

Financing Contract

Riga, Latvia

_____, 20____
(month, date) (year)

Education, Culture and Sports Department of Riga City Council duly represented by _____, acting on the basis of _____, hereinafter **Department** on the one side and _____ duly represented by _____ acting on the basis of _____, hereinafter **Grant Recipient** on the other side; hereinafter jointly referred to as the “Parties” and separately as the ”Party”, on the basis of the decision of the **Department’s** Festival of Light “Staro Rīga” Projects and Ideas Grant Competition Commission decision (20__. __.____ minutes of the sitting No.____) conclude the following contract, hereinafter **Contract**:

1. Subject Matter of the Contract

1.1. By concluding the **Contract** the **Grant Recipient** undertakes to complete all activities needed to organize and accomplish the cultural event project _____, hereinafter **Project**, pursuant to Festival of Light “Staro Rīga” Projects and Ideas Grant Competition Regulations, hereinafter **Regulations** and Job Assignment approved by the Parties (*Annex 1*), Estimate of Expenditures of the Project (*Annex 2, template of the form, Annex 5.1 of Regulations*), and other relevant attachments depending on the type of the Project.

2. Contract Sum and Payment Arrangements

2.1. The total sum of the Contract in **EUR** _____ (*in words*), hereinafter Grant.

2.2. The Grant shall be paid out in accordance with the following procedure:

2.2.1. _____% of the Grant or **EUR** _____ (*in words*) shall be transferred within _____ business days from the date of concluding the contract and receipt of invoice at the **Department**;

2.2.2. _____% of the Grant or **EUR** _____ (*in words*) shall be transferred within _____ business days after the interim financial report submitted by **Grant Recipient** as regards and the use _____% of the Grant has been approved by the Department and the invoice received at the **Department**.

2.2.3. _____% of the Grant or **EUR** _____ (*in words*) shall be transferred within _____ business days after the financial report submitted by **Grant Recipient** as regards the use of entire Grant has been approved by the Department and the

invoice received at the **Department**, but no later than _____ (month, day) of _____ (year).

2.3. Format of the Invoice and lodging procedure**:

2.3.1. **Grant Recipient** shall prepare and submit the invoice to the **Department** electronically in accordance with the information found on the website of the Riga City Council www.eriga.lv, section “Invoice Submission” as regards electronic invoice format;

2.3.2. It is the responsibility of the Grant Recipient to follow the status of processing the invoice on the website of the municipality www.eriga.lv;

2.3.3. If the **Grant Recipient** has submitted an incorrectly filled in and/or an invoice non-complying with the terms and conditions of the Contract, the **Department** shall not accept such an invoice. It is the responsibility of the **Grant Recipient** to resubmit the correct invoice filled in pursuant to the Contract. In this case, the number of days the invoice must be paid in shall be counted from the day the **Grant Recipient** has resubmitted the correct invoice.

3. Rights and Responsibilities of the Grant Recipient

3.1. Organize and realize the Project professionally, qualitatively and in accordance with the Contract and Regulations; including Public Entertainment and Festival Safety Law.

3.2. Ensure that during the Project’s implementation process no derogation occur from the terms and conditions of the Contract, Job Assignment and Estimate of Expenditures, deadlines, grant spending; except occasions stipulated in the contract.

3.3. Reconcile and inform, in writing, the **Department** regarding all changes during the implementation of the Project (such as artistic concept, programme, scenario, estimate of expenditures, artists, time limits, performance timing, venue, etc.)

3.4. If the **Department** reveals failure to comply with the requirements of this Contract when implementing the project and requests an explanation in writing, the Grant Recipient shall submit it in 3 (three) business days.

3.5. Assume responsibility for the financial resources placed at the disposal of Grant Recipient and use the Grant solely for the realization of the Project in accordance with the Estimate of Expenditures approved by both Parties. Spending variations are permissible, provided that they do not exceed 10% of the approved Estimate of Expenditures of the Project and the total amount of the allocated Grant is not increased and the changes are coordinated with the **Department**. The Grant Recipient may not use the Grant for any other purpose and/or event.

3.6. Provide information as regards the progress of the Project upon request of the **Department** in writing or verbally without delay, as well as inform the **Department** about all obstacles and issues; which could potentially deter the Project’s successful completion and/or its quality.

** paragraph 2.3. does not apply to State and local government institutions, as well as legal persons registered abroad

3.7. To submit to the **Department**, no later than _____ of _____, the following:

3.7.1. Financial report on Grant's spending attaching supporting documents or their copies (receipts, bank statements, contracts, invoices, treasury warrants) in which the item's description, amount, place, and time is clearly stated. (*template of the form, Annex 5.2 of Regulations*)

3.7.2. A report on Project's progress and results (*free format, including information about the project's publicity, number of visitors, as well as other materials showing the realization of the project*).

3.8. Any communication or publication made by Grant Recipient related to the Project, including statements, information, commercials, public speeches, media events, publications in mass media, urban environment and promotional materials shall indicate that the Project has received funding from the Riga City Council, by initially coordinating it with the **Department**.

3.9. Grant Recipient shall not be entitled to assign its obligations and responsibilities under this Contract to any third parties without prior consent of the **Department**.

4. The Rights and Obligations of the Department

4.1. Provide the **Grant Recipient** with information and required documentation to ensure successful implementation of the Project, as well as to provide the **Grant Recipient** opportunity to obtain the necessary support from the State and municipal institutions as far as possible.

4.2. To inform, in writing, the **Grant Recipient** about changes, obstacles, and/or problems which could affect the Project's organization and the quality of its implementation.

4.3. To settle payments with the **Grant Recipient** in accordance to the regulations and time limits of this Contract.

4.4. Ensure that informative materials regarding the Project are published in **Department's** information sources.

4.5. If necessary, check the Project's progress and in the case of non-compliance with the provisions of this Contract draw up a report outlining such findings. After the report has been created the **Department** must inform the **Grant Recipient** within 3 (three) business days of this report. After the **Grant Recipient's** written explanations are received, the **Department** decides on the funding cuts.

5. Liability of the Parties

5.1. **Grant Recipient** is responsible for the spending of the Grant and the progress of the Project as a whole, including the organized public procurement procedures in accordance with existing laws and regulations.

5.2. Parties have full responsibility for their contractual obligations or any breach of them. Each of the Parties is financially responsible to the other Party or third persons for any loss caused by the authorized person's actions or their inactivity.

5.3. If the **Department** fails to make payment within the prescribed period and extent stated in this Contract, the **Grant Recipient** is entitled to claim a contractual penalty in

the amount of 0,1% of the overdue amount of funding for each day of delay, but not more than 10% of the overdue amount of financing.

5.4. If the **Grant Recipient** does not realize contracted obligations, including the failure timely submit the Financial Report and a report on the Project's progress and results, the **Department** has the right to claim a penalty of 0.1% of the transferred amount of Grant for each day of delay, but not more than 10% of the transferred amount of Grant.

5.5. If the Project has not been implemented due to the fault of the **Grant Recipient**, the Grant must be paid back in the extent that the **Grant Recipient** has received in accordance with this Contract and in addition the **Department** has the right to require contractual penalty in the amount of 10% of the total amount of the Grant.

5.6. All received payments from the **Department** or **Grant Recipient** are cleared in accordance with the provisions of Article 1843 of the Civil Law. A penalty payment in case of delay does not release the Parties from contractual compliance.

5.7. If one of the Parties involves a third party in the realization of the Project, that Party retains full responsibility for the fulfilment of the obligations of this Contract, as well as are fully financially responsible for the third parties' direct or indirect loss.

5.8. The **Grant Recipient** is responsible for disclosing to the **Department** all information regarding copyrights, related rights or other intellectual property ownership, as well as responsible for infringements of those rights and their consequences. By submitting informative materials or other fact sheets the **Grant Recipient** confirms that he/she holds all relevant copyright, intellectual property ownership licenses and has the legal right to use and distribute his/her work.

6. The Operation of the Contract

6.1. The Contract goes into force at the moment of its signing and is valid until all obligations have been fulfilled.

6.2. Early termination of the Contract is possible after the mutual written agreement of the Parties.

6.3. The **Department** may unilaterally derogate from the obligations of the Contract and break the Contract if the **Grant recipient**, despite **Department's** report and request, does not or cannot correct the deficiencies and other non-compliance of the Project or issues that have been agreed upon in Contract associated with the realization of the Project.

