

**Regulations
for Auction of Lease Rights and Right of Superficies in regards of the Real Estate in Zilā Street
in Riga Owned and Possessed by the Freeport of Riga Authority**

1. General provisions

1. The Regulations for the Lease Rights and Right of Superficies Auction (hereinafter - the Regulations) in regards of the real estate owned and possessed by the Freeport of Riga Authority (hereinafter - the Authority), located at 25 Zilā Street in Riga (hereinafter - the Regulations) shall determine the procedure by which the Authority organizes an oral auction with an ascending step with the selection of applicants (hereinafter - the Auction) on the right of superficies in regards of the land part with cadastral designations 0100 097 0145 and 0100 097 0143 at 25, Zilā Street in Riga (hereinafter – the Item (s)) and on lease rights in regards of berth No. KRS-3 with adjacent land units.
2. Information on the Items subject to lease / right of superficies:
 - 2.1. **Item No.1** (subject to lease) - berth KRS-3 with the adjacent land area with the total area of 6035 m²;
 - 2.2. **Item No.2** (subject to the right of superficies) - land unit of 20.518 ha (205180 m²).
3. The Items' owner and the relevant encumbrances:
 - 3.1. Proprietary rights to **Item No.1**, which is a part of a land unit with cadastral designation 0100 097 2173 are vested to the State of Latvia in the person of the Ministry of Transport by corroboration in Riga City Land Register section no.100000524986. The rest of the Item land is not registered in the Land Register. Berth KRS - 3 (cadastral designation 0100 097 2173 001) is registered in the Land Register, Riga City Land Register section no.100000525617.
 - 3.2. Proprietary rights to **Item No.2**, which is a part of a land unit with cadastral designation 0100 097 0143 are vested to the State of Latvia in the person of the Ministry of Transport by corroboration in Riga City Land Register section no.9524 and a part of a land unit with cadastral designation 0100 097 0145 is vested to Riga City Municipality by corroboration in Riga City Land Register section no.9523. Encumbrances are indicated in Riga City Land Register section no.9524 and 9523.
 - 3.3. Encumbrances on Item No.2 related to lease rights will be deleted. The right of superficies related to Item no.2 will be registered in the Land Register after the encumbrance has been deleted.
4. Brief description of **Items No.1 and No 2**:

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| Item No.1 | <p>The Berth parameters:</p> <p>h – 249,81 m;</p> <p>ned bottom mark – minus 12.50 m;</p> <p>Regulatory operating loads:</p> <p>evenly distributed, kN / m ²,</p> <p>in the whole berth area - 10, except for the 5 m wide near-cordon stripe, where transshipment operations are restricted.</p> <p>There is no land access to the Berth.</p> <p>Unloading of cargo, as well as storage of cargo is prohibited on the Berth, as well as cargo transshipment is restricted within the 5 m wide near-cordon stripe. Cargo operations shall be performed using the ship's cranes.</p> |
| Item no.2 | Land with a sandy surface layer |

5. The Items' lease / right of superficies shall be provided for the following conditions of further use: commercial activities related to the port functions. The right of superficies / lease term - 35 years. The right to receive information about the Items, as well as to inspect the Items in nature, the inspection time and the relevant procedure shall be specified in the notice published in the official publication "Latvijas Vēstnesis".
6. A person wishing to participate in the Auction (hereinafter - the Auction Applicant) shall meet the following criteria: a commercial company whose founder (s) and participant (s) have a good reputation and stable financial position.¹
7. To assess the Auction Applicant's compliance with the applicant selection criteria, the Applicant, applying for participation in the Auction, shall submit a confirmation of the stable financial position and good reputation of the company's founders and participants, as well as the Operational Program (Business Plan) and the Investment Plan (for five years term), related to the subject of lease/ right of superficies by drawing up these documents in accordance with the templates provided on the Authority's website https://rop.lv/sites/default/files/2020-10/Zemes%20noma_0.pdf. A confirmation form is provided in the Annex to the Regulations. Confirmation on the stable financial position and good reputation of the founders and members of the commercial company shall not be submitted by the Applicant - a commercial company, that already conducts commercial

¹ Section 18, Paragraph one of the Law on Ports.

activities in the Freeport of Riga in accordance with the Law on Ports and the Freeport of Riga Law.

8. In accordance with the Regulations, lease / right of superficies holder in regards of each Item shall be determined in an open oral auction with an ascending step.
9. The auction opening fee for the right of superficies shall be 2.17 EUR / m² per year (two euros, 17 cents per square meter per year):
 - 9.1. In regards of **Item No.1** the auction opening lease fee is EUR 245,095.95 per year (two hundred and forty-five thousand and ninety-five euros, 95 cents);
 - 9.2. In regards of **Item Nno.2** the auction opening fee for the right of superficies is EUR 445,240.60 per year (four hundred and forty-five thousand two hundred and forty euros, 60 cents).

