

Service Agreement No. PK-1/2018

Sigulda, August 13, 2018

Bobsleja un kamaninu trase „Sigulda” Ltd., registration No. 40003005137, legal address: 13 Sveices Street, Sigulda, LV-2150, represented by the Chairman of the Board Dainis Dukurs acting on the basis of the Articles of Association (hereinafter- the Customer), for one part, and

IBG Ingenieurburo Gurgel + Partner, legal address: Weinligstrasse 11, 04155 Leipzig, Germany, represented by Principal Mike Richter acting on the basis of the Articles of Association (hereinafter- the Contractor), for the other part,

hereinafter both collectively referred to as the Parties according to results of the negotiations Feasibility study for using 4-men-bob Bobsleigh and luge track “Sigulda”, identification No. *BKT 2018/01/SP*, and the offer submitted by the Contractor, have concluded the agreement on the following:

1. Subject of the Agreement

- 1.1. The Customer shall assign and the Contractor shall undertake to develop the Technical Project (TP) (hereinafter - the Project Documentation) for construction works - Feasibility study for using 4-men-bob Bobsleigh and luge track “Sigulda”, in Sigulda, at 13 Sveices Street (hereinafter - the Construction Works) in accordance with the Track Technical Design Service Offer from August 2018 (Annex No.1 to the Agreement) and in compliance with all provisions of the Agreement.
- 1.2. Development of the Project shall include the following volume of the Project Documentation and Services:
 - 1.2.1. Feasibility study for using 4-men-bob Bobsleigh and luge track “Sigulda”:
 - 1.2.1.1. Technical Task;
 - 1.2.1.2. Compilation of existing documents;
 - 1.2.1.3. Text and calculation part;
 - 1.2.1.4. Drawings

2. Term for performance of Works:

- 2.1. The Agreement shall come into force upon its signature.
- 2.2. Term for performance of works is December 20, 2018.
- 2.3. The timely coordination with public authorities, the national and international bobsleigh and luge federation has to be initiated by the customer or any third party named by the customer.

3. Agreement Price and Payment Procedure

- 3.1. The sum of the Agreement in accordance with the Feasibility study for using 4-men-bob Bobsleigh and luge track “Sigulda” Offer (Annex No.1 to the Agreement) , for Track visit in August and Track inspection in December shall be a sum of EUR 38,000.00 (thirty-eight thousand euro, 00 cents).
- 3.2. Provided procedure for payment of the Agreement shall be the following:
 - 3.2.1. For Track visit August 08-10th, 2018 the Customer shall pay EUR 5,500.00 (five thousand five hundred euro, 00 cents)
 - 3.2.2. The Customer shall pay an interim payment to the Contractor for a part of performed work - 30% of the “Feasibility study for using 4-men-bob bobsleigh and luge track “Sigulda”” in the sixth week of performance of the design work in accordance with an invoice drawn up by the Contractor and signing of the Acceptance Certificate

the Customer shall pay EUR 8,100.00 (eight thousand one hundred euro, 00 cents) to the contractor

3.2.3. A final payment after completely developed Project Documentation in accordance with an invoice drawn up by the Contractor and signing of the Acceptance Certificate the Customer shall pay EUR 18,900.00 (eighteen thousand nine hundred euro, 00 cents)

3.2.4. For Track inspection December 06-09th, 2018 the Customer shall pay EUR 5,500.00 (five thousand five hundred euro, 00 cents)

3.3. The Customer shall make a payment by transfer to a bank account of the Contractor within 10 (ten) bank days after receipt of the Acceptance Certificate (except established advance payment - 5 (five) bank days) and invoice drawn up in accordance with the Agreement from the Contractor.

3.4. Legal addresses and current accounts of the Parties:

Name of the Customer:

Bobsleja un kamaninu trase "Sigulda" Ltd.

legal address: *13 Sveices Street, Sigulda, LV-2150*

actual address: *13 Sveices Street, Sigulda, LV-2150*

Single registration No.: 40003005137

Account No. LV36TREL9152621000000

Bank: *The Treasury*

Bank code: TREL LV22

Name of the Contractor:

IBG Ingenieurburo Gurgel+Partner

legal address: Weinligstrasse 11, 04155

Leipzig, Germany

actual address: Weinligstrasse 11, 04155

Leipzig, Germany

Single registration No.: DE 260 089 335

Account No. DE22 8608 0000 0177 7889 00

Bank: Commerzbank – Leipzig Germany

Bank code: DRESDEFF 860

4. The Procedure for Transfer and Acceptance of the Project Documentation, changes in the Project Documentation

4.1. The Project Documentation shall be issued in 2 (two) printout original copies.

4.2. Performance of works set in the Agreement shall be recorded with the Acceptance Certificate.

4.2.1. The Customer shall sign the Acceptance Certificate within 5 (five) working days after its receipt or shall also highlight in writing incompliance of the Project Documentation with requirements of the Agreement.

