

Lease right for the real estate Industrial Park, Valmiera, Valmiera Municipality, cadastre No.9662 002 0772, land unit with cadastral designation 9662 002 0613, area of 4,6 ha, internal territory railway, 2.275 km and access road 0.94 km, first oral

AUCTION RULES

1. General matters

- 1.1. These Auction Rules determine the procedure for the first oral auction of the lease right for Valmiera Municipality real estate with cadastral number 9662 002 0772, address: **Industrial park, Valmiera, Valmiera Municipality, for part of the land unit with cadastral designation 9662 002 0613, part – industrial field** (approximate area 4.6 ha; hereinafter referred to as **Leased Property No.1**) and the inner territory railway (approximately 2.275 km) with an access road (approximately 0.94 km) (hereinafter jointly referred to as **Leased Property No.2**) (**hereinafter referred to as the OBJECT OF AUCTION**), updating the area and length after the site is commissioned, for the purpose of determining the lease right holder.
- 1.2. The organiser of the auction is Valmiera Municipality Local Government, tax payer registration code 90000043403, address: Lāčplēša iela 2, Valmiera, Valmiera Municipality, LV-4201 (hereinafter referred to as the Local Government or the Lessor).
- 1.3. The ownership of the real estate by the Local Government is registered in the Valmiera City Land Register Division No.100000551053, cadastral number of the property 9662 002 0772.
- 1.4. The auction is organised by the Local Government Real Estate Lease and Lease Right Auctioning Commission (hereinafter referred to as the Commission), approved by the Local Government Council Decision No.496 of 25.11.2021 (Minutes No.16, §9). The Commission is responsible for the organisation of the auction and adoption of related decisions and the result of the auction, observing the Law On Prevention of Squandering of the Financial Resources and Property of a Public Person, the Law on the Transfer of State Forest Land to Valmiera City Local Government, Regulations of the Cabinet of Ministers No.350 of 19 June 2018 Regulations on Land Lease and Lease Right of Public Person, Binding Regulations of the Local Government Council Regulation No.123 of 28 March 2024 On the Use and Management of the Territory and Public Infrastructure of the Valmiera Industrial Park and these Auction Rules.
- 1.5. The auction announcement shall be published on the official website of the Local Government <https://www.valmierasnovads.lv> in section the Auctions/Lease Right Auctions (Izsoles/Nomas tiesību izsoles) (https://www.valmierasnovads.lv/pasvaldiba/informacija/izsoles/?parent_category=316), as well as investinvalmiera.eu.
- 1.6. Interested parties may consult the auction rules and the draft lease right agreement (hereinafter referred to as the Agreement):
 - 1.6.1. in the Local Government, Lāčplēša iela 2, Valmiera, Valmiera Municipality, Room 206;
 - 1.6.2. On the Local Government's official website <https://www.valmierasnovads.lv>/ in section Lease Right auctions (Nomas tiesību izsoles) (https://www.valmierasnovads.lv/pasvaldiba/informacija/izsoles/?parent_category=316);
 - 1.6.3. Website on Local Government investment objects and business support investinvalmiera.eu.
- 1.7. No agreement is allowed between the participants in the lease auction that could influence the result and the process of the auction.

2. OBJECT OF AUCTION

- 2.1. The **OBJECT OF AUCTION** consists of a **part of a land unit, cadastral designation 9662 002 0613** of the real estate **Industrial Park, Valmiera, Valmiera Municipality**, cadastral No.9662 002 0772 (hereinafter also referred to as the Land Plot), Annex 1 (Leased Property No.1 and Leased Property No.2).

