



EUROPEAN COMMISSION
 DIRECTORATE-GENERAL FOR ENERGY AND TRANSPORT
 Directorate D

CONTRACT No TREN07/FP6EN/S07.70775/038573

(Integrated Project)

The European Community (the "*Community*"), represented by the Commission of the European Communities (the "*Commission*"), itself represented for the signature of this *contract* by Mr Alfonso Gonzalez Finat, Director in the Directorate-General for Energy and Transport, Directorate D.

of the one part,

and Kuben Urban Renewal Denmark (Kuben),

established in Blegdamsvej 104 B, 2100 Ø - Copenhagen, DENMARK, represented by Mr Jakob Klint (Administrative official), or his authorised representative the contractor acting as coordinator of the consortium,

(the "*coordinator*") and the other *contractors* identified in Article 1.2 below,

of the other part

HAVE AGREED to the following terms and conditions established in this contract and its annexes (the "*contract*").

Article 1 – Scope

1. The *Community* agrees to grant a financial contribution for the implementation of a *project* called "Global Renewable Energy and Environmental Neighbourhoods as Solar Cities" within the framework of the specific research and technological development programme "Integrating and Strengthening the European Research Area (2002-2006), Sustainable Energy Systems" (the "*specific programme*").
2. The *consortium* is composed of the *contractor* acting as *coordinator* and the following legal entities, who shall accede to the *contract* in accordance with the procedure referred to in Article 2, as *contractors* assuming the rights and obligations established by the *contract* with effect from the date on which it enters into force:

Cenergia Energy Consultants (Cenergia) established in Herlev Hovedgade 195, 2730 - Herlev, DENMARK represented by Mr Peder Vejsig Pedersen, or his authorised representative ("*contractor*")

City of Salzburg (Salzburg City) established in Schwarzstrasse 44, Postfach 63, 5020 - Salzburg, AUSTRIA represented by Mr Johann Padutsch, or his authorised representative ("*contractor*")

Gswb - Gemeinnützige Salzburger Wohnungsgesellschaft mbH (Gswb) established in Ignaz Harrer Strasse 84, 5020 - Salzburg, AUSTRIA represented by Mr Leonard Santner, or his authorised representative ("contractor")

Heimat Österreich (HÖ) established in Plainstrasse 55, 5020 - Salzburg, AUSTRIA represented by Mr Wilfried Haertil, or his authorised representative ("contractor")

Salzburger Institut für Raumordnung & Wohnen (SIR) established in Alpen Strasse 47, 5020 - Salzburg, AUSTRIA represented by Mr Peter Haider, or his authorised representative ("contractor")

Salzburg AG (Salzburg AG) established in Bayerhamerstrasse 16, 5020 - Salzburg, AUSTRIA represented by Mr August Hirschbichler, or his authorised representative ("contractor")

Steinbeis GmbH & Co KG Technologietransfer (Steinbeis) established in Willi-Bleicher-Strasse 19, 70038 - Stuttgart, GERMANY represented by Mr Boris Mahler, or his authorised representative ("contractor")

Die Salzburg gemeinnützige Wohn- und Siedlungsgenossenschaft "Salzburg" registrierte Genossenschaft mbH. (DS) established in Ignaz Harrer Strasse 35, 5020 - Salzburg, AUSTRIA represented by Mr Markus Sturm, or his authorised representative ("contractor")

Green Cities aps (GC) established in Gl. Kongevej 1, 1610 - Copenhagen, DENMARK represented by Mr Jens Frendrup, or her/his/their authorised representative ("contractor")

DONG Energy (former Copenhagen Energy) (DONG Energy) established in Ørestads Boulevard 35, 2300 S - Copenhagen, DENMARK represented by Mr Thomas Braendgaard Nielsen, or his authorised representative ("contractor")

Green Valby (Green Valby) established in Valby Langgade 92, 2500 - Copenhagen, DENMARK represented by Mrs Tina Unger, or her authorised representative ("contractor")

Valby City Council (Valby City Council) established in Valby Langgade 92, st. th., 2500 - Copenhagen, DENMARK represented by Mr Ejner Jensen, or his authorised representative ("contractor")

Lund University (U Lund) established in Paradisgatan 5C, 22100 - Lund, SWEDEN represented by Mr Per Göran Nilsson, or his authorised representative ("contractor")

Delft University of Technology (TU Delft) established in Julianalaan 134, 2600 GA - Delft, THE NETHERLANDS represented by Mr Johan Krul, or his authorised representative ("contractor")

WE Consultants Sustainable Building (WE) established in Post box, 3500 AE - Utrecht, THE NETHERLANDS represented by Mr Evert Vrins, or his authorised representative ("contractor")

EMI Non profit company for Quality Control and Innovation in Building (EMI) established in Dioszegi Ut 37, 1518-H - Budapest, HUNGARY represented by Mr György Karikás, or his authorised representative ("contractor")
(hereinafter referred to as the "contractors")

3. The *consortium* shall carry out the work set out in Annex I to this *contract* (the "*project*") up to the milestone specified in Annex I in accordance with the conditions set out in this *contract*.

