

REGULATIONS

Open-Outcry Auction of the Lease Rights to the Industrial Building at *Ganību iela 99* in Ventspils and a Part of the Attached Land Plot

Auction Rules 2ND AUCTION

Ventspils State City Municipality Institution “Ventspils osta”

[Port of Ventspils]

PROJECT NO. 6.1.1.3/2/26/A/009

“CONSTRUCTION OF AN INDUSTRIAL BUILDING AT *GANĪBU IELA 99* IN VENTSPILS”

REGULATIONS

for the Open-Outcry Auction of the Lease Rights to the Industrial Building at *Ganību iela 99* in Ventspils and a Part of the Attached Land Plot

1. General Provisions

- 1.1. These auction regulations (hereinafter – the Regulations) prescribe the procedures by which the lease rights to the industrial building at *Ganību iela 99* in Ventspils, along with a part of the functionally associated land plot at *Ganību iela 99* in Ventspils (cadastral number: 27000170016) with an area of 7,573.4 m² shall be granted by open-outcry auction.
- 1.2. The auction shall be organised by the lessor (hereinafter – the Lessor): Ventspils State City Municipality (hereinafter – the Ventspils Municipality) Institution “Ventspils osta” [Port of Ventspils], registration number: 40900035086, registered office: *Ostas iela 23*, Ventspils, LV-3601, ventspils.osta@ventspils.lv, telephone: 63624323, contact person (hereinafter – the Lessor’s contact person): Rīčards Ozols (telephone: 63624323, e-mail: ricards.ozols@ventspils.lv).
- 1.3. The auction shall be conducted by the Immovable Property Auction Commission of Ventspils Municipality (hereinafter – the Auction Commission) acting pursuant to Order No. 1-19/104, dated 16 May 2022, of the Executive Director of Ventspils Municipality. The auction shall be conducted in accordance with Cabinet Regulation No. 97 of 20 February 2018, Regulations on the Lease of Property Owned by a Public Person.
- 1.4. The purpose of the auction is to lease the industrial building at *Ganību iela 99* in Ventspils, along with a part of the functionally associated land plot, for the highest bid offered by a bidder who intends to carry out economic activity under the project No. 6.1.1.3/2/26/A/009 “Construction of an Industrial Building at *Ganību iela 99* in Ventspils” (hereinafter – the Project) and contribute to the achievement of the investment objectives (hereinafter – the Investment Plan, see Annex 3 to the Regulations) under the European Union Cohesion Policy Programme 2021–2027, Specific Objective 6.1.1 “Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions”, Measure 6.1.1.3 “Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy”.¹
- 1.5. The subject matter of the auction is the lease rights (hereinafter – the Lease Rights) to the industrial building (total area of the premises under the Project: 4,437.5 m²) at *Ganību iela 99* in Ventspils (hereinafter – the Industrial Building), along with a part of the attached immovable property at *Ganību iela 99* in Ventspils and a part of the functionally associated land plot at *Ganību iela 99* in Ventspils (cadastral number: 27000170016) with an area of 7,573.4 m² (hereinafter, the Industrial Building and the part of the land plot shall collectively be referred to as the Lease Property):
 - 1.5.1. For the layout of the Lease Property, see Annex 1 to the Regulations (link).
 - 1.5.2. The leasable area of the Industrial Building and the part of the attached land plot forming part of the Lease Property shall be specified after commissioning of the Industrial Building and following the cadastral surveying.
- 1.6. Composition of the Lease Property:
 - 1.6.1. the area associated with the Industrial Building – a part of the land plot corresponding to the Industrial Building and the adjacent area of ~ 7,573.4 m² at *Ganību iela 99* in Ventspils (cadastral number: 27000170016, cadastre designation: 27000170019);

¹ Cabinet Regulation No. 593 of 17 October 2023, Regulations on the Implementation of the European Union Cohesion Policy Programme 2021–2027, Specific Objective 6.1.1 “Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions”, Measure 6.1.1.3 “Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy” (hereinafter – Cabinet Regulation No. 593).

- 1.6.2. the Industrial Building (see Annex 1 to the Regulations) with a total area of 4,435.7 m², comprising the following:

<i>Type of premises</i>	<i>1st floor (m²)</i>	<i>2nd floor (m²)</i>
Common-use areas (stairwell, vertical lift)	51.6	7.5
Technical facilities (technical room, janitor's room, BMS rooms)	109.7	62.6
Production facilities (production area, changing rooms, sanitary facilities, etc.)	3,848.4	3.4
Office premises	0	352.4
Total	4,435.7 m ²	

- 1.7. In the Ventspils spatial plan, the functional zoning of the land plot (intended (permitted) use) is designated as industrial area (R). The intended use of the immovable property specified for the land plot in the Immoveable Property State Cadastre Information System of the State Land Service is the construction of industrial production enterprises (code: 1001).
- 1.8. The Lease Property shall be leased to the Lessee for the economic activity specified in the Investment Plan (see Annex 3 to the Regulations), thereby promoting the creation of high-added-value jobs and export-oriented jobs, and making non-financial investments in its own intangible assets and fixed assets.
- 1.9. Type of auction – first open-outcry ascending auction.