2.2. Characteristics of the Land Plot

Area of the Land Plot	<p>Industrial field (approx. 4.6 ha; hereinafter referred to as Leased Property No.1) and internal territory railway (approx. 2.275 km) with an access road (approx. 0.94 km) (the internal territory railway and the access road are hereinafter collectively referred to as Leased Property No 2). The area of Leased Property No.1 and the length of Leased Property No.2 will be specified after the commissioning of the site.</p> <p>Industrial field:</p> <ul style="list-style-type: none">● designed for an axial load of 60 t/m²;● cover material – reinforced concrete C40/50 XF4, 25 cm thick;● intended for the placement of finished products, for the storage sites of materials not intended for storage of chemicals or other harmful substances;● directly connected to the railway from which the freight is to be transhipped;● a rainwater collection system where rainwater is discharged to rainwater collection pits called “gullies” using pavement gradient. Number of gullies – one gulley per 1000 m² of field cover. The field gradients are kept to a minimum so that the rainwater drainage system is not overloaded in the event of heavy rainfall. Rainwater is treated with sand and oil traps (the Person Entitled to Lease shall additionally treat rainwater, if necessary);● The project includes the construction of a firefighting water pipeline around the perimeter of the industrial (concreted) field, excluding the edge of the field along the railway. If necessary, the Person Entitled to Lease will have the possibility to construct a firefighting water reservoir and a local firefighting water pumping station, which can be connected to the firefighting water pipeline constructed within the Project, which provides a flow of 40 l/s;● Field lighting masts at a height of 25 m, with a beam angle of 70°. <p>Railway:</p> <ul style="list-style-type: none">● railway track gauge 1520 mm;● the useful length of the railway loading/unloading track at the concrete site is 673 m or 48 railway cars at a time;● receiving and dispatching tracks (2 pcs), 646 m long, or 46 railway cars at a time for each;● rolling stock capacity axle load of not less than 25 t and scatter load of not less than 8,5 t/m;● double-hinge gates with automation on the railway siding;● the construction design “Parking lots, industrial fields and access roads, on the land unit with cadastral designation 96620020613, Valmiera, Valmiera Municipality” and the construction design “Railway siding, on the land units with cadastral designation 9662 002 0613, 9662 002 0591 and 9601 015 0201, Valmiera, Valmiera Municipality” can be viewed separately by contacting the Head of the Local Government Real Estate Management Administration Jānis Zvirbulis,
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	phone 27807444.
Current use	The reinforced concrete field is intended for loading and unloading of freights and railway with a connection to public railway.
Encumbrances on the Land Plot	<ul style="list-style-type: none"> ✓ Environmental and natural resources chemical protection zone around the underground water taking site – 57.55 ha; ✓ territory of the operational protection zone along state local and municipal roads in rural areas – 2.65 ha; ✓ territory of the operational protection zone along the overhead line of electrical networks with a rated voltage of 330 kilowatts if it crosses a forest area – 0.32 ha; ✓ territory of the operational protection zone along the tracks of strategic (national) importance and regional importance included in the railway infrastructure, except for the tracks adjacent to or connected with the station tracks, special purpose tracks, sidings and dead ends in rural areas – 2.26 ha; ✓ territory of the operational protection zone along the overhead line of electrical networks with a rated voltage of 110 kilowatts if it crosses a forest area – 0.88 ha; ✓ territory of the operational protection zone around state regional roads in rural areas – 1.58 ha;
Prohibitions that are imposed on the Land Plot	According to the Valmiera City Land Register Division No. 100000551053, Part II, section 2, a prohibition is set to alienate of the immovable property or encumber it with a pledge right or real charge.
Planned (permitted) use of the Land Plot	<p>According to the Valmiera City Spatial Plan (of 2017) and its binding regulations No.270 of 08.12.2016 Graphical Part of Valmiera City Spatial Plan (of 2017), Territory Use and Lease Regulations, approved by the Valmiera City Local Government Council extraordinary meeting decision No.469 of 08.12.2016 (extraordinary meeting minutes No.13, §2), the functional zone "Industrial Building Territory" is set for the Land Plot of 57.55 ha.</p> <p>According to Local Government Council decision No.323 of 13.06.2024 (extraordinary meeting minutes No.8, §1) On the Local Plan Amending the Valmiera City Spatial Plan (of 2017) of the Part of the Real Estate Industrial park, Valmiera, Valmiera Municipality, for Approval the Valmiera City Spatial Plan (of 2017) was been amended (link: https://geolatvija.lv/geo/tapis#document_30106).</p>
Additional information	<p>The total capacity of electricity available to merchants is 15 megawatts, and 9.8 megawatts for cogeneration. The merchants shall arrange the connection with the required capacity to the constructed transformer substation in another construction design according to the requirements of the distribution system operator AS Sadales tīkls.</p> <p>The Industrial Park borders land plots owned by the Local Government and is crossed by 110 and 330 kilovolt overhead lines from which additional power can be obtained if the merchant builds a substation with a connection to these overhead lines.</p>

	<p>The construction design “Parking lots, industrial fields and access roads, on the land unit with cadastral designation 96620020613, Valmiera, Valmiera Municipality” and “Extension of water supply and sewerage networks, Valmiera, Valmiera Municipality” can be viewed separately by contacting the Head of the Local Government Real Estate Management Administration Jānis Zvirbulis, phone 27807444.</p>
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- 2.3. From the date of publication of the auction announcement on the official website of the Local Government www.valmierasnovads.lv and until **30 October 2025 at 12.00** auction bidders are entitled to get acquainted with the OBJECT of AUCTION on site, by applying at least two working days in advance and coordinating it with the Deputy Executive Director of the Local Government – Head of the Capital Management and Business Support Department of Valmiera Municipality Sandis Svarinskis, e-mail: sandis.svarinskis@valmierasnovads.lv, phone 26307289.
- 2.4. Investments in the OBJECT OF AUCTION shall be made by the Local Government implementing the European Union Fund project “Development of Valmiera Industrial Park”, project No.3.1.1.3.i.0/1/23/A/CFLA/008 (above and hereinafter referred to as the Project).
- 2.5. The area of the OBJECT OF AUCTION will be updated after its commissioning.