4. The *contractors* are deemed to have concluded a *consortium agreement* regarding the internal operation and management of the *consortium*. The *consortium agreement* shall include all aspects necessary for the management of the *consortium* and the implementation of the *project* as well as any necessary intellectual property provisions.

Article 2 – Constitution of the *consortium*

1. The *coordinator* shall ensure that the legal entities identified in Article 1.2 complete the formalities for them to accede to the *contract*. At the latest 45 calendar days after the entry into force of the *contract*, the *coordinator* shall send to the *Commission* one of the three duly completed and signed originals of Form A (set out in Annex IV), which shall be obtained from each of the *contractors* identified in Article 1.2. The two remaining signed originals shall be kept by the *coordinator* and the *contractor* concerned and be made available for consultation at the request of any other *contractor*.
2. Should any legal entity identified in Article 1.2 fail or refuse to accede to the *contract* within the deadline established in the previous paragraph, the *Commission* is no longer bound by its offer to contract with the said legal entity(ies). The *Commission* may terminate the *contract* in accordance with Article II.15.5, where any legal entity identified in Article 1.2 does not accede to the *contract* in accordance with the provisions established by the *Commission*.
3. However, the *consortium* may propose appropriate solutions to the *Commission* to ensure the implementation of the *project* including, where necessary, the accession to the *contract* of legal entities other than those identified in Article 1.2 in accordance with the provisions in Article 3.
4. In the case of termination, no costs incurred by the *consortium* under the *project* up to the date of *contract* termination can be approved or accepted as eligible for reimbursement by the *Community* financial contribution. Any *pre-financing* provided to the *consortium* and any interest generated by the *pre-financing* must be returned in full to the *Commission* within 30 days of notification of termination.

Article 3 - Evolution of the *consortium*

The *consortium* may be enlarged to include other legal entities, which shall accede to the *contract* by means of Form B (set out in Annex V). The *Commission* is deemed to have accepted this legal entity as a *contractor* in the *consortium*, if it does not object within six weeks of receipt of Form B. Any new *contractor* shall comply with the participation rules established by the *Rules for Participation*. This is subject to any condition required by the *Financial Regulation* or other formalities that may be required by any other provision of this *contract*.

They shall assume the rights and obligations of *contractors* as established by the *contract* with effect from the date of their accession to the *contract*. *Contractors* leaving the *consortium* shall be bound by the provisions of the *contract* regarding the terms and conditions applicable to the termination of their participation.

Article 4 – Entry into force of the *contract* and duration of *project*

1. This *contract* shall enter into force on the day of its signature by the *coordinator* and the *Commission*.
2. The duration of the *project* shall be 60 months from the effective starting date notified by the *coordinator/contractor*, which must be within 2 months from the date the *contract* enters into force (hereinafter referred to as the “*start date*”).

This *contract* shall be completed once the rights and obligations of all the parties to the *contract* have been met. The implementation and payment phases relating to the *project* must be completed by the *final implementation date* of the *contract*¹.

¹ The *final implementation date* is determined by taking into account, after the end date of the *project*, the maximum periods allowed for the *contractors* to submit all the required reports and other deliverables, for the *Commission* to approve them and for it to make the final payment. If the periods indicated are extended by means of an amendment to the *contract*, the *final implementation date* shall be modified accordingly.

The provisions set out in Articles II.7, II.9, II.10, II.11, II.29, II.30, II.31 and Part C of Annex II shall continue to apply after the *final implementation date* as well as any provisions in Annex III which specifically state that they shall continue to apply after the *final implementation date*.

Article 5 – Community financial contribution

The *Community* financial contribution shall be in the form of a grant to the budget.

The maximum *Community* contribution to the *project* shall be EUR 6.305.000,00 (six million three hundred and five thousand Euro and zero cents). The *Community* financial contribution shall be limited to the maximum rates of contribution to the activities identified in Part B of Annex II, as modified by any provision of Annex III. Annex I indicates the estimated breakdown of costs and activities to be carried out under the *project*.