2. Auction Starting Price and Term of the Lease Agreement

- 2.1. Based on the valuation performed by a certified immovable property appraiser, the conditional auction price for the lease of the Lease Property (hereinafter – the Auction Starting Price), exclusive of value added tax (hereinafter – VAT), shall be **EUR 3.30 per m²** (three euros and 30 cents) per month for the lease of the premises
- 2.2. In addition to rent bid at the auction, a land rent of EUR 43.32 (forty-three euros and 32 cents), exclusive of VAT, shall be added for the relevant area of the part of the land plot per month. The land rent may be changed in accordance with Cabinet Regulation on the lease of land owned by a public person.
- 2.3. Bidding increment – **EUR 0.05 per m²**.
- 2.4. The winner of the auction shall be the bidder who meets the conditions outlined in the Regulations and has offered the highest amount for the Lease Rights at the auction (hereinafter – the Lessee).
- 2.5. A lease agreement (hereinafter – the Lease Agreement) shall be concluded with the Lessee (see Annex 4 to the Regulations). The anticipated term of the Lease Agreement shall be 30 (thirty) years, with the possibility of extending the term in accordance with the procedures laid down in the applicable laws and regulations, where such extension is permitted by law.
- 2.6. The Lessee shall pay rent for the newly constructed Industrial Building from the day following the date on which the Lessor has accepted the Industrial Building for operation, i.e. from the date on which the certificate on the acceptance of the building for operation specified in the applicable laws and regulations (hereinafter – the Building Authority's Certificate) has been signed.

3. Special Conditions for the Lease of the Lease Property

- 3.1. The construction works for the Industrial Building shall be performed under the Project. A building permit has been issued for the construction of the Industrial Building (Case No. BIS-BIL-899045-12827). The Industrial Building is to be commissioned in the first half of 2028 and shall be handed over to the Lessee as a newly constructed building in accordance with the Lease Agreement, after the Lessor has accepted the building for operation, i.e. after the certificate on the acceptance of the building for operation (Building Authority's Certificate) has been signed.

- 3.2. In order to ensure the implementation of the Project in accordance with Cabinet Regulation No. 593, the applicant for the Lease Rights, as an economic operator that will operate at the Lease Property and contribute to the achievement of the investment objectives, shall not be associated with the following economic sectors in the applicant's principal activity at the Project implementation site (such activities do not exceed 50 per cent of net turnover) (in accordance with Regulation (EC) No [1893/2006](#) of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No [3037/90](#) as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006):
- 3.2.1. electricity, gas, and steam supply, where the economic operator's activities are related to the production, conversion, transmission, or distribution of energy derived from fossil fuels (statistical classification of economic activities (hereinafter – NACE) Section D), with the exception of air conditioning included in NACE Section D;
 - 3.2.2. water supply, sewerage, waste management, and remediation activities, with the exception of recycling (NACE Section E);
 - 3.2.3. wholesale and retail trade, with the exception of repair of motor vehicles and motorcycles (NACE Section G);
 - 3.2.4. financial and insurance activities (NACE Section K);
 - 3.2.5. real estate activities (NACE Section L);
 - 3.2.6. public administration and defence, compulsory social security (NACE Section O);
 - 3.2.7. gambling and betting activities (NACE code R92);
 - 3.2.8. growing of tobacco (NACE code A01.15), mining of coal and lignite (NACE code B5), extraction of crude petroleum and natural gas (NACE code B6), manufacture of tobacco products (NACE code C12), manufacture of coke and refined petroleum products (NACE code C19);
 - 3.2.9. activities of extraterritorial organisations and bodies (NACE Section U);
 - 3.2.10. from 1 January 2025, shall not be associated with the following economic sectors included in NACE Rev. 2.1 in the applicant's principal activity at the Project implementation site (such activities do not exceed 50 per cent of net turnover) (in accordance with Commission Delegated Regulation (EU) [2023/137](#) of 10 October 2022 amending Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2):
 - 3.2.10.1. electricity, gas, steam and air conditioning supply, where the economic operator's activities are related to the production, conversion, transmission, or distribution of energy derived from fossil fuels (NACE Section D);
 - 3.2.10.2. water supply, sewerage, and waste management activities, with the exception of restoration, remediation, and recycling (NACE Section E);
 - 3.2.10.3. wholesale and retail trade (NACE Section G);
 - 3.2.10.4. financial and insurance activities (NACE Section L);
 - 3.2.10.5. real estate activities (NACE Section M);
 - 3.2.10.6. public administration and defence, compulsory social security (NACE Section P);
 - 3.2.10.7. gambling and betting activities (NACE code S92);
 - 3.2.10.8. growing of tobacco (NACE code A01.15), mining of coal and lignite (NACE code B5), extraction of crude petroleum and natural gas (NACE code B6), manufacture of tobacco products (NACE code C12), manufacture of coke and refined petroleum products (NACE code C19);
 - 3.2.10.9. activities of extraterritorial organisations and bodies (NACE Section V).
- 3.3. In order to achieve the target indicators of the Project, the applicant for the Lease Rights shall, in accordance with the procedures outlined in the Lease Agreement:
- 3.3.1. **by 31 December 2029**, create no less than 45 (forty-five) new jobs at the Lease Property and its associated area, with the financing from the Just Transition Fund not exceeding EUR 175,166 per job;