3. Specific conditions of the OBJECT OF AUCTION

- 3.1. The winner of the auction for the OBJECT OF AUCTION (hereinafter and above referred to as the Person Entitled to Lease) shall conclude a Lease Right Agreement (Annex 2; hereinafter referred to as the Lease Right Agreement).
- 3.2. The effective period of the Lease Right Agreement for the OBJECT OF AUCTION shall be 30 years or in accordance with the scope of investment in accordance with the thresholds set in the Law on the Transfer of Forest Land to Valmiera City Local Government. In the event if, after entering into the Lease Right Agreement, the laws and regulations which permit a longer effective period of the agreement than specified in this Lease Right Agreement are in force or come into force, provided that those laws and regulations are attributable and applicable to the Lease Right Agreement, then the matter regarding extension of the effective period of the Lease Right Agreement may be considered, fulfilling the requirements specified in the relevant laws and regulations. The Lease Right Agreement (Annex 2) for the OBJECT OF AUCTION is an integral part of these Auction Rules for the Person Entitled to Lease. The Person Entitled to Lease shall start paying the lease right fee for the OBJECT OF AUCTION on the day following the day on which the OBJECT OF AUCTION is handed over to the Lessee in accordance with the procedure set out in the Lease Right Agreement.
- 3.3. The Person Entitled to Lease shall compensate the amount of the fee of the invited external certified appraiser for the determination of the lease right fee for the OBJECT OF AUCTION by making a one-off payment of EUR 407.70 (four hundred and seven euro, 70 cents) in the manner set out in the Lease Right Agreement.
- 3.4. The Local Government shall update the lease right fee after the commissioning of the site in accordance with the commissioning documentation.
- 3.5. For the land unit with cadastral designation 9662 002 0613, the Local Government will construct a joint access road, its lighting, fence, including gates, landscape the territory, the manager for which will be selected by the Local Government in an open public procurement procedure. The management costs will be borne by the persons entitled to lease and superfiaries of the land unit with cadastral designation 9662 002 0613 in proportion to the auctioned area.
- 3.6. The right to lease the OBJECT OF AUCTION shall be granted for the purpose of development of the industrial territory of Valmiera Industrial Park – for provision of rail freight transport services in the surrounding region, including freight consolidation, transshipment, storage and other related services.
- 3.7. The OBJECT OF AUCTION shall be transferred to the Person Entitled to Lease for the purpose of implementing the Project.
- 3.8. In accordance with the Regulations of the Cabinet of Ministers No. 543 of 30 August 2022 Implementing Regulations of Investment 3.1.1.3.i. “Investments in Public Infrastructure for Business for the Development of Industrial Parks and Territories in Regions” of reform and investment direction 3.1 “Regional Policy” of the European Union Recovery and Resilience Facility Plan, Auction bidders applying for the acquisition of the lease right shall fulfil the requirements set out in the following subparagraphs of this paragraph regarding the ability of the auction participant – an operating or newly established legal entity that has registered its activity in Latvia but may not yet have commenced actual commercial activity (such legal entities that are identifiable as foreign or national investors) to meet the specified criteria may be demonstrated by declaration of another legally related person (for example, financial data of the parent company, holding, credit institution):

- 3.8.1. the bidder intends to employ qualified professionals with an average wage above the average wage in the relevant economic sector, according to the current information on wages in the relevant planning region available at the time of the submission of the application;
 - 3.8.2. the bidder has good corporate governance and financial resources available;
 - 3.8.3. the bidder's planned activity respects the principle of "No significant harm" and complies with the relevant EU and national environmental legislation;
 - 3.8.4. the bidder is authorised to carry out freight handling, consolidation and other necessary operations, maintenance and management of railway tracks in accordance with the applicable laws and regulations, or intends to engage appropriate merchants or specialists.
- 3.9. The auction of the lease right shall not be open to any bidder falling under the exemptions set out in Article 1(3) of Regulation No 651/2014, which shall not be subject for the aid received under Article 56 of the 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 referred to as Regulation No. 651/2014):
- 3.9.1. aid in the fisheries and aquaculture sector subject to Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (35), with the exception of support for training, support for access to finance for small and medium-sized enterprises (hereinafter referred to as SMEs), support for research and development, innovation support for SMEs and support for disadvantaged and disabled workers;
 - 3.9.2. aid in the primary agricultural production sector, with the exception of the compensation of additional costs other than transport costs in the outermost region as provided for in Article 15 (2)(b), consultancy support for SMEs, risk finance support, support for research and development, innovation support for SMEs, environmental support, support for training and support for disadvantaged and disabled workers;
 - 3.9.3. aid in the processing and marketing of agricultural products in the following cases:
 - 3.9.3.1. where the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or placed on the market by the undertaking concerned; or
 - 3.9.3.2. where the aid is granted on condition that it is partially or wholly passed on to primary producers;
 - 3.9.4. aid to facilitate the closure of uncompetitive coal mines covered by Council Decision 2010/787/EU;
 - 3.9.5. the categories of regional aid excluded by Article 13 of Regulation No 651/2014.
 - 3.9.6. Where an undertaking is active both in the excluded sectors referred to in points (a), (b) or (c) and in other sectors falling within the scope of this Regulation, this Regulation shall apply to aid granted to the latter sectors or activities, provided that Member States ensure, by appropriate means such as activity or cost segregation, ensures that the activities in the excluded sectors do not benefit from the aid granted under this Regulation.
- 3.10. The person receiving the lease right shall independently obtain all necessary coordinations, permits, other documents, if any, for the use of the OBJECT OF AUCTION for the purpose specified in the auction rules.
- 3.11. In order to ensure the requirements of the Law on the Transfer of Forest Land to Valmiera City Local Government, Regulations of the Cabinet of Ministers No. 543 of 30 August 2022 Implementing Regulations of Investment 3.1.1.3.i. "Investments in Public Infrastructure for Business for the Development of Industrial Parks and Territories in Regions" of reform and investment direction 3.1 "Regional Policy" of the European Union Recovery and Resilience Facility Plan and the Binding Regulations No. 123 of the Local Government of 28 March 2024 (Minutes No 4, §66)