In addition, value added tax shall be paid in accordance with the procedures and in the amount specified by laws and regulations.

10. The Auction step:
 - 10.1. In regards of **Item No.1** - EUR 2,450.00 (two thousand four hundred and fifty euros, 00 cents);
 - 10.2. In regards of **Item No.2** - EUR 4,452.00 (four thousand four hundred and fifty-two euros, 00 cents).
11. A security deposit in the amount of 10 percent of the Auction opening price of the respective Item shall be set.
12. Payment to be made to:

Beneficiary: Freeport of Riga Authority
VAT reg. No: LV90000512408
Bank: AS Swedbank
Bank account No: LV16HABA0551024614837

Purpose of payment: A security deposit for the Auction related to the Real estate in Zilā street, in Riga: lease rights in regards of Item No.1 **or** the right of superficies in regards Item No.2.

13. A person who has submitted an application to the Authority within the term specified in the advertisement, to which the documents specified therein have been attached, and has paid the security deposit specified in the Regulations, has been recognized as a participant and has been issued a registration certificate of the auction participant (hereinafter - Participant) may participate in the auction. An applicant shall be recognized as a Participant if he/she complies with the requirements of Section 18, Paragraph one of the Law on Ports and if the Operational Program (Business Plan) and Investment Plan, submitted by the said Applicant, comply with the Conditions of further use, specified in Clause 5 of the present Regulations and the Freeport of Riga Development Program (<https://rop.lv/sites/default/files/2020-> -

09/ATT%C4%AAST%C4%AABAS%20PROGRAMMA_2019-2028_0.pdf).

14. The Application form can be downloaded from the Authority's website www.rop.lv. All documents shall be submitted in Latvian. If the documents are in another language, they shall be accompanied by notarized translations into Latvian. In the cases specified by laws and regulations, public documents issued abroad, including copies of documents notarized abroad or copies of documents certified by a foreign issuing authority, shall be legalized.
15. The documents to be submitted shall be executed in accordance with the Law on Legal Force of Documents, Cabinet Regulations No. 558 of 4 September 2018 "Procedure for Preparation and Execution of Documents" and the present Regulations, otherwise they shall be deemed not submitted. Submitted documents issued by the state institutions or officials shall be issued not earlier than 30 days before the document submission dates. The documents submitted for registration will not be returned to the Applicant and the Participant.

2. Auction organization procedure

16. The Auction shall be organized by the Auction Commission established by the Authority consisting of four members, including the Auctioneer and the minute taker.
17. The Auction shall take place on the date, at the time and venue of the auction indicated in the announcement published in the official publication "Latvijas Vēstnesis".
18. The Auction Commission shall register the Participants in the Register of Participants, indicating the following information:
 - 18.1. the Item lease rights/ right of superficies to be auctioned;
 - 18.2. a Participant's turn registration number and date;
 - 18.3. a Participant's name and surname or name and registration number, name and surname of the Participant's authorized person;
 - 18.4. a Participant's address;
 - 18.5. the Auction's time, venue.
19. The entries in the Register shall be certified by a member of the Auction Commission with his / her signature, indicating the transcript of the signature.
20. The Auction Commission shall issue the Participant's registration certificate to the registered Participant, in which the following information shall be entered:
 - 20.1. Participant's registration number;
 - 20.2. Full name and registration number of the Participant - legal entity.
 - 20.3. the name, surname of the authorized person;
 - 20.4. the amount of the security deposit paid;
 - 20.5. the Item lease / right of superficies to be auctioned;
 - 20.6. the venue and time of the Auction;

- 20.7. the place and date of the certificate issue.
21. The Participant's registration certificate shall be signed by a member of the Auction Commission, indicating the transcript of the signature.
 22. The numbers of the Participant's registration certificates shall be assigned in the order in which the Applicants have submitted the documents specified in the Regulations to the Authority.
 23. The Authority and the Auction Commission may not disclose the number of Participants and any information about the Participants until the start of the Auction.