- 3.3.2. **by 31 December 2029**, make non-financial investments in its own intangible assets and fixed assets at the Lease Property in an amount of not less than **EUR 1,323,536** (one million three hundred twenty-three thousand five hundred thirty-six euros).
- 3.4. In addition to the cases referred to in the Lease Agreement and laws and regulations, if the Lessee fails to comply with the requirements laid down in Clauses 3.2 and 3.3 of the Regulations, the Lessor shall have the right to terminate the Lease Agreement unilaterally, in accordance with the procedures and within the time limits specified therein, without compensating the Lessee for any losses arising from the early termination of the Lease Agreement or for any expenses incurred by the Lessee with regard to the Lease Property.
- 3.5. The Lessor shall have the right to request, and the Lessee shall submit, progress reports on the fulfilment of the obligations referred to in Clause 3.3 of the Regulations within the time limit specified by the Lessor.
- 3.6. If, during the construction of the Industrial Building, the Lessee proposes changes to the technical solutions of the Lease Property that suit its needs, the Lessor may, after assessing the impact on the Project and the future use of the Lease Property, agree with the Lessee on such changes to the technical solutions. Any such changes may be made at the Lessee's expense if funding is not available under the Project.
- 3.7. The Lessor shall not be held liable if the Lessee fails to implement its Investment Plan at the Lease Property or implements it otherwise than in accordance with the Project. In this regard, the Lessee shall assume the risk of all possible losses and shall not receive any compensation of any expenses from the Institution (whether necessary, useful, or luxury expenses) incurred in connection with any investments relating to the Lease Property.
- 3.8. During the validity of the Lease Agreement, the Lessee shall care for the Lease Property as a prudent and diligent manager and shall be liable as the owner towards all third parties.
- 3.9. In addition to the rent for the Lease Property (including the land rent) and based on the Lessor's invoices, the Lessee shall pay the immovable property tax for the Lease Property and make other payments specified in the Lease Agreement, the agreement on Lease Property management services, and agreements concluded with utility and other service providers.
- 3.10. The maintenance and management of the Lease Property shall be ensured and organised by the Lessee at its own expense. The Lessee shall, no later than within 20 (twenty) days after the commissioning of the Industrial Building, agree with the Lessor on the procedures for managing the Lease Property and shall conclude any contracts and other agreements with utility service providers on the provision of heating, water supply, and sewerage services, the removal of municipal waste, and the provision of other utility services, as well as the maintenance (including the repair and servicing) of the water supply system (including water supply pipes, taps, etc.), heating system, ventilation system, cooling system, sewerage system (including sanitary facilities) and electricity supply system within the Lease Property, and any other activities necessary to ensure the uninterrupted and proper use and preservation of the Lease Property.
- 3.11. The Lessee shall have the right to sublease the Lease Property under the following conditions:
- 3.11.1. In the event of sublease, the Lessee shall conduct a public auction of the Lease Rights, ensuring an open, transparent, and non-discriminatory procedure, including the preparation of auction regulations and the publication of information on the auction on the official website of Ventspils Municipality at www.ventspils.lv and in the local newspaper. The Lessee shall have the right to publish the announcement in other media.
- 3.11.2. The Lessee shall have the right to sublease the Lease Property only with the prior consent of the Lessor.
- 3.11.3. The sublease agreement shall prohibit the sublessee from transferring the Lease Property to third parties for further use.
- 3.11.4. The provisions of the sublease agreement shall not contravene the Lease Agreement, and the Lessee shall ensure compliance with the special conditions outlined in Clauses 3.2 and 3.3 of these Regulations.

