

- (1) **Izdevniecība Pētergalis** (Company Registration No. 40003005936 ), whose registered office is at Stabu iela 54-17, Riga, Latvia (hereinafter called 'the Proprietor') of the one part;
- (2) **Terra Publica** (Company Registration No. 135777892), whose registered office is at Jaunimo a. 2, LT-50117 Kaunas, Lithuania (hereinafter called 'the Publisher') of the other part;

**Whereby** it is mutually agreed between the parties concerning a work entitled "**Lauvas rūciens**" ('the Work') written by **Juris Zvirgzdiņš** ('the Author') and illustrated by **Lina Dūdaitė** ('the Illustrator') which is published in Latvian language by the Proprietor.

1. The Proprietor hereby grants to the Publisher the full and exclusive right and licence to translate, print, publish, distribute and sell the Work in **hardback form** in Lithuanian language ('the Publisher's Edition') in **Lithuania** ('the Territory') for a period of **five (5)** years from the date of this Agreement ('the Term') and may thereafter be renewed by mutual agreement between the parties. The Proprietor further grants to the Publisher the right to publish, broadcast, transmit or disseminate, and/or permit others to do the same, up to **ten per cent (10 %)** of the Publisher's Edition without compensation to the Proprietor for publicity and promotional purposes.
2. The Proprietor warrants to the Publisher that it is a sole owner of the rights granted herein and has full power to make this Agreement and that to the best of its knowledge the Work is original and in no way a violation of any existing copyright or does not contain any matter which may be libellous, scandalous or objectionable. It is the sole responsibility of the Proprietor to guarantee that all copyrighted material (fonts, illustrations, extracts, etc.) in the Work can be used free by the Publisher in the Publisher's Edition and for promotional purposes. Should the Work contain extracts from other copyrighted works, the Proprietor shall at its own expense obtain from the owners of the respective copyrights written permission to reproduce such extract in the Publisher's Edition and should provide such written permission to the Publisher. In the event of any breach of this warranty would arise out, the Proprietor should indemnify the Publisher against any loss or injury which the Publisher may have due to this breach.
3. The Publisher agrees to pay to the Proprietor a royalty of **500 Eur (five hundred Euros)** for 1500 copies of the Publisher's Edition sold, paid and not returned, which is to be payable within **90 (ninety)** days after the date of this Agreement. No extra royalties shall be paid in connection with remainder copies or other copies sold below or at cost including expenses incurred, or furnished free to the Author, the Illustrator or for review, advertising, sample or similar purposes which may benefit the sale of the Publisher's Edition. The sum of such copies furnished free of charge shall not exceed **five per cent (5 %)** of the whole print run.
4. The Publisher agrees to buy complete edited high resolution files of the Work from the Proprietor at a price of **200 Eur (two hundred Euros)** including courier charges, payable on signature of this Agreement. Printing material will be delivered to the Publisher as soon as the corresponding remittance has been credited to the Proprietor's account.
5. The Publisher shall cause the Translation of the Work to be made at their own expense from the current Latvian edition faithfully and accurately, with modifications in the original text only as may be necessary to achieve a competent and idiomatic translation by a qualified and competent translator. The Publisher, if requested to do so, shall submit its translation to the Proprietor for approval, and in that event the Publisher shall not proceed with the printing of the Publisher's Edition until they have received the Proprietor's approval in writing.
6. If in the opinion of the Publisher and on the advice of their legal advisers the Work contains any extract that may reasonably be considered actionable at law in the Territory granted to the Publisher under this Agreement, the Publisher shall have the right upon prior written notice to the Proprietor to modify or to remove such extract from the Translation.
7. Abbreviations, alterations and/or additions on the cover of the Work can be made in the Publisher's Edition as this may be more suitable for the market and may benefit the sales of the Publisher's Edition

in the Territory. In the event of any changes, the Publisher shall submit to the Proprietor for approval a layout of a modified cover of the Publisher's Edition. Abbreviations, alterations and/or additions on the inside pages of the Work in the Publisher's Edition shall only be made with the prior written consent of the Proprietor.

