2) The General Assembly of owners shall adopt decisions:

1. unanimously: for taking action in connection with the construction of an additional storey or an extension to the building and to grant the right of use or the right to build;

2. by majority of no less than 75 per cent of the represented undivided shares of the common areas of the condominium: for eviction of an owner under the procedures set out in Article 45 of the Ownership Act; the owner to whom the decision refers shall not participate in the vote;

3. by majority of no less than 67 per cent of the represented undivided shares of the common areas of the condominium: for renovation and major repairs.

(3) Decisions shall be adopted by a majority exceeding 50 per cent of the of the represented undivided shares of the common areas of the condominium, except in the cases referred to in paragraph (2).

(4) The decisions referred to in item 2 and item 3 of paragraph (1) shall be adopted in compliance with the quorum requirements pursuant to Article 15 (1).

Joint General Assembly

Article 18. (1) Where the need arises to resolve a matter related to the common areas of two or more condominiums, a joint General Assembly may be held in which the condominiums shall nominate an equal number of representatives for participation.

(2) The joint General Assembly shall be convened at the initiative of the Managing Council (Manager) of one of the condominiums and shall be held under the general rules for conducting a General Assembly set out in this Act.

(3) The decisions shall be adopted by a two-thirds majority of persons present.

Managing Council (Manager)

Article 19. (1) The Managing Council (Manager) shall be the executive body of the condominium.

(2) The Managing Council (Manager) shall be elected for a period of two years.

(3) The Managing Council shall consist of an odd number of at least three members determined by a decision of the General Assembly.

(4) The members of the Managing Council shall elect a chairperson from amongst themselves.

(5) The members of the Managing Council shall only be owners unrelated by direct descent or collateral family relationship to the second degree.

(6) The mandate of a member of the Managing Council (Manager) may be terminated before expiry of his or her term of service on the grounds of non-performance of obligations only by a decision of the General Assembly.

(7) The General Assembly may adopt a decision to pay remuneration to members of the Managing Council (Manager).

Obligation to participate in management

Article 20. An owner may only refuse to be a member of the Managing Council (Manager) or member of the Control Board (Controller) in cases of de facto inability due to illness or long-term absence during the respective year and in the case of a proposal for repeated election.

Election of the Managing Council (Manager)

Article 21. (1) The election of a new Managing Council (Manager) shall be held no later than the date of expiry of the mandate specified in Article 19 (2).

(2) The Managing Council (Manager) shall continue to carry out its, his or her functions until the election of a new Managing Council (Manager).

(3) The Managing Council (Manager) shall notify the respective municipal or district administration of its/their election within 14 days of its occurrence. A certified copy of the decision of the General Assembly shall be attached to the notification.

Managing Council meetings and quorum

Article 22. (1) The Managing Council shall hold a meeting at least once every three months and shall adopt decisions by ordinary majority if two-thirds of its members are present.

(2) Minutes of Managing Council meetings shall be kept, which shall be signed by the members present.

Powers of the Managing Council (Manager)

Article 23. (1) The Managing Council (Manager) shall:

1. organise the implementation of General Assembly decisions;
2. monitor compliance with the condominium regulations;
3. keep the book of minutes, the architectural plans of the building, records of incoming and outgoing correspondence, the technical certificate of the building if in existence, the income and expenditure book, etc;
4. prepare the annual budget for the management, maintenance and use of the common areas of the condominium, the annual plan for repairs, reconstruction, redesignation and other activities in the building and reports on their implementation;
5. represent the condominium in its relations with local authorities and other legal subjects;

6. maintain and keep the register of owners stipulated in Article 7;
 7. submit circumstances subject to entry in the register as specified in Article 44 and any changes in such circumstances for entry in the register;
 8. implement other powers assigned to the Managing Council (Manager) by the General Assembly;
- (2) At the end of its mandate the Managing Council (Manager) shall submit a written report to the General Assembly. The report and the minutes of Managing Council meetings shall be placed at the disposal of every owner or occupier on request.

Control Board (Controller)

Article 24. (1) A Control Board (Controller) shall be elected for a period of two years.