4. Announcement of the Auction and Applicants for the Lease Rights

- 4.1. The announcement of the auction of the Lease Rights (hereinafter – the Announcement) and the Regulations shall be published on the official website of Ventspils Municipality at www.ventspils.lv and in the local newspaper. The Lessor shall have the right to publish the Announcement in other media and to inform persons who have previously expressed their interest in leasing the Lease Property.
- 4.2. The Regulations are available free of charge, and additional information may be received at the Ventspils Municipality Institution “Ventspils osta” at *Ostas iela 23* in Ventspils on working days between 8:00 a.m. and 12:00 noon and between 1:00 p.m. and 5:00 p.m. (until 4:00 p.m. on Fridays), or freely downloaded from the website www.ventspils.lv.
- 4.3. Detailed information on the construction plan of the Lease Property may be obtained from the Institution’s contact person, Rīčards Ozols (telephone: 63624323, e-mail: ricards.ozols@ventspils.lv).
- 4.4. The applicant for the Lease Rights may be an economic operator that qualifies as a large, medium-sized, or small economic operator with no State or municipal shareholding,² provided that, as of the date of submission of the application, it meets all of the following requirements:
 - 4.4.1. The applicant’s intended activities at the Lease Property comply with the requirements laid down in Clauses 1.4, 3.2, and 3.3 of the Regulations.
 - 4.4.2. The applicant has submitted the Application for Participation in the Auction (see Annex 2 to the Regulations) and the Investment Plan (see Annex 3 to the Regulations) within the time limit and in accordance with the procedures specified in the Regulations.
 - 4.4.3. The applicant has paid the auction security deposit specified in Clause 5.2 of the Regulations prior to the registration.
 - 4.4.4. The applicant is eligible to acquire the Lease Rights under the applicable regulatory requirements and the Regulations.
 - 4.4.5. The applicant has provided true information demonstrating compliance with the requirements of the Regulations.
 - 4.4.6. The applicant is not regarded as acting in bad faith, taking into account the following criteria for assessing the good faith of a prospective applicant for the Lease Rights:
 - 4.4.6.1. based on the information available to Ventspils Municipality, the applicant has no outstanding payment obligations (taxes or other payments) or any other unfulfilled obligations towards Ventspils Municipality;
 - 4.4.6.2. over the past year preceding the submission of the application for this auction, neither Ventspils Municipality nor any of its capital companies has unilaterally terminated an agreement with the applicant concerning the use of property on the grounds that the applicant has failed to fulfil the contractual obligations or due to a court ruling that led to the termination of the agreement on the use of property concluded with the Lessor (holder of the Lease Rights) due to the actions of the applicant;
 - 4.4.6.3. over the past year preceding the submission of the application for this auction, the applicant has duly fulfilled the obligations of a Lessee under agreements concerning the use of property concluded with Ventspils Municipality or its capital companies; in particular, the applicant has not had at least three payment delays which, in aggregate, exceed one rent calculation period, has no payment arrears known to Ventspils Municipality in respect of services necessary for the maintenance of immovable property owned by a public person, and has no other material unfulfilled contractual obligations towards Ventspils Municipality;

² A small and medium-sized economic operator shall be an enterprise that meets the requirements outlined in Article 2 of Annex I to Commission Regulation (EU) No [651/2014](#) of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter – Regulation No [651/2014](#)). For the purposes of these Regulations, a large economic operator shall be an enterprise that does not meet the criteria laid down in Annex I to Regulation [651/2014](#).