4.2.2. If within 10 (ten) working days the Customer does not submit the Acceptance Certificate affirmed by signature or does not highlight in writing incompliance of the Project Documentation with requirements of the Agreement, the Contractor shall automatically accept the Certificate as affirmed and shall draw up an invoice to the Customer on the basis of it.

4.2.3. In the case of reasonable claims the Parties shall draw up a certificate of required corrections and supplements to developed Project Documentation and its terms for performance.

4.3. Changes in the Project Documentation:

4.3.1. All changes in agreed Project Documentation shall be required by the Customer to the Contractor with a written notice signed by the Customer or its authorised person.

4.3.2. The Contractor shall make all changes in the Project Documentation upon individual agreement on settlement procedure and periods for performance.

4.3.3. The procedure for submission and acceptance of all changes shall be the same as set in Article

4.3.4. Changes shall be deemed to be an integral part of the Project Documentation.

5. Rights and Obligations of the Contractor

- 5.1. The Contractor shall be obliged to develop the Project Documentation and provide services in accordance with provisions of the Agreement.
- 5.2. Design will follow international rules of FIL and IBSF. The adaptation to Latvian rules and standards shall be performed by Latvian experts on behalf of the customer.
- 5.3. When preparing the Project Documentation the Contractor shall be obliged to comply with the Track Technical Design Service Offer included in the Annex No.1 herein and instructions of the Customer.
- 5.4. The Contractor shall undertake to keep project information confidential, not to use it for its own benefit or the benefit of any third party, not to disclose it to third parties and not to use in other way as only for provisions of performance of obligations set in the Agreement.

6. Rights and Obligations of the Customer

- 6.1. The Customer shall be obliged to provide as soon as possible all necessary documentation and information required for development of the Project Documentation. This information corresponds to the law of the Republic of Latvia.
- 6.2. The Customer shall be responsible for receipt of the technical regulations and permits from state institutions required for preparation of the Project Documentation.
- 6.3. Upon previous agreement the Customer shall provide to the Contractor access to the Construction Object during the term of the Agreement.
- 6.4. The Customer shall be entitled to raise claims regarding the Project Documentation if it completely or partly does not comply with established in the Track Technical Design Offer (Annex No.1 to the Agreement) or contains inaccurate solutions.

7. Liabilities of the Parties

- 7.1. The Parties shall be obliged for discharge of liabilities set herein and compliance with laws of the Republic of Latvia. Liabilities of the Parties in relation to each other or third parties shall include responsibility for losses caused to the other Party or third parties in accordance with laws of the Republic of Latvia but not exceeding established in a civil liability professional indemnity insurance policy of the Contractor.
- 7.2. The liability of the contractor is limited to € 1.5 million each for personal injury and property damage. If the customer requires a higher limit of liability, an additional agreement is necessary. The contractor will then arrange insurance for this purpose and the customer will pay the cost for this insurance.
- 7.3. In the case of inaccurate solutions responsibility of the Contractor shall include development of required corrections in the Project Documentation without additional costs to the Customer.
- 7.4. Sanctions:
 - 7.4.1. In the case of failure to comply with the term for performance of works the Contractor with 5 (five) working days of tolerance period shall be obliged to pay the Customer the penalty in the amount of 0.1% of the total sum of the Agreement for each day of delay but not exceeding 10% of the total sum of the Agreement.
 - 7.4.2. In the case of failure to comply with the payment term the Customer with 5 (five) working days of tolerance period shall be obliged to pay the Contractor the penalty in the amount of 0.1% of the total sum of the Agreement for each day of delay but not exceeding 10% of the total sum of the Agreement.
 - 7.4.3. The Parties shall waive previously mentioned penalties if the other Party proves that the reason for delay is a third party or force majeure and the Party was not able to prevent such reason.

8. Suspension, Termination, Performance of the Agreement

- 8.1. Suspension of the Agreement shall take place under the following circumstances:
- 8.1.1. Validity of the Agreement may be suspended upon agreement of both Parties. After suspension of the Agreement the Customer shall be obliged to pay in accordance with the Certificate of Work Suspension for actually completed work to the Contractor. The Customer shall not be entitled to require return of previously made payments.
 - 8.1.2. Any of the Parties shall be entitled to suspend the Agreement unilaterally by terminating discharge of its liabilities in accordance with the Agreement by notifying in writing the other Party about that if the other Party has not completed liability directly burdening timely discharge of liabilities of the first Party.
- 8.2. Termination of the Agreement shall take place under the following circumstances:
- 8.2.1. Any of the Parties shall be entitled to suspend the Agreement unilaterally if the other Party has not discharged one or several liabilities and after receipt of written warning failure to discharge liabilities has not been prevented during 15 (fifteen) working days. In such case the Party that after receipt of the written warning has not discharged liability indicated in the written warning shall pay a contractual penalty in the amount of 15% of total sum of the Agreement to the other Party as well as a compensation for actually performed work with the Certificate of Work Suspension.
 - 8.2.2. Any of the Parties shall be entitled to terminate the Agreement unilaterally by notifying the other Party at least 30 days prior, by making mutual settlements for actually performed work in accordance with the Certificate of Work Suspension by paying to the other Party the contractual penalty in the amount of 15% (fifteen percent) of the total sum of the Agreement.
 - 8.2.3. After termination of the Agreement all due penalties and all current payments for the Project Documentation and Services should be paid within 5 (five) working days after signing of the Certificate of Work Suspension.
- 8.3. The Agreement shall be deemed to be completed when the Parties have completely discharged liabilities of the Agreement - the Customer by signing the Acceptance Certificate has confirmed receipt of the Project Documentation or Services and has paid the sum of the Agreement in full amount.

