



THE GOVERNMENT OF MONTENEGRO

PRIVATIZATION AND CAPITAL INVESTMENT COUNCIL

The Tender Commission for Valorization of Tourism Sites publishes:

THE PUBLIC INVITATION

For participation on a tender („the **Tender**”) for a long term lease of:

THE HTP “ULCINJSKA RIVIJERA” AD COMPLEX

I. The Subject of this Tender is a long term lease of:

(i) **LAND**

The subject land is a state property - the property in the ownership of the State of Montenegro, in the scope of the law 1/1, cadaster extract no. 4486 KO Donji Stoj, Cadastral operator of the Ulcinj Municipality, and is designated as following plots numbers: 16/4, 16/5, 16/6, 16/7, 16/8, 16/10, 67/1, 127/1, 128/1, 129, 130, 131, 132/1, 132 / 2, 132/3, 132/4 i 133, total area 122,214 m²;

(ii) **BUILDINGS**

The subject buildings, Hotel „Olympic“, Hotel „Bellevue“ (annexes Cer, Borik and Avala), restaurant and supporting facilities, are properties in ownership of the HTP “Ulcinjaska Rivijera” AD, in the scope of the law 1/1, cadaster extract no. 4486 KO Donji Stoj, Cadastral operator of the Ulcinj Municipality, and are designated as following: building no.1 cadastre plot no. 127/1, building no. 1 cadastre plot no.130, building no.1 cadastre plot no. 131, building no.1 cadastre plot no. 132/1, building no.1 cadastre plot no.128/1, building no.1, 2 and 3 cadastre plot no. 132/3,

(i) and (ii) together „**The HTP Ulcinjska Rivijera AD Complex**” or „**Complex**”, and

(iii) **COASTAL ZONE,**

According to the draft agreement on the lease of the Sea Property with the Public Company for a Marine Management for part of the Great Beach (Velika Plaza) in Ulcinj, part of the land plot no. 18/2 KO Donji Stoj, in the length of 320 m - the surface of 33,600 m², with the associated aquarium area (beaches marked as locations 10C and 10D in the Plan of temporary character buildings within the Sea Property for a period 2015-2018).

Period of lease is 30 (thirty) years and starts from the day as envisaged in the Lease Agreement.

Detailed data on the subject Tender is provided in the Tender Documentation and will be available to tender participants after signing the Confidentiality Statement and purchasing Tender Documentation.

2. Participation in the Tender shall be allowed to the interested parties (including consortiums) who have purchased the Tender Documents and signed the Confidentiality Statement, in accordance with Items 5. and 6. of this Public Invitation („the **Tender Participant**”).

3. A Bid on the Tender may be submitted by a Tender Participant, provided that:
- (i) A company that owns or co-owns and manages at least 10 (ten) hotels and / or resorts, category at least 4 (four) international stars, alone or together with one or more affiliated parties in which it manages through a capital control, during the last 3 (three) business years (2014, 2015 and 2016), achieved total cumulative revenue of at least EUR 100,000,000 (one hundred million EUR), or
 - (ii) The consortium whose members together under some form of management (ownership, management agreement, franchise, lease and similar), have 20 (twenty) hotels and / or resorts, category at least 4 (four) international stars, and who have during the last 3 (three) business years (2014, 2015 and 2016) achieved a total cumulative revenues of at least EUR 120,000,000 (one hundred and twenty million EUR) and which, under the Consortium Agreement, have the mutual solidarity responsibility for the assumed obligations toward third party.

Conditions (i) and (ii) from this Item 3. („the **Qualification Requirements**”).

Fulfillment of the Qualification Requirements shall be examined following to the receipt and opening of the bid packages .

Documentation that must be submitted as evidence of the fulfillment of the Qualification Requirements shall be determined in the Tender Documents, which will be delivered to the Tender Participants in accordance with Items 5. and 6.

4. The Tender Participant is to submit its Bid in accordance with the regulations and procedures stipulated in the Instructions to Bidders that are contained in the Tender Documents.

The Bidders are expected, inter alia, to meet the following minimum requirements (the “**Minimum Requirements**”):

- i. The minimum average annual lease for the subject assets and land of the HTP Ulcinjska Rivijera AD Complex, for a duration of 30 (thirty) years, represents 3.5% (three and a half) of the total projected annual revenues of the HTP Ulcinjska Rivijera AD Complex. The average annual amount of the lease calculated on this basis can not be less than EUR 450,000 (four hundred and fifty thousand EUR);
- ii. To offer a minimum advance lease payment of EUR 500,000 (five hundred thousand EUR) upon signing a Lease agreement. The paid advance will be deducted from the total annual lease amount starting from the fifth year upon signing the Lease agreement, EUR 100,000 (one hundred thousand EUR) per annum;
- iii. The Investment Program must provide the improvement of the quality and operation of the existing facilities in the Complex up to the level of 4 (four) international stars and the construction of new facilities so that after completion of the Investment Program the Complex has a minimum of 600 (six hundred) rooms categorization of 4 (four) international stars;
- iv. The offering volume of the Investment Program must provide the minimum investment of the Bidder in the reconstruction and/or adaptation of the existing tourism facilities, construction of new and management of the same, in accordance with the highest internationally accepted

quality standards, amounting not less than EUR 10,000,000 (ten million EUR) within the first five (5) years of a lease.

The Tender Commission will not consider Bids that do not meet the Minimum Requirements.

5. The Tender Commission for Valorization of Tourism Sites (the “**Tender Commission**”), hereby invites interested parties to submit a written request to purchase the Tender Documents (the “**Request**”) that should be clearly entitled “The Request for Purchase of the Tender documents”.
6. Upon receiving the Request, the Secretary of the Tender Commission will provide interested parties with instructions for the payment of the fee for the tender documents (the “**Tender Documents Fee**”) in the amount of EUR 10,000 (ten thousand EUR) by mail, e-mail or fax, as well as with the Confidentiality Statement. The Tender Participants shall, without delay, return duly signed Confidentiality Statement to the Secretary of the Tender Commission and pay the Tender Documents Fee.

Immediately upon receiving a duly signed Confidentiality Statement and confirmation from the Privatization and Capital Investment Council that the Tender Documents Fee has been paid, the Advisor shall provide the Tender Participants with the tender documents, by e-mail. The Tender participant is obliged to submit a written confirmation of a receipt of the Tender Documents to the Secretary of the Tender Commission.

7. The Tender Participant will be provided with the opportunity to visit the Complex and to access the Data Room between June 21, 2017 and July 21, 2017 upon agreement with the Advisor.
8. A Bid on the Tender must be submitted in accordance with the rules and procedure prescribed in the Tender Documents, and such Bid must arrive at the address of the Tender Commission not later than **July 21, 2017 at 12:00pm** (local time), at the latest. The Tender Commission reserves the right to amend this deadline if needed.
9. Along with submission of its Bid, a Bidder must pay a Deposit or submit a Bid Bond in favor of the Privatization and Capital Investment Council, in the amount of EUR 150,000 (one hundred fifty thousand EUR), in the form of an unconditional and on-demand bank guarantee, issued by a bank with at least BBB credit rating, according to the Standard and Poor's Agency, or by a bank approved by the Tender Commission in its sole discretion, upon previously submitted written request by the Tender Participant.
10. A Bidder with whom the Lease agreement will be signed shall be obliged to:

- a) The amount of the advance lease pay in cash upon signing of the Lease agreement;
- b) Ensure the degree of assets categorization of minimum 4* (four stars) for existing and newly built facilities, in accordance with the Investment Program
- c) Sign an agreement on the lease of the Sea Property, with the Public Company Marine Management, with minimum conditions as follows:

The minimum price of the annual lease, according to the valid Price list of initial fees for the use of the Sea Property, amounts to EUR 1.00 per sq.m. or EUR 33.600,00 for the part of the Great Beach (Velika Plaza) in Ulcinj, in the length of 320m - the surface of 33.600 m², as by the Plan of Temporary Character in the Marine Area for the period 2015-2018, marked as location I0C and I0D.

11. The Tender Commission for Valorization of Tourism Sites reserves the right to amend the particular provisions from this Public Invitation including deadlines.

12. All inquiries relating to this Public Invitation, interested parties should address to the Tender Commission and the Advisor at the following addresses:

TENDER COMMISSION	ADVISOR
<p>Pavle Radulović, President Tender Commission for Valorization of Tourism Sites</p> <p>IV Proleterske brigade, 19 81000 Podgorica, Montenegro Tel: +382 20 446 386 Fax: +382 20 446 215</p> <p>Attn. Nada Mihailovic Pavičević, Secretary of the Tender Commission e-mail: nada.mihailovic@mrt.gov.me</p>	<p>Margaret Rajković, Partner Horwath HTL</p> <p>Ivana Crnojevića, 50 81000 Podgorica, Montenegro Tel. +382 20 231 241 Fax: +382 20 231 640;</p> <p>e-mail: mrajkovic@horwathhtl.com</p>