

MANAGEMENT BOARD OF MUNICIPAL BUILDINGS IN KRAKOW	ZBK-5
	Renting commercial premises by auction
<p>1. Handle the matter electronically Not applicable.</p> <p>2. Appendices None.</p> <p>3. Sign language version None.</p> <p>4. Matter handled by Management Board of Municipal Buildings in Krakow, Czerwieskiego 16, 31-319 Krakow; Commercial Premises Unit, Czerwieskiego 16, 31-319 Krakow; telephone number (12) 616-61-60, e-mail: magdalena.adamska@zbk.krakow.pl,</p> <p>5. Documents from the Applicant (client)</p> <p>I. Offer to participate in an auction for the rental of commercial premises. The offer form is available at the seat of the Management Board of Municipal Buildings in Krakow and on the website at www.zbk-krakow.pl. The offer should be submitted to the Residents Service Centre of the Municipal Building Management Board in Krakow, no later than by 3pm on the second business day preceding the auction.</p> <p>II. The bid security in the amount specified by the Organizer is payable by bank transfer or payment to the bank account indicated by the Organizer no later than by the second business day preceding the auction. The date on which the funds are credited to the account of the Organizer shall decide whether the deadline for the payment of the bid security is met. A bidder making a payment to a bank account or transfer of funds as a bid security, should enter the date of the procedure, the address of the business premises for rent under the auction procedure for which the bid will be submitted, the index number in the list of premises for rent under the auction procedure and the name of the bidder - for natural persons or the name of the tenderer - for legal persons or entities without legal personality.</p> <p>III. The bidder who won the auction should additionally submit the following before signing the rent agreement:</p> <ol style="list-style-type: none"> 1. a document specifying the legal form of the business (not applicable to entities operating on the basis of an entry in the National Court Register or CEIDG), in the case of a civil law partnership - a partnership agreement 2. a certificate of non-arrears with the payment of taxes (fees) to the tax authorities competent for the place of registered office (residence) and business; if the certificate does not specify its validity date, the certificate shall be deemed valid, provided it was issued not earlier than 30 days before the date of concluding the agreement; 3. a declaration of non-arrears with the payment of receivables resulting from concluded contracts or charged for non-contractual use, the subject of which is real estate owned by the Municipality of Krakow or remaining in the housing resources managed / administered by the Management Board of Municipal Buildings in Krakow, and in the case of an agreement on the instalment repayment of receivables related to the lease of a business premises, a declaration of the entity with which the agreement is concluded on the correct performance of its provisions; 	

4. the original of the declaration of surrender pursuant to Art. 777 § 1 point 5 of the Code of Civil Procedure enforcement as to the obligation to pay rents up to 24 times the net rent, submitted in the form of a notarial deed. The cost of drawing up a notarial deed is borne by the future tenant. In the declaration referred to above, the future tenant is obliged to consent to the landlord's request for an enforcement clause to be given to the notarial deed:

- a) within 2 years from the date of termination of the agreement in the case of an agreement concluded for a fixed period,
- b) within 2 years from the maturity date of the claim in the case of an agreement concluded for an indefinite period, and

5. is obliged to pay a deposit (not subject to interest) in the amount of 300% of the net rent, i.e. excluding VAT and not including fees for extra services. The deposit should be paid by bank transfer or payment to the bank account indicated by the Organizer, in such a way that before the conclusion of the rental agreement, the funds due are shown on the bank account indicated by the Organizer. When paying the deposit, the auction winner is obliged to provide the address of the business premises to which the payment relates and the details of the auction winner, i.e. name and surname (in the case of natural persons) or name (in the case of legal persons or entities without legal personality);

6. Fees

A bid security should be paid in the amount specified in the list of commercial premises for rent by auction (point II in the section "Documents from the applicant").

7. Form of consideration

I. Personal participation in the auction.

II. In case of winning the auction - signing the rental agreement. The agreement is concluded:

- 1. for an indefinite period, with the possibility of termination by either party upon three months' notice;
- 2. for a fixed period of up to 3 years;
- 3. for a definite period longer than 3 years, in which case the decision to conclude a rental agreement is made by the Mayor of the City of Krakow by way of an order, taking into account:

- provisions of the local spatial development plan,

and in its absence, a study of the conditions and directions of spatial development;

- the amount of expenditure that the Applicant has spent or declares to incur to finance the works in the business premises, improving its technical condition and raising its standard;

- the interest of the Municipality of Krakow.

8. Time of consideration

The bidder who won the auction should conclude a rental agreement in the place indicated by the Organizer within 6 calendar days from the date of the auction, under pain of losing the deposit paid and the right to conclude a lease agreement for the premises. In the event that the Bidder requests the conclusion of an agreement for a definite period longer than 3 years, the 6-day period runs from the date of receipt of a written notification of the entry into force of the ordinance of the Mayor of Krakow.