- 4.4.6.4. neither the applicant nor any member of their Executive Board or Supervisory Board, authorised representative, or procuration holder has, by a prosecutor's penal order or by a final court judgment which is not subject to appeal, been found guilty of, or had a coercive measure imposed in relation to, any of the following criminal offences:
 - 4.4.6.4.1. establishment, leading, or participation in a criminal organisation, an organised group forming part thereof, or another criminal formation, or participation in criminal offences committed by such an organisation;
 - 4.4.6.4.2. acceptance of a bribe, giving of a bribe, misappropriation of a bribe, acting as an intermediary in bribery, unlawful participation in property transactions, unlawful acceptance of benefits, commercial bribery, requesting, accepting or giving an unlawful benefit, or trading in influence;
 - 4.4.6.4.3. fraud, misappropriation, or money laundering;
 - 4.4.6.4.4. terrorism, financing of terrorism, establishment or organisation of a terrorist group, travelling for the purpose of terrorism, public justification of terrorism, incitement to terrorism, terrorist threats, or recruiting or training of persons for terrorist attacks;
 - 4.4.6.4.5. trafficking in human beings;
 - 4.4.6.4.6. tax evasion or evasion of payments equivalent to taxes;
- 4.4.6.5. no insolvency proceedings have been initiated by a court judgment in respect of the applicant, the applicant is not subject to legal protection proceedings by a court judgment or out-of-court legal protection proceedings by a court decision, no bankruptcy proceedings have been initiated, no rehabilitation or composition has been applied, and the applicant has not ceased its economic activity and does not otherwise meet the criteria laid down by national law for the initiation of insolvency proceedings at the request of creditors;
- 4.4.6.6. based on the information in the database of tax (duty) debtors administered by the State Revenue Service, as of the date of submission of the application, the applicant has no outstanding tax debts, including debts relating to mandatory State social insurance contributions, totally exceeding EUR 150;
- 4.4.6.7. neither the applicant nor any member of its Executive Board or Supervisory Board, beneficial owner, authorised representative, or procuration holder shall be subject to international or national sanctions, or sanctions imposed by the European Union or a Member State of the North Atlantic Treaty Organization affecting significant financial and capital market interests, which would prevent the performance of the Lease Agreement;
- 4.4.6.8. the applicant has an impeccable reputation, i.e. the conduct of the applicant's shareholder, member of the Executive Board or the Supervisory Board, or any other authorised representative would not give an independent observer reason to doubt the professional performance of their duties as a prudent and diligent manager.

5. Application Documents and Their Preparation

- 5.1. The Application for Participation in the Auction, along with other documents specified in the Regulations, shall be submitted within the time limit and in the form specified in the Announcement.
- 5.2. Prior to submission of the Application for Participation in the Auction, the applicant shall pay the auction security deposit of EUR 15,000 (fifteen thousand euros) (hereinafter – the Auction Security Deposit) by transferring it to the account of the Ventspils Municipality Institution "Ventspils osta" (unified registration number 40900035086), account No. LV38RIKO0002930349051, AS Luminor Bank, SWIFT code: RIKOLV2X. If, as a result of the auction, the applicant acquires the Lease Rights and signs the Lease Agreement, the paid Auction Security Deposit shall be included in the rent in accordance with the provisions of the Lease Agreement.

- 5.3. In order to participate in the auction, the applicant shall submit the following documents:
- 5.3.1. an Application for Participation in the Auction prepared in accordance with Annex 2 to the Regulations. The Application for Participation in the Auction shall be signed by a person authorised to represent the applicant or by its authorised representative. If the application is signed by a person other than the applicant's authorised representative, the application shall be accompanied by a power of attorney granting the signatory the authority to sign the application;
 - 5.3.2. a full certificate on the representation rights of the economic operator and its officials which has been issued by the enterprise register of the relevant country, in the event that the applicant is registered abroad. As for an economic operator registered in Latvia, the Auction Commission shall obtain the information from publicly available registers;
 - 5.3.3. an Investment Plan prepared in accordance with Annex 3 to these Regulations;
 - 5.3.4. a document evidencing the payment of the Auction Security Deposit.
- 5.4. The application documents shall be clearly legible so as to avoid any misunderstanding. If the Auction Commission needs to verify the legal validity of the original document or the accuracy of a derivative (copy) thereof, it may request that the original document be presented for comparison, which shall prevail in the event of any discrepancies. In the event of any discrepancy between amounts expressed in words and in figures, the amount expressed in words shall prevail.
- 5.5. Application documents shall be prepared in the official language. Documents issued abroad or prepared in a foreign language shall be accompanied by a notarised translation into the official language and shall comply with the regulatory requirements and international treaties binding upon Latvia.
- 5.6. All expenses related to the preparation of the application shall be borne by the applicant and shall not be reimbursed.
- 5.7. The applicant may submit only one version of the application. Documents submitted by applicants shall not be returned.