6.4. The **Grant Recipient** may unilaterally derogate from the obligations of the Contract and if the **Department** has not paid the financial amount agreed upon in Paragraph 2.2.1 of this Contract within 20 (twenty) business days.

6.5. The termination of the Contract does not relieve the Parties from their obligations under the Contract including the execution of the penalty payment and loss remuneration.

7. Dispute Resolution

Disputes between the Parties arising under this Contract and might affect the Contract and its violation, termination or validity, are being conducted in a mutual negotiations and agreement between the Parties and shall be drawn up in writing. If no agreement is

reached the dispute will be submitted to a court of the Republic of Latvia in accordance with the regulatory enactments of the Republic of Latvia.

8. Confidentiality

8. 1. The Parties undertake not to disclose any confidential information to a third persons regarding the regulations of this Contract as well as the progress of the Project without prior written consent from the other Party involved in this Contract. Both Parties guarantee that their employees and/or partners are aware of this Contract's confidentiality clause.

8.2. Confidential information, in the scope of this Contract, is understand any written or spoken information in regards to this Contract's fulfillment and is connected with technical, commercial or any other aspects; except the information that already is or will be available to the general public without the Parties or Parties related persons initiative.

9. Force Majeure

9.1. The parties are not responsible for their obligations laid down in this Contract, the improper fulfilment or non-fulfilment of obligations if it is a direct result of Force Majeure conditions, which correspondent Party was unable to foresee, avoid, or affect , i.e. the natural disasters (earthquake, storm, flood etc.), any strikes, war and terrorist activity, as well as newly issued any State or local government institutions regulations affecting the Contract and Parties ability to fulfill the Contract.

9.2. In case of Force Majeure conditions the Parties must immediately, but no later than within 2 (two) business days following the day Force Majeure occurs, inform in writing the other Party of such a case, specifying cause of occurrence of such conditions, time of occurrence and time of expiration, if this is possible, as well as the necessary measures to prevent or minimize losses. This notification must be accompanied by the Force Majeure circumstances probative documents issued by the relevant competent authority of the State or local government.

9.3. If one of the Parties does not inform the other Party of the circumstances regarding paragraph 9.1 of this Contract within the time limit specified in paragraph 9.2 then the Party who failed to inform the other Party must compensate the un-informed Party all losses that has resulted due to non-fulfilment of e Contract obligations.

10. Final Provisions

10.1. All the amendments or additions of this Contract shall be drawn up in writing and attached to the Contract as an annex, which after they are signed by both Parties becomes an integral and lawful part of it.

10.2. Both Parties agree to sign other relevant documents and to carry out any other activities which are justified and necessary in order to facilitate the proper implementation of this Contract, the achievement of the objectives and the rights of both Parties.

10.3. The contract is binding for Parties, all authorized persons, as well as their legal successors and representatives.

10.4. All statements and claims, related to the implementation of this Contract's fulfilment, shall be submitted in writing to the other Party, the address listed in this Contract and they are deemed to be received:

10.4.1. on the seventh business day following the date of dispatch, if sent as registered postal item,

10.4.2. if mail was delivered in person and approved with the recipient's signature, then on that day, it has arrived at the recipient's address.

10.5. The Parties delegate contact persons which mutually communicate and coordinate Project's preparation and realization:

10.5.1. **Department's** contact person: _____ phone number _____
e-mail _____;

10.5.2. **Grant's Recipient** contact person: _____ phone number _____
e-mail _____

10.6. The Contract is drawn up on _____ (in words) pages and has been signed along with all of its annexes' in 2 (two) equally valid counterparts from which one has been given to the **Department** and the other to the **Grant Recipient**.

11. Requisites of the Parties and Signatures

Department	Grant Recipient
Title: Education, Culture and Sports Department of Riga City Council PVN Registration No. LV90000013606 Legal address: Krišjāņa Valdemāra iela 5 Riga, LV-1010	Title/name: Registration No: Legal address: Bank: Account No: Phone number: E-mail:

Name and surname

Name and surname