9. Documents obtained in the proceedings

No

10. Appeal procedure

The auction participant may, within 7 days from the date of the auction, challenge the activities related to it to the Mayor of the City of Krakow. The explanatory proceedings are carried out by the Director of the Management Board of Municipal Buildings in Krakow.

11. Legal basis

- Resolution No. XXXIV / 445/08 of the Krakow City Council of February 13, 2008 on the principles of renting commercial premises owned by the Municipality of Krakow, for an indefinite period, for a definite period longer than 3 years, and in the event that after the agreement concluded on for a fixed period of up to 3 years, the parties conclude further agreements for the same premises,
- Ordinance No. 2760/2013 of the President of the City of Krakow of September 24, 2013 on the procedure and detailed terms and conditions of renting commercial premises owned by the Municipality of Krakow, rented by the Management Board of Municipal Buildings in Krakow (as amended).

12. Additional information for the client

- I. The aim of the auction is to obtain by auction the highest net rental rate for the lease of 1 m² of usable space.
- II. The list of premises for rent under the auction procedure is made of vacant premises.
- III. The information contained in the list may be updated no later than 3 calendar days before the date of the auction, with the provision that the update may not consist in deleting or adding a business premises, but only in removing obvious mistakes regarding, in particular, changes in the area, technical condition of the premises or the building ownership.
- IV. The Management Board of Municipal Buildings in Krakow - the Auction Organizer, may - without giving any reason - withdraw from the auction in whole or for a given premises by deleting it from the list no later than 7 calendar days before the auction date.
- V. The list of premises for rent by auction shall be made public on the terms specified in the Act and by posting it on notice boards for a period of 21 calendar days before the scheduled date of the auction:
 1. Krakow City Office, with its seat in Krakow at: Pl. Wszystkich Świętych 3-4, Rynek Podgórski 1 and at Kasprowicza 29;
 2. Management Board of Municipal Buildings in Krakow.The list of commercial premises intended for the auction shall be published on the website www.zbk-krakow.pl.
- VI. The auction is held at a place and time determined by the Organizer, at least once a month.
- VII. The auction of the net rental rate begins with the highest of the submitted bids, which, however, may not be lower than the net rental rate specified in the Appendix to the above-mentioned bids at the date of the auction ordinance. The rental rate from the Appendix to the above-mentioned ordinance is understood as the rate appropriate for a given type of activity reported by any of the Bidders (even if, after submitting the offer, they refrained from participating in the auction), which would be the highest net rental rate. The rate in question may not be lower than the operating costs determined by the Organizer prior to the announcement of the procedure, for the property where the premises being the subject of the procedure are located.
- VIII. The Bidder whose bid was selected as the asking bid for the auction, and who did not start the bidding personally or through their attorney, or did not apply to participate in the auction, forfeits the deposit paid and the right to participate in the auction in the further course of the auction.
- IX. The auction is also valid when one Bidder applies.
- X. A one-off increment of the rate may not be lower than PLN 1.00.
- XI. The person conducting the auction informs the participants that after the third call of the highest of the offered amounts of the net rental rate for 1 m² of usable space, no further

increments will be accepted. After this amount is called for the third time, the person conducting the auction gives a confirmation, closes the auction and announces the name and surname (name) of the person who won the auction as well as the amount of the auctioned net rental rate per 1 m2 of usable space of the premises.

XII. The auction is deemed to have ended with a negative result if none of the bidders has offered a bid increment over the asking price.

XIII. The apartment will be put up for re-auction if:

1. the auction for the rental of the premises did not take place or
2. the rental agreement was not concluded due to:
 - 1) the expiry of the 6-day period from the auction date, set for the Bidder who won the auction;
 - 2) the expiry of the 6-day period from the date of receipt of the notification by the Bidder who bid the second-largest bid, if the Bidder who won the auction failed to sign the rental agreement;
 - 3) when the persons referred to in point a and b, are in arrears with the payment of fees for the use of the premises managed / administered by the Board of Municipal Buildings in Krakow or other organizational units managing (administering) the property owned by the Municipality of Krakow or with the payment of receivables to the tax authorities, or have not paid the deposit before the date of signing the rental agreement;
 - 4) when the person authorized to sign the agreement, before the expiry of the deadline, did not provide the landlord with valid certificates of non-arrears with payments to tax authorities and / or a notarial deed of surrender pursuant to art. 777 § 1 point 5 of the Code of Civil Procedure enforcement, as to the obligation to pay rents up to 24 times the net rent.

XIV. The net rental rates referred to in the above-mentioned the ordinance is subject to annual incremental indexation, starting from February 1 of each year by the consumer price index for the calendar year preceding the indexation year, announced by the President of the Central Statistical Office. The table of current net rental rates per 1 m2 constituting the minimum net asking rates in the auction for the lease of commercial premises is available at the seat of the Management Board of Municipal Buildings in Krakow and is each time placed in the places referred to in point V in the section "Extra information for the client" together with with the auction announcement and lists of commercial premises offered for rent in the auction procedure.

Developed by:	Opinion presented by:	Approved by:
Date:	Date:	Date: