
Insula

Insula spa braccio operativo
del Comune di Venezia
per la manutenzione urbana,
le infrastrutture e l'edilizia

Call for expression of interest in projects
and/or initiatives to develop a property
owned by Insula spa called Palazzo Ziani

June 2012

Insula spa with registered headquarters in Venice, Santa Croce 505, Tax Identification and VAT number 02997010273, intends to begin a non-binding procedure (hereafter “procedure”) for explorative purposes to gauge the interest of natural and/or legal persons in carrying out development projects, alone or in partnership, which also include purchase, rental and/or other legal and economic-financial tools of development (hereafter for conciseness “project”), of the property called Palazzo Ziani, owned by Insula spa, and located in Venice, San Marco 4934 (hereafter for concision “property”).

Description of the property

The property is located in Venice in the Sestiere of San Marco, street number 4934, and is entered across a private bridge spanning Rio dei Bareteri and stopping in front of the Sottoportico delle Acque, practically in the centre of the historic city next to the Mercerie and near Piazza San Marco. It may also be reached from Calle Erizzo 563, through an inner courtyard shared by properties owned by third parties.

The property consists of three floors above ground and has a total saleable area of 1,643.45 square metres.

The property, which is in good condition in terms of both structure and maintenance, is built with traditional materials, the bearing structures are masonry, the floor beams are wood carrying floors in Venetian terrazzo and marble.

The rooms on the ground floor, from the bridge entrance, have a maximum ceiling height of 2.24 meters and consist in bathrooms, storage rooms, dressing rooms and an archive, in addition to the entrance lobby and a small private courtyard. The ground floor is also served by two water entrances on Rio dei Bareteri. The upper floors are designated for use as offices and the roof is covered in clay tiles.

The building is complete with all the comfort systems including air conditioning and systems connecting to the utility grids, the services are well distributed, the finishes are consonant with the context. The rooms on the third floor are finely decorated with frescoes in the Neo-Classical style.

The property as it stands is the result of the unification of several buildings, the first significant unification project was completed in the second half of the Seventeenth century. The building underwent a second and third intervention during the Napoleonic era and during the period of the first Austrian domination.

Its central location connects it with the business heart of the historic city centre: it is in the vicinity of all the major tourist routes from Rialto towards San Marco and the principal stops along the public transportation routes on the water.

The property is currently being leased to the company Venis spa, under a 6 (six)-year contract stipulated on April 27 2012, which may be automatically renewed. The rent has been established at Euro 310,000.00 plus VAT per year. Pursuant to art. 38 of Law 392 dated 27/7/1978, the right of pre-emption on the property that is the matter of this call may be exercised by the lessee.

The documentation regarding the property may be found on the website **www.insula.it** and on the website **www.comune.venezia.it**.

Cadastral Data

The property is registered at the CEU Venice section, sheet 15, map section 1138 sub 1 + 1150 sub. 4 – census area 1 - Cat. A/10 - cl. 7 – rooms 28,5 – Land Registry Income 24.414,44 euro and map section 1138 sub 17 – census area 1 – Cat. A/10 – cl. 6 rooms 13 – Land Registry Income 9.683,52 euro.

Situation with respect to existing city planning regulations

The Variation to the General Master Plan for the historic city classifies the property as type “C” pursuant to art. 5 – pre-nineteenth century primarily residential buildings, subject to the restrictions relative to physical transformations, for which compatible land use designations are:

- 1) on all floors: **collective residential units, executive offices, private offices, museums, exhibition venues, libraries, archives, facilities for associations;**
- 2) on the ground floor: **handcrafting, retail stores, public services;**
- 3) on all floors under the condition that at least one of them has an effective inhabitable area greater than 200 square meters and under the condition that any other residential units in the same building have a separate entrance: **hotel hospitality structures; structures other than hotels used exclusively for hospitality; offices open to the public; judicial offices; facilities for education; meeting rooms.**

Restrictions

The property could be subject to verification of cultural interest pursuant to art. 12 of Legislative Decree 22 January 2004, n.42, if necessary.

Estimate of the market value of Palazzo Ziani

On the basis of the latest estimates available today with regard to the estimate of the unitary market value and the calculation of the commercially viable space, the estimate of the most likely market value of the property, currently leased to the company Venis spa, could be established at 8,170,712.51 euro (eightmilliononehundredseventyfourhundredtwelve euro and fifty-one cents). VAT and all other indirect taxes determined on the basis of current legislation must be added to this amount.