6. Submission of Applications for the Auction

- 6.1. Applications for Participation in the Auction shall be submitted **by 30 September 2026 at 12:00 noon**. Documents may be submitted to the Institution at *Ostas iela 23* in Ventspils (telephone: 63624323) on working days between 8:00 a.m. and 5:00 p.m. (until 4:00 p.m. on Fridays), excluding the lunch break from 12:00 noon to 1:00 p.m. The application shall be submitted in person or sent by post or courier service. The applicant shall have the right to submit the documents referred to in Clause 5.3 of the Regulations electronically by sending them to the Institution's e-mail ventspils.osta@ventspils.lv, using a secure electronic signature. An application submitted electronically shall be signed with a secure electronic signature and prepared in accordance with Cabinet Regulation No. 473 of 28 June 2005, Procedures for the Preparation, Drawing Up, Storage, and Circulation of Electronic Documents in State and Municipal Institutions, and the Procedures by which Electronic Documents are Circulated between State and Municipal Institutions, or Between These Institutions and Legal and Natural Persons.
- 6.2. The applicant shall have the obligation to submit the application by the deadline referred to in Clause 6.1 of the Regulations. No applications shall be accepted after that deadline.
- 6.3. Applications for Participation in the Auction shall be registered in the order of their submission, indicating their registration number, the date and time of receipt, and certifying them with a signature.
- 6.4. Information on the registered applicants and their number shall not be disclosed until the meeting of the Auction Commission at which the compliance of the applicants and the submitted documents with the requirements of the Regulations is assessed.
- 6.5. The Auction Commission shall assess the compliance of the applicants and their submitted application documents with the requirements of the Regulations at a closed meeting. The meeting of the Auction Commission may also be held remotely.

- 6.6. The Auction Commission shall have the right to invite the specialists of Ventspils Municipality and other experts to assist in assessing the compliance of the applicants and the submitted application documents, and to provide expert opinions.
- 6.7. The Auction Commission shall have the right to request applicants to clarify the submitted application documents, specifying a deadline for the submission of such clarifications.
- 6.8. If the application documents are not prepared in accordance with the requirements of the Regulations or do not contain the information specified in the Regulations, the applicant meets one or several of the criteria outlined in Clause 4.4.6 of the Regulations, or the applicant for the Lease Rights does not meet the conditions outlined in Clauses 3.2 and 3.3 of the Regulations, the Auction Commission shall take a decision to exclude the applicant for the Lease Rights from participation in the auction and shall leave the application without consideration.
- 6.9. Applicants who have not been admitted to participate in the auction shall, within 2 (two) working days, be issued an extract from the minutes of the closed meeting of the Auction Commission and shall have the Auction Security Deposit refunded.
- 6.10. By submitting an application, the applicant shall be deemed to have accepted these Regulations and to have consented to the processing of personal data by the Institution and the Auction Commission for the purposes of conducting the auction and concluding the Lease Agreement.

7. Conduct of the Auction and Conclusion of the Lease Agreement

- 7.1. The **open-outcry auction of the Lease Property shall take place on 7 October 2026 at 11:00 a.m.** at *Jūras iela 36* in Ventspils, in the premises of the Ventspils Municipality Institution “Ventspils domes administrācija” [Ventspils City Council Administration], in the hall on the 2nd floor.
- 7.2. The auction shall be open. **Applicants shall register for the auction at the auction venue from 10:30 a.m. to 10:55 a.m.**
- 7.3. Applicants who present an identity document to the Auction Commission and a power of attorney (if the applicant is not represented by the authorised signatory) authorising them to represent the applicant in the auction for the Lease Rights to the Lease Property shall be registered in the list of auction participants and shall be issued registration cards bearing sequential numbers in accordance with the order in which the applications were submitted. An applicant registered in the list of auction participants shall become of an auction participant. Auction participants shall confirm by their signature that they have read the Regulations and Annexes thereto, and that they understand the procedures for conducting the auction. The list of auction participants shall include the name of each auction participant and the first name and surname of the auction participant’s representative.
- 7.4. An auction participant shall have the right to withdraw from participation in the auction in writing before the start of the auction by submitting an application to the Auction Commission no later than 30 minutes before the auction starts. In such a case, the Auction Security Deposit shall be returned to that auction participant within 10 (ten) working days.
- 7.5. The Auction Commission declares the auction unsuccessful and a new auction shall be held in the following cases:
 - 7.5.1. no application for participation in the auction has been received;
 - 7.5.2. none of the previously registered applicants has attended the auction;
 - 7.5.3. the application documents of all applicants do not comply with the requirements of the Regulations;
 - 7.5.4. none of the applicants meets the requirements outlined in the Regulations for applicants;
 - 7.5.5. none of the registered auction participants exceeds the Auction Starting Price;
 - 7.5.6. none of the applicants who has acquired the right to conclude the Lease Agreement has concluded that agreement within the established time limit;
 - 7.5.7. the sole auction participant has withdrawn from participation in the auction in accordance with the procedures laid down in these Regulations.
- 7.6. The Auction Commission shall have the right to verify the information provided by applicants and auction participants. An applicant or auction participant shall not be admitted to participate

in the auction or shall not be included in the list of auction participants, or shall not be recognised as the winner of the auction if it is discovered that they have provided false information.