3. Auction procedure

24. On the day of the Auction, upon entering the Auction premises, a Participant shall present the Participant's registration certificate to the Auction minute taker.
25. The Auction minute taker shall verify the identity of the Participant or his / her authorized person on the basis of personal identification documents (passports, identification cards) and issue a Participant's bidding card with a number. The sequence of the Participant's bidding card numbers shall correspond to the sequence of the Participant's registration certificate numbers.
26. Filming and photography during the Auction shall be prohibited.
27. The Auction shall be led by the Auctioneer and the entire course of the Auction shall be recorded by the Auction minute taker.
28. The Auction shall be opened by the Auctioneer, who makes sure that all Participants have arrived.
29. If the Auctioneer finds that any of the registered Participants has not arrived at the Auction, the Auctioneer shall postpone the start of the Auction for 15 (fifteen) minutes by notifying the Participants present, and the Auction minute-taker shall make an appropriate entry in the Auction Minutes. After 15 (fifteen) minutes, the Auctioneer shall start the Auction, regardless of whether all registered Participants have arrived.
30. If a Participant informs the Auction Commission about unforeseen circumstances due to which the Auction Commission is requested to postpone the start of the Auction for a longer period of time, the Auctioneer shall decide to postpone the start of the auction, but not longer than for one hour.
31. A Participant who has not attended the Auction shall be deemed to have withdrawn from the Auction.
32. When starting the Auction, the Auctioneer shall announce the composition of the Auction Commission, the Item lease / right of superficies to be auctioned, describe it, name the opening price of the Auction, as well as the Auction step.

33. If after performing the activities referred to in Paragraphs 24 and 25 of the present Regulations it is established that only one of several registered Participants has come to the Auction, the Auctioneer shall offer to conclude an agreement on the Item lease / right of superficies with this Participant without bidding. If the Participant confirms the readiness to enter into an agreement on the Item lease / right of superficies for the Auction's opening price, he/she becomes the winner of the Auction. A Participant who does not confirm the readiness to enter into an agreement on the Item lease / right of superficies for the opening price of the Auction shall be deemed to have renounced participation in the Auction.
34. At the beginning of the bidding, the Auctioneer shall ask Participants to confirm their readiness to enter into an agreement on the Item lease / right of superficies for the opening price of the Auction. A Participant who does not confirm the readiness to enter into an agreement on the Item lease / right of superficies for the opening price of the Auction shall be deemed to have renounced participation in the auction.
35. After receiving the Participants' confirmation of the readiness to enter into an agreement on the Item lease / right of superficies for the opening price of the Auction, the Auctioneer shall ask Participants if anyone makes a higher bid.
36. If at least two Participants have registered and arrived at the Auction, but none of them makes a bid, then the Participant who first submitted the documents specified in the Regulations to the Authority shall be recognized as the winner of the Auction.
37. Bidding shall take place by only one Auction's step, when making a bid. During the bidding process, the Participant shall raise his / her bidding card with the number, confirming that he / she increases his/her bid in regards of the lease/ right of superficies fee by the specified Auction step. The Auctioneer shall orally announce the fee for lease/ right of superficies bid by the Participant and the Auction minute taker shall record it in the Auction minutes. Every bid shall be binding for the Participant confirming his/her intention to enter into an agreement on the Item lease / right of superficies at the auctioned price.
38. If the bid price reaches or exceeds twice the starting price of the Auction, the Auction step shall be doubled. If the bid price reaches or exceeds three times the starting price of the Auction, the Auction step shall be tripled. The Auctioneer shall notify the Participants present of any changes in the amount of the Auction step, and the Auction minute taker shall make an appropriate entry in the Auction Minutes.
39. If several Participants have bid the same price at the same time and it is not visually possible to decide who the first to bid was, the Auctioneer shall decide by drawing lots to which of these Participants this bid shall be credited. Drawing lots shall be implemented by preparing a number of lots that shall correspond to the number of simultaneously bidding Participants and one of the lots shall be marked by the Auctioneer with his / her signature. Participants