Eligibility requirements and conditions for the presentation of the expression of interest

Applicants from Italy or from a different state or Country are eligible to participate in this expression of interest, even if they are incorporated as joint stock companies and have legal status conforming to the legislation of their country of origin, if Italian registered with the CCIAA (Register of businesses), even in the form of a temporary consortium of businesses (though the provisions of any further successive procedure remain valid), interested in presenting projects and/or initiatives for the development of the property, who possess the following prerequisites:

for natural persons and for legal persons:

- a. economic-financial capacity greater than euro 11,000,000.00 (elevenmillion), which must be demonstrated by an unconditional statement issued for this purpose by a banking institution legally recognized in Italy, valid for at least the entire duration of the procedure for expression of interest.

for natural persons (citizens of Italy or other State/Country):

- a. must not have been declared legally incapacitated, restricted or bankrupt and must not be subject to proceedings pending for legal incapacitation, restriction or bankruptcy, must have no criminal conviction leading to the revocation or suspension of the capacity to contract with the public administration, in conformity with current legislation and in addition, must not have been convicted by a judgment which has the force of *res judicata*, or irrevocably

convicted of a criminal offence, or convicted by a judgment imposing the sanction requested, pursuant to article 444 of the criminal code, for serious crimes against the State or the Community or for any offence concerning professional conduct; must not have been convicted by a judgment which has the force of *res judicata* for one or more crimes of participation in a criminal organization, corruption, fraud, money laundering, as defined by the European Community acts pursuant to article 45, paragraph 1, EC directive 2004/18;

for legal persons (parties with registered offices in Italy or in another State/Country):

- a. must not be subject to any proceedings for ordinary and/or compulsory winding up, for declaration of bankruptcy, compulsory or administrative liquidation, receivership, arrangement with creditors or composition with creditors after bankruptcy, termination or general suspension of business activities, management under receivership and/or subject to court administration, for insolvency or crisis;
- b. for all partners in the case of a general partnership, for the general partners in the case of a limited partnership, for administrators with power of attorney or sole proprietor natural person, or the majority shareholder in case of a partnership with less than four partners (if natural person) in the case of any other type of partnership or body: they must not be legally incapacitated, restricted or bankrupt and must not be the subject of proceedings pending for legal incapacitation, restriction or bankruptcy, must have no criminal conviction which has the force of *res judicata* revoking the capacity to contract with the public administration, in conformity with current laws and regulations and in addition, must not have been convicted by a judgment which has the force of *res judicata*, or irrevocably convicted of a criminal offence, or convicted by a judgment imposing the sanction requested, pursuant to article 444 of the criminal code, for serious crimes against the State or the Community or for any offence concerning professional conduct; must not have been convicted by a judgment which has the force of *res judicata* for one or more crimes of participation in a criminal organization, corruption, fraud, money laundering, as defined by the European Community acts pursuant to article 45, paragraph 1, EC directive 2004/18;
- c. must not have infringed the ban on fiduciary entrustment pursuant to article 17 of the law dated 19 March 1990, n. 55;
- d. must not be, with respect to any other participant in this procedure for expression of interest, in a position of control pursuant to article 2359 of the civil code or in any kind of relationship, even de facto, if that position of control or relationship entails that the expressions of interest derives from a sole decision-making body.

All foreign parties who are not members of the European Union and will be sending their expressions of interest must prove that they meet prerequisites equivalent to those established in the preceding articles. For the documentation, reference should be made to art. 3 of the consolidation act (T.U.) approved in Dpr 445/2000 and therefore, a declaration in lieu of sworn affidavit limited to status, events and qualities that may be certified by Italian public authorities is allowed, whereas in all other cases they must attach certificates or official documents issued by the competent authorities of the foreign Country, complete with a translation into the Italian language certified by the Italian consular authorities that attests to the conformity with the original document.

Insula may at any time verify the accuracy and completeness of the statements made by the participating parties.

All parties belonging to the consortium must possess the requisites listed above, save for the economic-financial capacity, which may be possessed by one or more of the parties belonging to the consortium.

They must in any case possess the prerequisites listed in the statements contained in the form for expression of interest in the purchase of the property written as shown in attachment sub A) to this call, which may be downloaded, along with all the other attachments, from the website www.insula.it or from the website www.comune.venezia.it.