- 7.7. The course of the auction shall be recorded in minutes, specifying all auction participants and rent amounts bid by each auction participant, arranged in the order specified in Clause 7.3 of the Regulations. If any of the registered auction participants fails to attend the auction, a respective record shall be made in the auction minutes. The auction minutes shall be signed by all members of the Auction Commission.
- 7.8. If only one applicant has applied for the auction, the auction shall be deemed to have taken place. The Institution shall offer the applicant to conclude the Lease Agreement for a fee equal to the Auction Starting Price.
- 7.9. Upon opening the auction, the Auction Commission shall draw up a list of auction participants (as annex to the auction minutes), in which the price offered by each participant shall be recorded during the auction, with the recording of bids continuing as long as the price is increased. Upon withdrawing from further bidding, each auction participant shall confirm their final bid price by signature in the list of auction participants.
- 7.10. Upon opening the auction, the auctioneer shall announce the Lease Property, its composition, and the Auction Starting Price. The auction shall be conducted by ascending bids. Bidding shall commence from the starting price and shall proceed only in accordance with the specified bidding increment.
- 7.11. During the bidding process, auction participants shall confirm their willingness to bid the announced fee by raising their registration card which bears a number. The auction shall proceed only by one bidding increment at a time, with the price being incremented by one increment with each bid.
- 7.12. Once only one participant is willing to bid the last announced rent for the Lease Property, the auctioneer shall repeat the last bid rent for the Lease Property 3 (three) times and shall confirm it by striking the hammer.
- 7.13. At the end of the auction, the auctioneer shall announce that the auction has ended and also shall announce the highest bid rent for the Lease Property and the auction participant who has made that bid and acquired the right to conclude the Lease Agreement.
- 7.14. The auction participant who has offered the highest rent for the Lease Property as the final bid shall, after the bid has been accepted, confirm by signature in the auction minutes that the rent for the Lease Property indicated therein corresponds to the bid rent.
- 7.15. The decision on the approval of the auction results shall be taken by the Auction Commission. The decision on auction results shall be published on the official website of Ventspils Municipality at www.ventspils.lv within 10 working days after approval of the auction results.
- 7.16. The Auction Committee shall not approve the auction results if:
 - 7.16.1. it is found that a participant was unjustifiably excluded from participation in the auction or that any higher bid has been rejected incorrectly;
 - 7.16.2. it is found that there was an agreement to prevent a participant from participating in the auction;
 - 7.16.3. it is discovered that the winning bidder (the last highest bidder) is a person who is not permitted to conclude transactions or who had no right to participate in the auction.
- 7.17. Pursuant to Paragraph 4 of the decision No. 42 “Implementation of the Project “Construction of an Industrial Building at *Ganību iela 99* in Ventspils”” adopted by the Ventspils Municipality Council on 9 April 2026, at the end of the auction for the lease of the premises of the industrial building at *Ganību iela 99* in Ventspils, the Ventspils Municipality Council shall adopt a decision on the further implementation of the Project. Before the Ventspils Municipality Council adopts the decision referred to in this Clause, the Institution shall assess whether the Plan for the Future Use of the Lease Property and Investments (see Annex 3 to the Regulations) submitted by the winning bidder is consistent with the implementation of the Project and the intended results. The Institution shall have the right to invite employees of Ventspils Municipality and other independent experts to assist in assessing the Plan for the Future Use of the Lease Property and Investments and providing an opinion.