§) "On the Use and Management of Valmiera Industrial Park Territory and Public Infrastructure", as well as to ensure the achievable indicators of the Project implemented by the Local Government, the Person Entitled to Lease shall be obliged in the manner specified in the Lease Right Agreement in the territory of the OBJECT OF AUCTION:

- 3.11.1. to create by 30 June 2026 not less than 5 new jobs with an average wage exceeding the average wage in the relevant economic sector in the relevant planning region;
- 3.11.2. to make by 31 December 2028 non-financial investments in own intangible investments and fixed assets exceeding 2,000,000 euros.
- 3.12. In the event if, after entering into the Agreement, the laws and regulations which permit changes in the conditions of achievable indicators compared to what is defined in Paragraph 3.11 of these rules are in force or come into force, provided that those laws and regulations are attributable and applicable, then the matter regarding amendment of provisions of the Lease Right Agreement may be considered, fulfilling the requirements specified in the relevant laws and regulations.
- 3.13. The Lessor shall hand over the OBJECT OF AUCTION with an acceptance and transfer certificate within 10 (ten) working days after Leased Properties No.1 and No.2 are commissioned.
- 3.14. The Person Entitled to Lease shall commence the planned activity in the OBJECT OF AUCTION within one month after signing the acceptance and transfer certificate for Leased Property No.1 and Leased Property No.2.
- 3.15. With the written consent of the Local Government, the Person Entitled to Lease shall have the right to obtain an extension of the deadline referred to in Paragraph 3.14 for a period not exceeding 6 months, informing the Local Government thereof not later than 2 weeks before the expiry of the deadline referred to in Paragraph 3.14, in case it is due to external reasons beyond the control of the Person Entitled to Lease.
- 3.16. In the event that the Person Entitled to Lease is required by laws or regulations to acquire ownership of the Land Property, the Parties undertake to cooperate in good faith to ensure that the Person Entitled to Lease is able to purchase the Land.

4. Requirements for railway management

- 4.1. The Person Entitled to Lease shall carry out repairs, maintenance and service of tracks and switches in accordance with the Railway Law, regulations issued by the Cabinet of Ministers regulating the sector, track maintenance instructions issued by VAS Latvijas dzelzceļš as the manager of the railway infrastructure in public use and requirements of other instructions and regulations regulating the maintenance of railway infrastructure. The permits necessary for the works shall be obtained by the Person Entitled to Lease at its own expense. All materials necessary for the execution of the works shall be provided by the Person Entitled to Lease.
- 4.2. The Person Entitled to Lease shall carry out the following monthly maintenance work with small mechanised equipment, not related to the replacement of track superstructure materials:
 - 4.2.1. control of the technical condition of tracks and switches – visual inspection and control measurements with a gauge, recording the results in the tracks and switches inspection logs of form EU-46, indicating the defects and damaged places found;
 - 4.2.2. adjusting track, switch widths and other necessary geometric parameters;
 - 4.2.3. adjusting and aligning joint gaps;
 - 4.2.4. attachment and lubrication of bolts of tracks and switches;
 - 4.2.5. horizontal and vertical levelling of tracks and switches.
- 4.3. Regular repair works for track maintenance, which are related to the replacement of track superstructure materials or the use of track machinery, shall be performed by the Person Entitled to Lease in accordance with the Regulations of the Cabinet of Ministers No.680 of 28 November 2023 Railway Operation Rules, including:
 - 4.3.1. replacement of sleepers;
 - 4.3.2. replacement of wooden beams;
 - 4.3.3. replacement of track and switch fastenings;
 - 4.3.4. welding, built-up welding of track element surfaces;

4.3.5. horizontal and vertical levelling of tracks and switches using a road machine.

5. Type, place, date and time of the auction

- 5.1. Type of auction: oral auction by ascending step.
- 5.2. The auction will take place on **5 November 2025 at 10.00**, in the administration building of the Valmiera Municipality Local Government, at Lāčplēša iela 2, Valmiera, Valmiera Municipality, in the fall on the 1st floor.