Rules and terms of presentation and process of the expression of interest

All parties interested in participating in the procedure must deliver the expression of interest in written form and in the Italian language, as shown in the attached form sub A), signed for acceptance of all the conditions contained in this call, initialled on every page and duly signed by the party in question or by the legal representative of the legal person or by another party vested with the necessary powers, and complete with a copy of the documents listed below in the Italian language, under penalty of exclusion, in an envelope marked with the wording “avviso di manifestazione di interesse a progetti e/o iniziative di valorizzazione di immobile di proprietà di Insula spa denominato palazzo Ziani”, and addressed to:

Insula spa, Santa Croce 505, I-30135 Venezia Italy

The sealed envelope must be sent by registered mail, express mail, package delivery companies at the exclusive risk of the sender, or delivered by hand on or before 12:00 noon on **31 August 2012**. All expressions of interest delivered after the established date and hour or containing statements that differ from those indicated in the specified forms attached to this call will be excluded from the procedure.

Interested parties must present the expression of interest as shown in the attached form sub A), complete with the relative documentation, to be written as follows:

1. on plain paper, indicating under penalty of exclusion for physical persons, name and surname, date and place of birth, address of residence and tax identification number of the interested party and in the case of a temporary consortium of businesses of all the participating parties, and for legal persons, the registered company name, legal headquarters, tax identification number and VAT number, and the complete personal details of the legal representative/s and the parties vested with the necessary powers with the specification of the legal standing from which said powers derive; and in the case of a temporary consortium of businesses of all the participating parties.
2. the expression of interest must include, under penalty of exclusion from the procedure, for legal persons, a declaration in lieu of sworn affidavit, pursuant to art. 47 of Dpr 445/2000, complete with the photocopy of a document of identification, of registration in the Business Register of the Chamber of Commerce, of the authorization as legal representative or the original document conferring special power of attorney or a certified copy as required by articles 18 and 19 of Dpr 445/2000;
3. the expression of interest must also include a declaration in lieu of sworn affidavit pursuant to art.47 of the Dpr 445/2000:
 - a. that the party is not subject to proceedings pending for ordinary and/or compulsory winding up, for declaration of bankruptcy, compulsory or administrative liquidation, receivership, arrangement with creditors or composition with creditors after bankruptcy, termination or general suspension of business activities, management under receivership and/or subject to court administration, for insolvency or crisis;
 - b. that the party is not in any of the situations pursuant to art. 38 of Legislative Decree 163/2006 and any later additions and modifications;
 - c. that the party has no proceedings pending for the application of one of the preventive measures pursuant to art. 6 of Legislative Decree 159/2011 and that none such measures have been ordered against the party, or for the application of one of the legal impediments pursuant to art. 67 of Legislative Decree 159/2011;
 - d. that the party has fulfilled all obligations relating to the payment of social security contributions and that in this respect no serious violations on the part of the party have been definitively ascertained;
 - e. that the party has fulfilled all obligations relating to the payment of taxes and duties and that in this regard no serious violations on the part of the party have been definitively ascertained;

- f. that the party does not meet any of the conditions that exclude a party from contracting or stipulating agreements with the public administration;
4. the expression of interest must also include a certification demonstrating the possession of the economic-financial prerequisites, as established in this call; the certification is constituted by a statement on the part of the party vested with powers of attorney and signature for each party, in the case that a temporary consortium of businesses is being established, and must expressly indicate, in the latter case, to which of the companies within the consortium the economic-financial prerequisites refer;
 5. the expression of interest must also include a statement confirming the commitment to avoid any action or behaviour that could negatively influence the procedure;
 6. the expression of interest must also include a statement of full and unconditional acceptance of this call and a commitment of non-disclosure with regard to any of the information that may be received during this procedure;
 7. the expression of interest must also include indications of the name and contact information of the party selected as the appointed contact person;
 8. the expression of interest must also include a statement confirming the truth and completeness of the statements made and/or the validity of the documents presented;
 9. the expression of interest must also include an attached copy of a valid identification document of the signatory/ies and a copy of the documentation proving the necessary powers of signature for the expression of interest and the relative statements;
 10. the expression of interest must also include an attached specific unconditional statement issued by an Institute of credit legally recognized in Italy, valid for at least the entire duration of the procedure for the expression of interest, and certifying an economic-financial capacity of no less than 11,000,000 (elevenmillion euro);
 11. the expression of interest must also include an attached statement certifying the completion of an on-site inspection, issued by Insula spa at the end of the on-site inspection itself;
 12. a statement confirming that all the documentation regarding the property published on the websites www.insula.it and www.comune.venezia.it has been examined by the party;
 13. a letter of confidentiality pursuant to attachment sub B); in the case of a temporary consortium of businesses, the letter of confidentiality must be signed by each participant in the consortium.

By signing the statements issued for this procedure of expression of interest the party accepts all related legal and criminal liability.

The expression of interest must be supported by adequate documentation proving the feasibility of the project.

In the case of a temporary consortium of businesses, each participant in the consortium must issue the same statements using the same attachment sub A). Indication should be given of the mandate holder for the implementation of the procedure for the expression of interest, and the share held by each party participating in the consortium in question.

In order to ascertain the possession of the prerequisites required to participate in this procedure, for candidates not based in Italy, Insula spa may ask the candidates themselves, if necessary, to provide the necessary documents as evidence and may also request the cooperation of the competent authorities.

If no document or certificate is issued by another State of the European Union or by another State not belonging to the European Union, the following will be considered sufficient proof: a sworn statement, a statement made by the interested party before a competent judicial or administrative authority, a notary public or a professional organism qualified to receive it in the Country of origin or provenance.

No expression of interest will be accepted if it does not contain the information, or the statements indicated in this call, if it is subject to conditions or terms, or if the required documents are not enclosed.

Viewing the property

The parties interested in expressing interest must as a required preliminary measure make an on-site inspection of the property concerned in this procedure.

For this purpose, they must make an appointment for the on-site inspection with Ing. Matteo Negro, the company's technical representative, or a person delegated by him, by telephone at the following number: 041-2724354.

The company's technical representative, upon completion of the on-site inspection, will issue the property viewing statement that must be enclosed with the documentation included with the expression of interest.

The interested party, upon completion of the on-site inspection, will receive the property viewing form required for the expression of interest.

Possible phase to follow the expression of interest

Insula spa, given the results of this procedure for the expression of interest, may at its own discretion subsequently proceed in a possible selection process for a potential contracting party.

The parties participating in the expression of interest will in any case be advised.

The regulations that will apply to any possible further process to select the potential contracting party will be set out in a letter written for this purpose.

The parties participating in the procedure for the expression of interest may choose not to participate in the subsequent selection procedure.

Final regulations

The publication of this call and the expression of interest do not determine any understanding or any agreement with the interested parties who will express interest in the participation, nor do they obligate Insula spa in any way to proceed with any possible further process to select a potential contracting party, nor entail any other obligation.

This call does not constitute a public offering as per art. 1336 of the Civil Code, nor a promise to the public pursuant to art. 1989 of the Civil Code, nor does it constitute a promotion of investments for the public pursuant to articles 94 and following of Legislative Decree 24 February 1998, n.58.

Insula spa reserves the right to interrupt or abandon this expression of interest at any time at its own complete discretion, without any restriction or limitation, without giving rise to any claim or indemnity or compensation or reimbursement on the part of the interested parties as a result.

The examination of the documentation provided for the call and/or the results of the on-site viewing of the property constitute the object of independent and discretionary evaluation on the part of the party interested in the expression of interest and therefore, as such, conducted at his own exclusive risk, independently of the contents of the documentation examined and/or provided and/or the completeness of the same, and Insula will be free of any liability in this regard.

Each interested party will sustain the expenses incurred for the participation in the expression of interest contained in this call, including any expenses incurred for assessments or enquiries, without Insula spa being in any way held responsible for said expenses or required to pay any indemnity or reimbursement of sorts.

The attachments are an integral and essential part of this call and have been written in the

Italian language.

This invitation to formulate an expression of interest is regulated by the provisions of Italian law.

Responsible for the procedure is Dott. Andrea Razzini (tel. 041-2724354, segreteria@insula.it) who is available to be contacted for any information and/or explanations required for participation in the procedure itself.

To make an appointment to view the property, please contact the technical representative of the company Ingegnere Matteo Negro, or the person delegated by him (tel. 041-2724354, segreteria@insula.it).

For each and every controversy that should arise regarding this invitation, the Court of Venice will be the exclusive competent venue.

This invitation will be published on the website www.insula.it from 22 June 2012 through 30 August 2012.

The titles that distinguish the individual articles are merely indicative and may not be used for any purpose, including interpretation.

Protection of Privacy

Pursuant to art. 13 of Legislative Decree n.196/2003 on the protection of personal data, let it be known that any data and information disclosed will be processed exclusively for the purposes related to any implementation of this procedure and any possible further procedure.

The data will be processed legally, correctly and with maximum confidentiality, and will be recorded and conserved in digital and paper archives.

As established by art. 7 of the above-mentioned decree, the party has the right, at any moment, to view or change this data, should he find errors and/or variations.

Insula spa, with registered offices in Venice, Santa Croce 505, is responsible for the processing.