- (2) The Control Board shall consist of an odd number of at least three members appointed by a decision of the General Assembly.
- (3) The members of the Control Board shall elect a chairperson from amongst themselves.
- (4) The Control Board (Controller) shall control the activities of the Managing Council (Manager) in implementing the budget and decisions of the General Assembly in connection with the expenditure of condominium funds.
- (5) The Control Board (Controller) shall inspect the cash box at least once a year and shall submit a report to the General Assembly on the results of the inspection. Where a condominium does not have a Control Board (Controller), the General Assembly shall designate persons from amongst the owners to carry out the inspection and submit the report on the results.
- (6) The Control Board shall hold a meeting at least once every six months and shall adopt decisions by ordinary majority if two-thirds of its members are present. Minutes of the Control Board meeting shall be taken and signed by the members present. The General Assembly may decide to pay remuneration to the members of the Control Board (Controller).
- (7) The members of the Control Board shall only be owners unrelated by direct descent or collateral family relationship to the second degree.
- (8) The mandate of a member of the Control Board or Controller may be terminated before expiry of his or her term of service on the grounds of non-fulfilment of obligations only by a decision of the General Assembly.
- (9) The Control Board (Controller) shall submit a written report to the General Assembly at the end of its, his or her mandate. The report shall be made available to every owner or occupier on request for the purposes of familiarisation.

Section III

Association of Owners

Establishment of an Association of Owners

Article 25. (1) The Association shall be a legal entity established in accordance with the procedures set out in this Act with the object of managing the common areas of the condominium.

(2) A constituent assembly of all owners in the condominium shall be convened to establish the Association.

(3) An Association of owners in two or more condominiums may be established when the need arises to resolve matters related to common areas of two or more condominiums.

Procedure for convening the constituent assembly

Article 26. (1) Any owner may request that a constituent assembly be convened and may put forward a draft agreement on the establishment of the Association.

(2) The constituent assembly shall be convened by invitation delivered to an owner in accordance with the procedure set out in Article 13 (2) to (6).

(3) The invitation shall contain the agenda, location, date and time of the meeting. The draft agreement on the establishment of the Association shall also be attached to the invitation.

Conducting a Constituent Assembly

Article 27. (1) A constituent assembly shall be held if attended by all owners in person or their representatives.

(2) Representatives shall be authorized under the procedures set out in Article 14 herein.

(3) The Constituent Assembly shall be chaired by an owner elected by a majority of more than half of the owners. A person shall also be elected by a motion of the Chairperson to take the minutes of the assembly.

(4) The constituent assembly:

1. shall adopt a decision to establish the Association;
2. shall define the name of the Association;
3. shall adopt an agreement on the establishment of the Association;
4. shall elect a Managing Council (Manager) and Control Board (Controller)
5. may determine a term for the existence of the Association.

(5) The decisions referred to in item 1 to item 3 and item 5 of paragraph (2) shall be passed unanimously, while the decision referred to in item 4 of paragraph (4) shall be passed by a majority of more than half of the owners.

(6) The minutes of the constituent assembly and the adopted agreement to establish the Association shall be compiled in two identical copies and shall be signed by all owners or their representatives.

Agreement to establish an Association of Owners

Article 28. (1) The agreement to establish an Association of Owners shall define the following:

1. the name and address of the legal entity;
2. the rights and obligations of owners in connection with the use and maintenance of the common areas of the building;
3. the decision making procedures;
4. the membership, mandate and organization of the work of the Managing Council (Manager) and the Control Board (Controller);
5. other conditions agreed by the owners.

(2) Matters not covered by the agreement shall be resolved by the condominium rules.

(3) The Minister of Regional Development and Public Works shall endorse a sample agreement.

Registration of the Association

Article 29. (1) The Chairperson of the Managing Council (Manager) shall submit an application within 14 days of the Constituent Assembly to the respective municipal or district administration to enter the Association in a public register.

(2) The following shall be attached to the application referred to in paragraph (1):

1. a list of owners participating in the Association, with the forenames, patronymics, surnames and addresses of the owners in the condominium.
2. a copy of the minutes of the constituent assembly certified by the chairperson of the Managing Council (Manager);
3. a copy of the agreement certified by the chairperson of the Managing Council (Manager);
4. samples of the signatures of the persons representing the Association, certified by a notary.

Transfer and termination of Association membership

Article 30. (1) Membership of the Association shall be transferred to the new owners of an independent unit on change of ownership.

(2) An owner may not terminate his or her membership in the Association if a condominium project for the use of European Union or state budget funding has been approved for renovation of the building or parts thereof.

(3) Membership in the Association may be terminated after expiry of the guarantee for the construction and assembly works completed under projects as specified in paragraph (2), or no later than one year after their termination due to force majeure circumstances. Membership shall be terminated.