8. The Publisher shall include the names of the Author and the Illustrator in their customary form with due prominence on the title page and on the cover of every copy of Publisher's Edition. Further the Publisher shall print on the reverse of the title page the following copyright notice:  
© Tekstas, Juris Zvirgzdiņš, 2015  
© Iliustrācijas, Lina Dūdaitē, 2015  
© Pirmas leidimas latvių kalba, Izdevniecība Pētergalis, 2015.
9. The Publisher shall submit to the Proprietor for approval a layout of the copyright page of the Publisher's Edition.
10. The Publisher shall clearly state in each and every copy of the Publisher's Edition that such copies are licensed editions of the Work published by the Proprietor, including the original title of the Work.
11. The Publisher shall publish the Publisher's Edition at its own expense (with an initial print run of 1500 copies).
12. All sums of money payable by the Publisher to the Proprietor hereunder should be made by cable transfer to the Proprietor's bank without any deductions in respect of bank charges:  
SEB  
SWIFT: UNLALV2X  
ACCOUNT NUMBER: LV64 UNLA 0002 0054 67378  
ACCOUNT NAME: SIA Pētergailis
13. The Publisher, unless prevented by war, strikes, lock-outs or other circumstances beyond its control, shall publish the Publisher's Edition within **18 (eighteen)** months after the date of this Agreement. If the Publisher fails to issue the Publisher's Edition by the prescribed date the rights herein conveyed shall revert to the Proprietor and any advance payments provided for herein shall immediately become due and payable as the Proprietor's liquidated damages. If cancellation occurs prior to signature of this Agreement 50 % (fifty per cent) of any advance payments provided for herein shall immediately become due and payable as the Proprietor's liquidated damages.
14. Either party may terminate this Agreement by 30 day's notice in writing to the other party if that other party fails to fulfil or comply in any material respect with any of the material provisions of this Agreement, an order is made or an effective resolution passed for the liquidation of either party other than a voluntary liquidation for the purpose of reconstruction. Upon the proper and effective termination of this Agreement all rights granted herein shall revert to the Proprietor provided that any rights reverting to the Proprietor shall be without prejudice to any claim which the parties may have for any sums due under this Agreement.
15. The Publisher shall have the exclusive option to renew this Agreement up until ninety (90) days prior to the termination of the Agreement, and the Proprietor shall not solicit or pursue any other publication arrangements for the Work during that time. Should the Publisher not exercise its option up until aforesaid time limit, the Proprietor shall be free to offer the Work to others.
16. All the rights granted to the Publisher herein shall revert to the Proprietor automatically and without prior written notice at the end of the Term. In the event the Publisher (i) allows the Publisher's Edition to go out of print during the Term and fails to give a 90 days notice declaring his intention of reissuing the Publisher's Edition and/or (ii) fails to issue further printings within 6 (six) month of written notification from the Proprietor and/or (iii) if within 3 (three) months of written demand, payment due to the Proprietor shall not be made as specified herein, then the rights conveyed under this Agreement shall automatically revert to the Proprietor and without prejudice to any claim which the Proprietor may have for monies then due.
17. If the Agreement is not renewed, all rights granted hereunder shall revert automatically to the Proprietor upon the effective date of termination except that the Publisher may continue to sell for a period of six

(6) months from the effective date of termination any copies of the Publisher's Edition previously printed or in the process of manufacture.

18. The Publisher shall send the Proprietor **3 (three)** gratis copies of the Publisher's Edition after its publication. The Proprietor shall be entitled to purchase further copies of the Publisher's Edition at the lowest trade price.
19. The Publisher shall have the right not less than two (2) years from the date of first publication of the Publisher's Edition to sell part or whole of the residue of any edition as a remainder in which event the Proprietor will be sent written notice of the decision giving the Proprietor the opportunity to buy copies at the remainder price on offer.
20. Any notice, consent or the like required or permitted to be given hereunder shall be in writing and shall be sufficiently given if sent to the last known address of the party to be notified by prepaid recorded delivery first class or air mail letter, facsimile or scan of letter by e-mail marked read-request sent to such address and any notice so given by letter shall be deemed to have been served two working days (first class) or seven working days (airmail) after the same shall have been posted, any notice so given by facsimile shall be deemed to have been served the next following working day and any notice so given by e-mail shall be deemed to have been served on receipt of read notification and to prove such service it shall be sufficient to show that the letter, facsimile or e-mail giving the notice was properly addressed and put into the post or transmission report or e-mail system as the case may require for facsimile and e-mail respectively.
21. This Agreement shall be deemed invalid unless signed and returned to the Proprietor within **ninety (90) days** of the date of this Agreement. It is a strict condition of this Agreement that the Publisher may not commence production of the Publisher's Edition prior to the full execution of this Agreement by both parties hereto. In such an event, any and all advances due hereunder shall become immediately due and payable as the Proprietor's liquidated damages, regardless of whether the Proprietor also exercises its rights hereunder to terminate this Agreement because of such breach.
22. This Agreement contains the whole understanding of the parties hereto, with reference to the Work. There are no representations, covenants or warranties other than those expressly set forth herein. No waiver or modification of any of the terms herein shall be valid unless in writing and signed by both parties. No waiver of any breach shall be deemed a waiver of any subsequent breach.
23. The law of Lithuania shall apply to this Agreement which shall be construed and interpreted in accordance with such law. Alterations and additions in the terms of this Agreement shall be agreed by both parties in writing. The invalidation of one clause or one part of this Agreement shall not affect the validity of the remainder of this Agreement.

As witness the hands of the parties of this Agreement

For and on behalf of  
**Izdevniecība Pētergalis**  
Inguna Cepite



For and on behalf of  
**Terra Publica**  
Danguolė Kandrotienė