- 7.18. The Institution shall, within 10 (ten) working days after the Ventspils Municipality Council has adopted the decision referred to in Clause 7.17 of the Regulations, offer the winning bidder to conclude the Lease Agreement (in the wording set out in Annex 4 to these Regulations) by sending the winning bidder a Lease Agreement signed by the Institution. The winning bidder shall, within 5 (five) working days from the date of sending the Lease Agreement, submit a signed Lease Agreement to the Institution. If the winning bidder fails to sign the Lease Agreement within the time limit specified in this Clause, regardless of whether a respective refusal has been submitted or not, the winning bidder shall be deemed to have refused to conclude the Lease Agreement, and the Auction Security Deposit shall not be returned to the winning bidder.
- 7.19. If the winning bidder refuses to conclude the Lease Agreement, the Institution may offer to conclude the Lease Agreement to the auction participant who has offered the next highest rent for the Lease Property (hereinafter – the Last Highest Bidder). The Institution may, within 10 (ten) working days after sending that offer, publish the relevant information on the official website of Ventspils Municipality at www.ventspils.lv.
- 7.20. The Last Highest Bidder shall provide a response to the offer referred to in Clause 7.19 within 5 (five) working days from the day of its receipt. If the Last Highest Bidder agrees to sign the Lease Agreement for the highest rent for the Lease Property offered by them, they shall sign the Lease Agreement within 5 (five) working days from the date of sending the Lease Agreement signed by the Institution.
- 7.21. If the Last Highest Bidder fails to sign the Lease Agreement in accordance with the procedures and within the time limit specified in Clause 7.20 of the Regulations, regardless of whether a respective refusal has been submitted or not, the Last Highest Bidder shall be deemed to have refused to conclude the Lease Agreement, and the Auction Security Deposit shall not be returned to the Last Highest Bidder.
- 7.22. Information on the conclusion of the Lease Agreement shall, no later than within 10 (ten) working days after its conclusion, be published on the official website of Ventspils Municipality at www.ventspils.lv.
- 7.23. The Auction Security Deposit paid by an applicant shall be returned to:
- 7.23.1. auction participants who have not acquired the Lease Rights but who, having met all the requirements of the Regulations, participated in the bidding process; the Auction Security Deposit shall be returned by transferring it to the bank account indicated in the application within 10 (ten) working days after the date of conclusion of the Lease Agreement or from the date on which a decision is adopted declaring the auction unsuccessful or invalid;
 - 7.23.2. applicants for the Lease Rights who were not admitted to participate in the auction due to the application or applicant not complying with the requirements; the Auction Security Deposit shall be returned by transferring it to the bank account indicated in the application within 10 (ten) working days from the date of the auction;
 - 7.23.3. the Last Highest Bidder by transferring the Auction Security Deposit to the bank account indicated in the application within 10 (ten) working days after the winning bidder has signed the Lease Agreement;
 - 7.23.4. the winning bidder and the Last Highest Bidder by transferring the Auction Security Deposit to the bank account indicated in the application within 10 (ten) working days after the date on which the Ventspils Municipality Council has adopted a decision to discontinue the further implementation of the Project.
- 7.24. The Auction Security Deposit paid by an applicant shall not be returned to:
- 7.24.1. an auction participant who, during the auction, refuses to participate in the bidding process or fails to place a bid;
 - 7.24.2. the winning bidder or the Last Highest Bidder who has acquired the right to conclude the Lease Agreement but has refused to sign it;
 - 7.24.3. an applicant or auction participant who has provided false information.
- 7.25. The Auction Commission shall reserve the right to adopt a decision to terminate the auction at any time and shall not assume any liabilities towards the applicant in this regard. The Auction

Security Deposit shall be returned to an applicant by transferring it to the bank account indicated in the application within 10 (ten) working days from the date of adoption of the decision to terminate the auction.

8. Submission of Complaints

The auction results may be contested, and complaints regarding the actions of the Institution or the Auction Commission may be submitted to the Executive Director of Ventspils Municipality at *Jūras iela 36*, Ventspils, LV-3601, dome@ventspils.lv, within one month from the date of the auction.

9. Other Provisions

- 9.1. When signing the Lease Agreement, the Institution and the Lessee shall have the right to make minor amendments and clarifications to the Lease Agreement without seeking approval from Ventspils Municipality.
- 9.2. Upon the entry into force of the Lease Agreement (or upon accepting the Lease Property for operation following the commission), the Lessee shall ensure the maintenance of the Lease Property and the adjacent publicly accessible area in accordance with the regulatory requirements, including the requirements laid down in the binding regulations of Ventspils Municipality, and shall pay the immovable property tax specified in the applicable laws and regulations.
- 9.3. When processing the personal data of natural persons acquired during the auction, the Ventspils Municipality Institution “Ventspils osta” shall comply with the requirements established by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC (General Data Protection Regulation), and by national regulatory requirements governing personal data processing.
- 9.4. The legal basis for the processing of the personal data of auction participants shall be Article 6(1)(c) of the General Data Protection Regulation, namely, processing is necessary for compliance with a legal obligation imposed on the controller. The Ventspils Municipality Institution “Ventspils osta” shall organise the process of granting the Lease Rights in accordance with the procedures laid down in Cabinet Regulation No. 97 of 20 February 2018, Regulations on the Lease of Property Owned by a Public Person.
- 9.5. The Auction Rules shall be signed by the Head of the Ventspils Municipality Institution “Ventspils osta”.
- 9.6. Regulations contain the following Annexes:
 - 9.6.1. Layout of the Lease Property and Its Area (Annex 1)
 - 9.6.2. Application for Participation in the Auction (Annex 2)
 - 9.6.3. Plan for the Future Use of the Lease Property and Investments (Annex 3)
 - 9.6.4. Draft Lease Agreement (Annex 4)

Head of the Ventspils State City Municipality Institution
“Ventspils osta”

I. Sarmulis

Ventspils, 19 August 2026

Layout of the Lease Property and Its Area

<https://faii.ventspils.lv/index.php/s/OJsP23RyLYMSqGb>