- shall draw lots according to their Participant's bidding card numbers. A Participant who draws the lot with the signature shall be considered to be the first bidder.
40. When none of the Participants offers a higher price, the Auctioneer shall repeat the last bid three times, each time confirming it with a hammer. After the third hammer strike, the Item lease /right of superficies shall be granted to the Participant who has bid the last highest price (hereinafter - the Auction Winner).
 41. The Auctioneer shall invite the Auction Winner to immediately confirm the compliance of the fee for lease /right of superficies, indicated in the Auction minutes, with the auctioned price with his / her signature.
 42. If the Auction Winner does not sign the minutes, it shall be deemed that he / she refuses to enter into an agreement on the Item lease / right of superficies for the auctioned price, or in the case referred to in Paragraph 33 of the present Regulations - for the opening auction price.
 43. If the circumstances referred to in Clause 42 of the Regulations occur, the Auctioneer shall declare the Auction Winner the Participant who has bid the previous highest price or, in the case referred to in Clause 33, the Participant who has confirmed readiness to enter into an agreement on the Item lease / right of superficies for the opening price.
 44. The Auction minutes shall be signed by the Auction Commission and all Participants. After signing the minutes, the Auctioneer shall declare the Auction terminated.
 45. After signing the Auction minutes, the Auction Winner shall receive an extract from the Auction minutes, which indicates the auctioned price. An extract from the minutes shall be certified by the Auctioneer.
 46. If circumstances, that make the further course of the Auction impossible, arise, the Auctioneer may decide to suspend the Auction. The circumstances that led to the suspension of the Auction shall be recorded in the Auction minutes. In this case, the course of the Auction shall be renewed not later than after 15 (fifteen) working days, within the time specified by the Auction Commission, which is notified to the Participants in writing at least 5 (five) working days before the day of renewal of the Auction. Bidding shall be resumed from the last bid, with Participants remaining bound by the bids made before the Auction was suspended.

**4. Confirmation of the Auction results
and conclusion of the lease / right of
superficies agreement**

47. The results of the Auction shall be approved by the Freeport of Riga Chief Executive Officer within one month after the day of the Auction. After approval of the Auction results, the Authority shall invite the Auction Winner to enter into the Item lease / right of superficies

agreement. A lease agreement shall be concluded in regards of the Item No.1. An agreement on the right of superficies shall be concluded in regards of the Item No.2.

48. The Winner of the Auction shall sign the lease / right of superficies agreement within 30 (thirty) days after the confirmation of the Auction results.
49. If the Auction Winner has not submitted to the Authority a document confirming the payment of the amount provided for in the Regulations, refuses to enter into a lease / right of superficies agreement in writing or does not respond and does not sign the lease / right of superficies agreement within the deadline specified in the Regulations, the Commission may decide that he/she loses the Item lease rights/ right of superficies. In this case, a repeated auction shall be announced.
50. Information about the repeated auction shall be published in the official publication "Latvijas Vēstnesis", on the website of the Authority www.rop.lv.

5. Release of a security deposit

51. The fee for Item lease /right of superficies shall be paid in accordance with the provisions of the concluded lease / right of superficies agreement.
52. The security deposit shall be credited to the payment of the lease / right of superficies agreement fee in case the Participant is recognized as the winner of the Auction and has entered into the lease / right of superficies agreement. The security deposit shall be refunded to the Participant who has not been recognized as the winner of the Auction within 10 (ten) working days, counting from the next day after the Auction.
53. In the following cases the security deposit shall not be released:
 - 53.1. To the Participant - if he/she has received a registration certificate and has refused or is deemed to have refused to participate in the Auction (in the cases provided for in Paragraphs 33, 34, 42 of the present Regulations);
 - 53.2. To the Auction Winner - if he/she has not signed the Auction Minutes or the lease / right of superficies agreement.

6. Auction that has not taken place and is invalid

54. The auction shall be deemed not to have taken place:
 - 54.1. if only one Participant has come to the Auction and he/she does not confirm the readiness to enter into an agreement on the Item lease / right of superficies for the opening price of the Auction;
 - 54.2. if no Participant has come to the Auction.
55. The Auction shall be declared invalid:
 - 55.1. if someone has been unreasonably not allowed to participate in the Auction or a bid or a repeated bid has been incorrectly rejected;
 - 55.2. the property has been bid by a person who has not been entitled to participate in the Auction;

- 55.3. if it is established that there has been an agreement to deter a Participant from participating in the Auction;
- 55.4. if the Auction took place at a venue and time that does not correspond to the venue and time indicated in the publication.
56. Claims in the cases referred to in Clause 55 of the Regulations may be submitted to the Authority in writing only by the Participant within 3 (three) business days from the day of the Auction.
57. The Commission shall decide on:
- 57.1. recognition of the Auction as not having taken place within 10 (ten) working days after the day of the Auction;
- 57.2. recognition of the auction as invalid within 10 (ten) working days from the day of receipt of the claim.
58. The decision of the Commission shall be notified to the Participants within 2 (two) working days after the date of entry into force of this decision.
59. If the Auction is declared invalid or not having taken place, the further granting of the Item lease / right of superficies shall be performed in accordance with the decision of the Freeport of Riga Authority.
60. If the Auction is declared invalid, a repeated auction shall take place between the same Participants.
61. If the repeated auction is organized due to the fact that a decision has been made to declare the Auction invalid in the case referred to in sub-clause 55.3 of the present Regulations, then the Participants between whom the said agreement had existed may not participate in the repeated auction.