9. DISPUTE SETTLEMENT PROCEDURE

- 9.1. Disputes arising to the Parties in connection with the Agreement should be firstly seek to be resolved in an amicable way.
- 9.2. If the Parties fail to reach mutually acceptable solution, the issue shall be resolved in a court in accordance with effective laws in the Republic of Latvia.

10. FORCE MAJEURE

- 10.1. The Parties shall not be responsible for in the case of occurrence of force majeure like fire, force of nature, war, acts of war of any nature, adverse enactments of public administration authorities, as well as any exceptional circumstances that the Parties were not able to predict, prevent by using adequate means. In such case the term for discharge of liabilities shall be postponed proportionally to the term of such circumstances.
- 10.2. This also includes unforeseen requirements of national or international sports federations for bobsleigh, luge and skeleton that affect the performance of contractual obligations.

11. OTHER PROVISIONS

11.1. Laws and language of the Agreement:

11.1.1. The Agreement shall be concluded in accordance with laws of the Republic of Latvia.

11.1.2. Language of the Agreement is English.

11.1.3. Language of the Project Documentation is English.

11.2. In order to successfully manage performance of the Agreement the Contractor and the Customer shall appoint contact persons entitled to act on behalf of the Parties in relation to the Agreement. The Parties shall be entitled to change contact persons by notifying about it the other Party in timely manner.

11.3. Contact persons of the Parties:

Representative of the Customer

Dainis Dukurs, Chairman of the Board

Address: *13 Sveices Street, Sigulda, LV-2150*

Telephone: *+371 67973813, +371 29208928*

e-mail: *bobtrase@lis.lv*

Representative of the Contractor

Mike Richter, Principal

Address: *Weinligstrasse 11, 04155 Leipzig, Germany*

Telephone: *+49 (0) 31 44 61 3-0*

e-mail: *info@ibg-partner.com*

11.4. Subcontractors:

11.4.1. The Contractor shall have no right to completely or partly entrust development of the Project Documentation to a third party (hereinafter - the Subcontractors).

11.5. All notices, requests, requirements and other correspondence in relation to the Agreement shall be deemed to be transferred to the other Party if drawn up in writing and transferred to the other Party against signature or sent via mail as a registered letter.

11.6. The Agreement is drawn up on 5 (five) pages in 2 (two) original copies and all the copies have equal legal force. All annexes to the Agreement drawn up in written and signed by both Parties shall be an integral part of the Agreement.

11.7. Corrections, amendments to the Agreement and all additional agreements shall be effective only if drawn up in written and signed by both Parties.

11.8. Text of the Agreement shall be confidential.

11.9. Annexes to the Agreement:

11.9.1. Annex No.1 to the Agreement - Feasibility study for using 4-men-bob Bobsleigh and luge track "Sigulda" Offer on 1 page;

On behalf of the Customer BKT "Sigulda" Ltd

On behalf of the Contractor IBG Ingenieurburo Gurgel+Partner

Chairman of the Board

Principal

Dainis Dukurs

Mike Richter





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OFFER

FEASIBILITY STUDY FOR USING 4-MEN-BOB

BOBSLEIGH AND LUGE TRACK

SIGULDA | LATVIA

August 07TH, 2018

N°	Service description Feasibility Study	net amount [EUR]
1	Technical Task	
2	Compilation of existing documents	
2.1	compilation of design documents from the construction period	
2.2	compilation of further design documents	
3	Text and calculation part	
3.1	existing track axis in ground plan and longitudinal section	
3.1.1	description of existing track axis	
3.2	G-force and speed calculation	
3.2.1	calculation of speeds and g-forces for selected bobsleigh, skeleton and luge disciplines	
3.2.2	evaluation for decisively starting points and disciplines	
3.2.3	comparison to measured speed and g-force values	
3.3	Geometry of existing cross profiles (concrete profiles)	
3.3.1	description of existing profile geometry	
3.3.2	Summary and graphical representation of results for the track priorities	
3.4	Description of necessary reconfiguration requirements for the track	
3.4.1	text part	
3.4.2	estimation of costs for presumably track modification	
4	drawings	
4.1	ground plan: representation of track of existing and reconfigured track	
4.2	longitudinal section: representation of track of existing and reconfigured track	

Total 27.000,00 €