6. Auction participants

- 6.1. A large, medium-sized or small merchant without state or municipal capital share, who is entitled to participate in the auction and acquire the lease right in accordance with the applicable laws and regulations and these Rules, may become an auction participant.
- 6.2. A person cannot be an auction participant if:
 - 6.2.1. the Local Government has unilaterally terminated another agreement for the use of a property with it within the last year from the date of submission of the application specified in Sub-Paragraph 7.2.1 of these Auction Rules, because of the person's failure to fulfil the obligations stipulated in the agreement, or a court decision has entered into force in respect of the person on the basis of which another agreement for the use of a property concluded with the Local Government is terminated due to the person's actions;
 - 6.2.2. on the date of submission of the application it (including within the parent company, subsidiary, holding or group) has arrears in taxes (duties) administered by the State Revenue Service in the Republic of Latvia or in the country in which it is registered, including arrears in state social insurance contributions, which in total exceed EUR 150 (one hundred and fifty euros, 00 cents);
 - 6.2.3. it has arrears in real estate tax, duties to the Local Government budget;
 - 6.2.4. it is considered an bidder in bad faith, namely, a person who, as at the date of submission of the application specified in Sub-Paragraph 7.2.1 of these Auction Rules, has outstanding payment obligations arising under agreements concluded with the Local Government or its institution (structural unit) and which are due, or any other material outstanding contractual obligations (including damages) to the Local Government its institution (structural unit);
 - 6.2.5. it has been declared insolvent by a court judgment, legal protection proceedings are implemented according to a court judgment, or out-of-court legal protection proceedings according to a court decision, or its economic activity was suspended or terminated or its liquidation proceedings have started;
 - 6.2.6. it has not submitted the documents required by Paragraph 7.2 of these Auction Rules;
 - 6.2.7. the information specified in its application does not comply with the requirements set out in Paragraph 3.8 of these Auction Rules;
 - 6.2.8. international or national sanctions or serious sanctions affecting interests of the financial and capital market imposed by member states of the European Union or the North Atlantic Treaty Organization have been imposed against it, its board or council member, beneficial owner, entitled representative or procurator, or the person authorised to represent the bidder for the lease right in the activities related to a branch, or the member of a partnership, its board or council member, beneficial owner, entitled representative or procurator, if the bidder is a partnership;
 - 6.2.9. it has provided false information;
 - 6.2.10. it does not comply with the requirements of these Auction Rules.
- 6.3. Prior to the submission of the application for participation in the auction, the auction application shall deposit a security deposit of **EUR 6,000**(six thousand euros, 00 cents) in the account of the Local Government (indicating the object of auction) to secure the implementation of the Project:
Beneficiary: Valmiera Municipality Local Government, taxpayer code
90000043403 Bank: AS Luminor Bank; code RIKOLV2X
Account No.LV94RIKO0002013098680.
- 6.4. A person shall be deemed to be an bidder from the moment the bidder's application is received and registered in accordance with these Rules.

- 6.5. The Local Government shall refund the security deposit paid to the bank account indicated in the auction participant's application within 5 (five) working days after the confirmation of the auction results to the auction participants who have not bid for the object of auction or have been excluded from the selection of candidates.
- 6.6. If the bidder who has bid the highest lease right fee and has been declared the winner of the auction does not conclude the Lease Right Agreement within the deadline specified in these Rules, the security deposit shall not be refunded, but shall be credited to the Local Government's budget.
- 6.7. The Local Government shall refund the security deposit to the participants of the auction who have not bid for the OBJECT OF AUCTION within ten working days after the confirmation of the auction results.
- 6.8. The security deposit paid by the winning bidder will not be refunded but will be credited towards the lease payments.

7. Submission of applications by bidders for the lease right

- 7.1. The application and the documents for participation in the auction set out in these Auction Rules shall be submitted to the Local Government by **30 October 2025 at 17.00:**
 - 7.1.1. by handing it in person at the Local Government's Document Management and Customer Service Centre at Lāčplēša iela 2, Valmiera, Valmiera Municipality, LV-4201 on Mondays from 8.00 to 18.00, on Tuesdays, Wednesdays and Thursdays from 8.00 to 17.00, on Fridays from 8.00 to 16.00. Contact person Senior Real Estate Specialist of the Local Government Evija Stračinskā, tel. 64228430, e-mail: evija.stracinska@valmierasnovads.lv;
 - 7.1.2. by posting it to the address: Lāčplēša iela 2, Valmiera, Valmiera Municipality, LV-4201. The postal item must be delivered to the place and within the deadline set out in this Paragraph. The application for the action right personally bears the risk of untimely delivery;
 - 7.1.3. by sending the application electronically, signed with a secure electronic signature, to the e-mail address of the Local Government pasts@valmierasnovads.lv.
- 7.2. To participate in the auction, the bidder shall submit the following documents:
 - 7.2.1. application for participation in the auction for lease right addressed to the Local Government (Annex 3), containing a confirmation that:
 - the Local Government has not unilaterally terminated another agreement for the use of a property with the auction bidder within the last year from the date of submission of the application, because of the auction bidder's failure to fulfil the obligations stipulated in the agreement, or a court decision has not entered into force in respect of the auction bidder on the basis of which another agreement for the use of a property concluded with the Local Government is terminated due to the auction bidder's actions;
 - the auction bidder is not considered to be an bidder in bad faith, pursuant to Paragraph 6.2.4;
 - at the time of submission of the application, the bidder for auction rights has not been declared insolvent by a court decision, no legal protection proceedings or out-of-court legal protection proceedings are implemented, its economic activity has not been suspended or terminated, its liquidation proceedings have not started;
 - there are no tax arrears, including real estate taxes and municipal duties;
 - international or national sanctions or serious sanctions affecting interests of the financial and capital market imposed by member states of the European Union or the North Atlantic Treaty Organization have not been imposed against the auction bidder, its board or council member, beneficial owner, entitled representative or procurator, or the person authorised to represent the auction bidder in the activities related to a branch, or the member of a partnership, its board or council member, beneficial owner, entitled representative or procurator, if the bidder is a partnership;
 - the auction bidder agrees that his/her personal data will be used to verify the truthfulness of the information provided and the Local Government, as a user of credit information, is entitled to request and receive credit information, including information on the auction participant's arrears and credit rating from databases available to the Local Government;
 - 7.2.2. a certificate of the right of representation of the company's officials, and if the company is registered abroad – a full certificate of the right of representation of the company's officials from the company register of the relevant country;

- 7.2.3. a power of attorney for the right of representation of the company's officials, if the company is represented by a person whose right of representation is not indicated in the certificate of the Register of Enterprises;
- 7.2.4. an approved annual report for 2023 or a certified annual operational report for 2023;
- 7.2.5. requirements set out in this paragraph regarding the financial capacity and ability of the auction participant – an operating or newly established legal entity that has registered its activity in Latvia but may not yet have commenced actual commercial activity (such legal entities that are identifiable as foreign or national investors) to meet the specified criteria may be demonstrated by declaration of another legally related person (for example, financial data of the parent company, holding, credit institution).
- 7.3. The Commission shall register the applications received in the order of their receipt, indicating the date and time of receipt and the bidder for the lease right. After the deadline set out in Paragraph 7.1 of these Auction Rules, no applications and other documents submitted will be accepted and will be returned or sent back to the auction bidder without being opened.
- 7.4. All documents must be submitted in Latvian. If a document is in another language, it must be accompanied by a translation into Latvian.
- 7.5. If the application is submitted in accordance with Paragraphs 7.1.1 and 7.1.2 of this Regulation, all documents shall be bound together so that the pages cannot be replaced. The rope used for binding must be secured on the reverse of the last page by a glued of paper showing the number of pages numbered and bound together (in figures and words), attested by the bidder for the lease right or the person duly authorised to represent him/her by his/her signature, print name, the name of his position, the place, the date and the stamp of the bidder. The placement of the attestation must be in contact with the sticker on the pages that are bound together.
- 7.6. All submitted documents must be prepared in accordance with the Law on Legal Force of Documents, Regulations of the Cabinet of Ministers No. 558 of 4 September 2018 Procedures for Drawing up and Preparing Documents”, as well as in accordance with the Auction Rules.
- 7.7. Documents must be submitted in a sealed envelope. The envelope shall state that the application is submitted for the auction of the lease right for a part of Real estate Industrial Park, Valmiera, Valmiera Municipality, cadastre No.9662 002 0772, land unit with cadastre designation 9662 002 0613, and the name of the auction bidder.
- 7.8. By submitting an application, it is considered that the auction bidder:
 - 7.8.1. accepts the auction rules;
 - 7.8.2. agrees to the processing of personal data by the Local Government and the Commission for the purpose of concluding the Lease Right Agreement;
 - 7.8.3. agrees that the Commission will use the e-mail address provided in the bidder's application to communicate with the bidder.
- 7.9. The Commission shall, in a closed meeting (by inviting experts, if necessary) without the participation of the bidders, assess the compliance of the bidders and the applications and documents submitted by them with these Auction Rules.
- 7.10. The Commission shall prepare a list of auction bidders, which includes the auction bidders who meet the requirements of Paragraph 6.1 of these Auction Rules, have fulfilled the preconditions for the auction (Paragraphs 7.1-7.7 of these Auction Rules), have paid the security deposit specified in Paragraph 6.3 and are not subject to the conditions specified in Paragraph 6.2 of these Auction Rules. The list of auction bidders shall contain the following information: the bidder's number, the full name of the merchant and the registration number.
- 7.11. If the bidder has not fulfilled the preconditions for the auction (Paragraphs 7.1 – 7.7 of the Auction Rules), as well as has not paid the security deposit set out in Paragraph 5.4, the conditions set out in Paragraph 6.2 of these Auction Regulations apply to the bidder, or the bidder does not meet the requirements of Paragraph 6.1 of these Auction Rules, the Commission shall take a decision on the exclusion of the bidder from participation in the auction and shall not examine the application.
- 7.12. The Commission's decision on the inclusion of the bidder in the list of participants or the decision on the exclusion of the bidder from participation in the auction will be sent to the e-mail address provided by the auction bidder.
- 7.13. The Commission shall have the right to verify the information provided by the auction bidders at any time by requesting information from the competent authority, publicly accessible databases or other publicly accessible sources. If it is discovered that the bidder has provided false information, the bidder shall be excluded from the list of auction bidders and loses the right to participate in the auction.

The Commission's decision on the exclusion of the bidder from the list of auction bidders will be sent to the e-mail address provided by the bidder.

- 7.14. Details of the applications received from auction bidders as well as of the bidders registered in the list of auction bidders shall not be disclosed until the beginning of the auction.

8. Starting auction price

- 8.1. According to the report of the certified real estate appraiser of Limited Liability Company Ober Haus Vērtēšanas serviss, registration No 40003411495, on the determination of the lease right fee for the real estate Industrial park, Valmiera, Valmiera Municipality (appraiser Mārcis Ornicāns LĪVA Professional qualification certificate No. 135), the most feasible lease right fee for the OBJECT OF AUCTION is: for the industrial field after the development of the park infrastructure – EUR 7.76 per m² per year or EUR 0.65 per m² per month; the most feasible lease fee for the railway infrastructure after the development of the park infrastructure – EUR 14.41 per 1 m per year or EUR 1.20 per 1 m per month.
- 8.2. According to Paragraph 8.1 of the Rules, the starting price for the **OBJECT OF AUCTION shall be EUR 29,900 (twenty nine thousand nine hundred euros, 00 cents)** per month for the industrial field, excluding value added tax, for the railway – **EUR 3858 (three thousand eight hundred fifty eight euros, 00 cents)** per month, excluding value added tax, in total **EUR 33,758 (thirty three thousand seven hundred fifty eight euros, 00 cents)** per month, excluding value added tax.
- 8.3. The bidding increment is **EUR 100 (one hundred euros, 00 cents)**. Bidding shall take place only in increments set out in these Auction Rules.

9. Auction procedure

- 9.1. The auction shall be conducted in Latvian. Bidders who do not speak Latvian must provide themselves with a representative who speaks Latvian or represent themselves at the auction through an interpreter. The bidder shall inform the auction bidder about the participation of an interpreter in the auction, indicating the name, surname and personal code of the interpreter.
- 9.2. Before the beginning of an oral auction, the members of the Board shall sign a declaration that there are no circumstances which might lead them to believe that they are directly or indirectly interested in, or connected with, the selection or activities of a particular bidder.
- 9.3. The auction shall be held in public meeting of the Commission, at which any interested party may participate without interfering with the auction process. The results of the auction shall be publicly announced immediately after the bidding is completed.
- 9.4. Before the beginning of the auction, the bidders or their authorised persons shall present their passport or other personal identification document in the auction room; authorised persons shall additionally present a power of attorney. If the bidder or his/her authorised person cannot present a passport or other personal identification document in the auction room (the authorised person – also a power of attorney), the bidder shall be deemed not to have appeared at the auction.
- 9.5. Before the beginning of the auction, the bidders (authorised representatives) shall sign the auction rules, thereby confirming that they have fully read and agree to them.
- 9.6. The auction shall be conducted and order during the auction shall be maintained by the auctioneer.
- 9.7. Before the beginning of the auction, the auctioneer shall check the attendance of the persons on the list of auction bidders, check the registration sheets.
- 9.8. The auctioneer shall announce the opening of the auction and describe the OBJECT OF AUCTION, announce the starting price of the auction, the auction increment and inform about the bidding procedure, as well as answer the questions of the auction bidders, if any.
- 9.9. Only those bidders who have been included in the list of auction bidders by a decision of the Commission shall be admitted to the auction of the lease rights.
- 9.10. In the event that none of the registered auction bidders arrives within 15 (fifteen) minutes after the beginning of the auction, the auction shall be deemed not to have taken place.
- 9.11. The auction bidders shall confirm their consent to acquire the lease right to the OBJECT OF AUCTION orally and in writing by signing the auction progress list about their last bid. This shall be recorded in the auction progress minutes.

- 9.12. If only one auction bidder applies for the auction, the Commission shall declare the auction to have taken place and the lease right shall be acquired by this sole auction bidder. The Local Government shall conclude a Lease Right Agreement with the auction bidder for the lease right fee consisting of the starting price of the lease right plus one increment.
- 9.13. If two or more bidders are registered on the list of auction bidders, the bidding shall start at the price named by the auctioneer, which shall be the starting price of the auction. Bidding shall take place by one auction increment.
- 9.14. If any auction bidder refuses to continue bidding, his/her last bid shall be confirmed by his/her signature on the list of auction bidders.
- 9.15. The auction by ascending step will continue until the highest bid is received from one of the auction bidders. In this case, the auction shall be declared completed.
- 9.16. The Local Government shall conclude an agreement (hereinafter referred to as the Agreement) with the auction bidder who has bid the highest lease right fee in accordance with Paragraph 3.1 of the Auction Rules. The auction bidder shall sign the Agreement or notify in writing of its refusal to conclude the Agreement with the Local Government within 15 working days from the date of sending the draft Agreement. If the auction bidder fails to sign the Agreement within the aforementioned deadline and fails to submit a corresponding refusal, the auction bidder shall be deemed to have refused to conclude the Agreement.
- 9.17. If the auction bidder who has bid the highest lease right fee refuses to conclude the Agreement, the Local Government shall have the right to offer the Agreement to the next auction bidder who has bid the highest lease right fee.
- 9.18. The auction bidder who has bid the highest lease right fee shall reply to the offer to conclude the Agreements within 10 working days of receiving it. If the auction bidder agrees to sign the Agreements for the highest lease right fee bid by him/her, he shall sign the Agreements with the Local Government within 10 working days from the date of sending the draft Agreements. If the auction bidder fails to sign the Agreements within the aforementioned deadline or fails to submit a corresponding refusal, the auction bidder shall be deemed to have refused to conclude the Agreements and a new auction shall be held.
- 9.19. In order to comply with Section 11.³ of the Law on International Sanctions and National Sanctions of the Republic of Latvia, prior to the conclusion of the Agreements, the Local Government shall carry out a verification whether international or national sanctions or serious sanctions affecting interests of the financial and capital market imposed by member states of the European Union or the North Atlantic Treaty Organization have not been imposed against the auction bidder who has acquired the right to conclude the Agreements, its board or council member, beneficial owner, entitled representative or procurator, or the person authorised to represent the auction bidder in the activities related to a branch, or the member of a partnership, its board or council member, beneficial owner, entitled representative or procurator. The Commission shall check these sanctions on publicly accessible websites, including: <http://sankcijas.fid.gov.lv/>; <https://sanctionssearch.ofac.treas.gov/>; <https://www.sanctionsmap.eu/#/main>.
- 9.20. If international or national sanctions or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation affecting significant financial and capital market interests are imposed against the auction bidder who has acquired the right to conclude the Agreements, it shall lose the right to conclude Agreements acquired as a result of the auction.

10. Confirmation of the auction results and entry into force of the Agreements

- 10.1. The Commission shall approve the auction minutes no later than 3 (three) working days after their preparation and signature.
- 10.2. The results of the auction shall be approved by the Commission. The results of the auction shall be published on the official website of the Local Government www.valmierasnovads.lv within 10 (ten) working days after the confirmation of the auction results.
- 10.3. The Lease Right Agreement shall enter into force upon its signature by both parties. The acquirer of the lease right is obliged to sign the Lease Right Agreement no later than within 15 working days from the date of sending the draft Agreement to the acquirer of the lease right.
- 10.4. The Agreement does not take effect if the auction is declared invalid.

11. Auction that has not taken place, invalid auction and repeated auction

- 11.1. The auction shall be declared as not having taken place and a new auction may be held:
 - 11.1.1. if no bidder has applied for the auction by the application submission deadline;
 - 11.1.2. if the Commission has taken a decision to exclude the bidder from participation in the auction;
 - 11.1.3. if several bidders for the lease rights apply for the auction and none of them outbid the starting price;
 - 11.1.4. if a bidder or bidders apply for the auction within the deadline for submission of applications but do not attend the auction;
 - 11.1.5. if the auction bidder who has acquired the right to conclude the lease agreement does not sign the Agreement within the time limit set out in Paragraph 10.3.
- 11.2. The Commission shall have the right to suspend the auction if sufficient information and belief has been obtained that there is an intention to prevent someone from participating in the auction or that there is an agreement between bidders which may affect the results or process of the auction.
- 11.3. The Commission reserves the right to terminate the auction at any time if it finds any deficiencies in the auction rules.

12. Rights and obligations of the Commission

- 12.1. The Commission shall be chaired by its chairperson. The Chairperson of the Commission shall determine the place, time and order of meetings of the Commission, and shall convene and chair meetings of the Commission. The Secretary of the Commission shall ensure the work of the Commission, including the documentation of the auction.
- 12.2. The members of the Commission may not be auction bidders, nor have any direct or indirect interest in the outcome of the auction process for the lease right to the OBJECT OF AUCTION.
- 12.3. The Commission shall be entitled to take a decision if at least half of its members are present at its meeting.
- 12.4. The Commission shall take its decisions by simple majority. In the event of a tied vote, the Chairperson shall have a casting vote.
- 12.5. If a member of the Commission disagrees with a decision of the Commission and votes against it, his/her dissenting opinion shall be recorded in the minutes of the meeting and he/she shall not be responsible for the decision taken by the Commission.
- 12.6. The closing minutes of the auction shall contain the following information:
 - 12.6.1. Name and address of the Local Government, type of auction, object of auction;
 - 12.6.2. the date of publication of the auction announcement;
 - 12.6.3. the composition of the auction commission and the reasons for its establishment;
 - 12.6.4. the auction's conditional lease right fee;
 - 12.6.5. the deadline for the submission of applications and the place, date and time of the oral auction;
 - 12.6.6. the name of the bidders who submitted the application and other identifying data of these persons;
 - 12.6.7. the name of the bidder with whom it has been decided to conclude the Agreement, the lease right fee and the effective period of the Agreement;
 - 12.6.8. the grounds for the decision to exclude the bidder from participation in the auction;
 - 12.6.9. the substantiation of the decision, if the Local Government has decided to terminate the auction.
- 12.7. The Commission's decision on the result of the auction shall enter into force after the auction results have been confirmed at the Commission meeting.
- 12.8. The Local Government shall ensure that the final minutes of the auction are made available to the bidders within 3 (three) working days of the Commission's decision on the result of the auction.
- 12.9. Duties of the Commission:
 - 12.9.1. to ensure drafting the auction documents, announcing the auction, taking minutes of the auction and being responsible for the process of the auction;
 - 12.9.2. to evaluate the bidders and their applications in accordance with these Auction Rules, as well as other laws and regulations;
 - 12.9.3. to adopt a decision approving the results of the auction;
 - 12.9.4. to answer questions from bidders;
 - 12.9.5. to notify all bidders of the decision on the result of the auction by sending the information to the e-mail address or e-mail address indicated in their application.

13. Filing complaints

- 13.1. Persons may lodge a complaint with the Local Government against the actions of the Commission within 5 (five) working days from the date of such actions. If the complaint is lodged after the deadline, it will not be considered.
- 13.2. After the Local Government has examined the complaint, it will adopt a decision, which will be communicated to all auction bidders by sending it to the e-mail address indicated in their application.

14. Annexes

- 14.1. Annex 1 – Diagram of the Land Plot
- 14.2. Annex 2 – Draft Lease Agreement
- 14.3. Annex 3 – Application for participation in the first oral auction for the lease right
- 14.4. Annex 4 – Plan of Land Plot boundaries
- 14.5. Annex 5 – Information to be published on the auction