Article 6 – Reporting periods

The *project* is divided into reporting periods of the following duration:

- P1 : from month 1 to month 12
- P2 : from month 13 to month 24
- P3 : from month 25 to month 36
- P4 : from month 37 to month 48
- Final: from month 49 to the last month of the project

Article 7 – Reports

1. Reports referred to in Article II.7.2 shall be submitted for each reporting period identified in Article 6 within 45 days of the end of the period in question. Reports shall be submitted in English.
2. Reports referred to in Article II.7.3 covering each period shall be submitted at the latest 45 days after the end of each reporting period.
3. In addition to the reports for the last period, final activity and financial reports referred to in Article II.7.4 (except for the report referred to in Article II.7.4.d) shall be submitted to the Commission at the latest 45 days after the end of the project. This delay may be increased by 45 days at the request of the consortium. Where the work is completed before the end of the duration of the project, the related activity and financial reports shall cover the period up to that date

Article 8 – Payment modalities

1. The *Community* financial contribution to the *project* shall be paid to the *coordinator* on behalf of the *contractors* in accordance with the following provisions:
 - a) the *consortium* shall determine the allocation of each tranche of the *Community* financial contribution between the *contractors*, in accordance with this *contract* and any relevant provisions in their *consortium agreement*.
 - b) the payment of the *Community* financial contribution to the *coordinator* discharges the *Commission* from its obligation to make this payment to the *contractors*.
 - c) the *coordinator* shall distribute the *Community* financial contribution without unjustified delay.
2. The *Community* financial contribution shall be paid in accordance with the provisions of Article II.28 and the following:

- (a) *pre-financing* of EUR 1.419.484,00 (one million four hundred and nineteen thousand four hundred and eighty-four Euro and zero cents) corresponding to 80% of the estimated *Community* financial contribution corresponding to the first reporting period and the first six months of the subsequent reporting period indicated in the table of estimated breakdown of costs for this period in Annex I, within 45 days following the date the *Commission* is informed of accession to the *contract* of all the *contractors* identified in Article 1.2;
- (b) within 45 days following approval by the *Commission* of the reports related to each reporting period:
- i) a payment which settles the amounts justified and accepted during the reporting period.
 - ii) *pre-financing* of 80% of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

Where the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, that part of the *pre-financing* is re-qualified as a payment and the *Commission* shall deduct the difference from the subsequent *pre-financing*.

Where the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *pre-financing* is re-qualified as a payment and the *Commission* shall add the difference as a complementary payment at the time of the payment of the subsequent *pre-financing*.

If an audit certificate has not been submitted:

- i) an intermediate *pre-financing* of 80% of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

Where the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, the *Commission* shall deduct the difference from the subsequent *pre-financing*.

Where the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *Commission* shall add the difference to the subsequent *pre-financing*, within the limits established by the *Financial Regulation*.

- (c) within 45 days following approval by the *Commission* of the reports relating to the last period and the final reports referred to in Article II.7, the *Commission* shall pay a final payment for that period.
- (d) Any payment at the end of a reporting period accompanied by an audit certificate shall be considered as final, subject to the results of any audit or review, which may be carried out pursuant to the provisions of Article II.29.
- (e) Where no comments, changes or substantial corrections to any of the *project* activity reports or financial statements are required or where the *Commission* approves the reports more than 45 days after reception, the *Commission* shall make the appropriate payment within 90 days of receipt of the *project* activity reports and associated financial statements.

Where substantial comments, changes, further information or adjustments are requested by the *Commission* within this period, the delay is suspended upon notification by the *Commission*. The remainder of the 90 day payment period begins again only after submission by the *contractors* of the required information.

Article 9 – Special clauses

The following special conditions apply to this *contract*:

9.1 Guarantee on pre-financing

An amount of EUR 1.344.142,15 (one million three hundred and forty-four thousand one hundred and forty-two Euro and fifteen cents) of the pre-financing referred to in Article 8.2.a shall be retained by the *Commission* until contractors:

Kuben Urban Renewal Denmark,
Cenergia Energy Consultants,
Gswb - Gemeinnützige Salzburger Wohnungsgesellschaft mbH,
Heimat Österreich,
Salzburger Institut für Raumordnung & Wohnen,
Salzburg AG,
Steinbeis GmbH & Co KG Technologietransfer,
Die Salzburg gemeinnützige Wohn- und Siedlungsgenossenschaft "Salzburg" registrierte
Genossenschaft mbH.,
Green Cities aps,
DONG Energy (former Copenhagen Energy),
WE Consultants Sustainable Building,
provide to the *Commission* a financial guarantee equivalent to that amount.

9.2 Performance guarantee

A performance guarantee, equivalent to an amount of 10% of the amount of the maximum *Community* financial contribution stipulated in Article 5, i.e. EUR 630.500,00 (six hundred and thirty thousand five hundred Euro and zero cents), is taken in the form of withholding. This withholding is performed on the payment of the *pre-financing* corresponding to the second reporting period.

The guarantee of proper implementation is released with the final payment.

The amount of such withholding remains to the *Commission* in the event of partial or total non-implementation of the *project* referred to in Article 1.1, except in cases of *force major* or in exceptional cases duly justified and accepted by the *Commission*. This provision is without prejudice to the application of Article II.30 of Annex II to the contract.

9.3 Exemption of certain contractors from the requirement to provide periodic audit certificates; derogation from Article 7.2

Notwithstanding the provisions of Article 7.2 of this contract, contractors requesting a *Community* financial contribution for one or more reporting periods of less than €150,000, need not submit an audit certificate, until the cumulative request for *Community* financial contribution is equal to or exceeds €150,000 for the reporting periods for which an audit certificate has not yet been submitted. In all cases an audit certificate shall be submitted at the latest 45 days after the final reporting period. This final audit certificate shall cover all period/s for which an audit certificate has not been previously submitted.

9.4 Application of average rates for costs by type of expenditure covered by the Community financial contribution to demonstration projects in priority 6.1 "Sustainable Energy Systems"

The Community financial contribution for those additional energy efficiency measures in buildings and the additional installed capacity of renewable energy sources and/or polygeneration identified as such in Annex I to the contract, shall be determined on the basis of the amounts in € per m² built or refurbished and € per kW installed established in Annex I to the contract. This form of funding will be reviewed every two years by the Commission in order to be confirmed or amended.

Article 10 - Amendments

Any request for amendment to the *contract* shall be submitted in accordance with Article 11. Proposals for amendments submitted by the *coordinator* are requested on behalf of the *consortium*. The *coordinator* shall ensure that adequate proof of the *consortium's* agreement to such a request exists and is made available in the event of an audit.

The *Commission* shall undertake to approve or reject any request for an amendment within 45 days of its receipt. The absence of a response from the *Commission* within 45 days of receipt of such a request, or any other period provided for in the *contract*, does not constitute approval of the request, except for any modification or evolution of the *consortium* as foreseen in Article 3.

All amendments to the *contract* shall be in writing.

Article 11 – Communication

1. Requests for amendments and any communication foreseen by the *contract* shall identify the nature and details of the request or communication and be submitted in writing by means of registered mail with acknowledgement of receipt to the following addresses:

For the *Commission*: Commission of the European Communities
Directorate-General for Energy and Transport
CAD DM28 00/110
B-1049 Brussels
Belgium

For the *coordinator*: Mr Jakob Klint
Kuben Urban Renewal Denmark
Blegdamsvej 104 B
2100 Ø - Copenhagen
Denmark

2. Where the *contract* foresees that information or documents are to be transferred by electronic means, the following functional mailboxes shall be used:

For the *Commission*: not applicable

For the *Coordinator*: not applicable

3. The bank account of the *coordinator* to which all payments of the *Community* financial contribution shall be made is:

Name of account holder: KUBEN BYFORNYELSE DANMARK
Name of bank: ARBEJDERNES LANDSBANK A/S
Account reference: IBAN/sort code and number: DK5253010000332600

4. Each party to the *contract* shall inform the other parties without delay of any changes in the names or addresses identified in paragraphs 1 and 2 above.

Article 12 - Applicable law

The law of Belgium shall govern this *contract*.

Article 13 - Jurisdiction

The Court of First Instance or the Court of Justice of the European Communities, as is appropriate in the specific case, shall have sole jurisdiction to hear any disputes between the *Community* and the *contractors* as regards the validity, the application or any interpretation of this *contract*.

Article 14 - Annexes forming an integral part of this *contract*:

1. The following annexes form an integral part of this *contract*:

- Annex I - Description of work
- Annex II - General conditions
- Annex III - Specific provisions related to Integrated Projects
- Annex IV - Form A - consent of *contractors* to accede to the *contract*
- Annex V - Form B - accession of new legal entities to the *contract*
- Annex VI - Form C - financial statement per instrument

2. In the event of any conflict between the provisions of the Annexes to this *contract* and any provision of this part of the *contract*, the latter shall take precedence. The provisions of Annex III shall take precedence over the provisions of Annex II, and both shall take precedence over the provisions of Annex I.

3. The special conditions set out in Article 9 shall take precedence over any other provisions of this *contract*.


Done at Brussels, in duplicate, in English

For the Commission:

Name : Mr Alfonso Gonzalez Finat

Title : Director

Signature:



Date: 21/5/07

**For the Coordinator: Kuben Urban Renewal
Denmark**

Name: Mr Jakob Klint

Title: Administrative official

**Signature:
(Stamp of the Organisation)**


Date: 1/6/07


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