

L-39 Lease Agreement

I Contracting Parties

1.

With the registered office.....

Registered in the Register of Companies kept by the Court in, Section, File

Represented by:

Banking connection:

Account number:

Company Registration Number:

Tax Identification Number:

hereafter only the “**lessor**”)

and

2. LOM PRAHA s.p.

With its registered office at Tiskařská 270/8, 108 00 Prague 10 – Malešice

Registered in the Register of Companies kept by the Municipal court in Prague, Section ALX, File 283

Represented by Ing. Bc. Radomír Daňhel, MBA, LL.M.,
 the Sales and Logistics Manager

Banking connection: Česká spořitelna, a.s., Budějovická 1912/64b, Prague 4

Account number: 994404-0141472001/0800

Company Registration Number: 00000515

Tax Identification Number: CZ00000515

hereafter the “**lessor**” only

3. The contracting parties, following the meaning of the provisions of Art. 2201 et seq. Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter the “Civil Code” only), enter into this **L-39 aircraft lease agreement (hereinafter the “agreement” only).**

II Preamble

The lessor owns aircraft or becomes the aircraft owner at the latest at the time of handing over its aircraft for use to the lessee. The lessee is interested in operating aircraft for the purpose of training and refresher flights for the ordering party. This agreement stipulates the terms and mutual rights and obligations of the lessor and lessee for the fulfilment of the purpose of their agreed cooperation.

III Lease Subject

1. The lease subject includes 2 to 4 L-39 aircraft of serial numbers:

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in the technical configuration per par. 2, type-approved, airworthy, intended for pilot training and pilot refresher flights (hereinafter "aircraft").

2. The aircraft technical specification and description of its equipment form the Annex to this agreement.
3. The aircraft handed over to the lessee must be delivered airworthy, in operable condition with a complete updated operational documentation, and without third party rights and claims.
4. Unless otherwise stipulated in any individual case, if the agreement refers to the aircraft, it means the aircraft, which is the subject to the lease per this agreement.

IV Subject of the Agreement

1. The lessor lets the lessee, as the aircraft operator, temporarily use the aircraft, especially for the purpose of pilot training, pilot refresher flights, and other flights in accordance with the requirements of ODVL SSŘO MO, through its own professional staff.
2. The lessee accepts the aircraft and undertakes to use them in accordance with legal regulations and agreement and to pay the agreed rent.
3. The aircraft will be handed over by the lessor to the lessee within 30 days after the signing of the agreement on the basis of the lessor's notification to the lessee at least 5 working days before the actual handover. The aircraft handover, including their documentation, by the lessor to the lessee will be confirmed through a report.

V Lease Period and Place

1. The public contract period performance starts on the day of the aircraft official handover and acceptance. The lease term starts on the day of the aircraft official handover and acceptance or on the day of their entry in the Czech Military Aviation Registry, whichever occurs later.
2. The lease term lasts till the end of 2023 or it is limited by the total number of hours flown by all the aircraft, i.e. 300 flight hours in 2020 and in years 2021 to 2023 always 600 flight hours per year, whichever comes first.
3. The agreement may only be terminated
 - a) through the lessee's notice (relating to an individual aircraft) with a three-month notice period.
 - b) The lessor's notice with a one-month notice period, if the lessee does not use the aircraft properly, or the rent due is not paid even when the next rent is due.
4. The notice period begins at the beginning of the month following the month in which the notice was delivered to the other party.

5. The aircraft will be handed over by the lessor to the lessee at the CLV (Aviation Training Centre) at the LKPD Pardubice Airport, Pražská 192, 530 06 Pardubice. Upon their lease termination, the aircraft will be returned there as well.

VI Rent

1. The monthly rent amount depends on the number of actual flight hours.
2. The monthly rent will be calculated as a product of the price of one flight hour and number of flight hours completed during a given calendar month.
3. The price of one flight hour is CZK, (EUR, USD) excl. VAT. VAT will be added to the price according to the valid legal regulations.
4. To determine the number of flight hours, the lessee is obliged to inform the lessor within 5 working days after the end of the calendar month about the number of flight hours recorded by a flight data recorder or recorded in logbooks, including any differences between the monthly number of flight hours recorded by a flight data recorder and data recorded in aircraft logbooks as of the last day of a past calendar month.
5. The rent will be paid by the lessee monthly, always for the previous calendar month, per a tax document (invoice) issued by the lessor. The rent tax document must be issued by the lessor in aggregate, always for the flight hours actually realized in the previous calendar month, on the 20th calendar day of the following month. The tax document must also be accompanied by a chart indicating the actual flight hours. The invoice due date is 30 days from its delivery to the lessee. The payment day means the day on which a corresponding amount was debited from the lessee's account to the lessor's account.
6. All the tax documents (invoices) must meet all the legal requirements of a tax document, especially in the sense of Act No. 235/2004 Coll., on value added tax, requirements of Act No. 89/2012 Coll., the Civil Code, and Act No. 563/1991 Coll., on accounting, all as amended.
7. If an invoice does not contain the requirements mentioned in the previous paragraph, or if it contains incorrect price data, the lessee is obliged to return it to the lessor without undue delay, stating the reason, before the invoice expires. The lessor is obliged to issue its new invoice with the proviso that the original due date ceases to exist with a justified return of the invoice, and a new due date comes into effect, from the date of demonstrable delivery of the new invoice to the lessee.

VII Lessee's Obligations

1. The Lessee is obliged to fulfill the legal obligations of the aircraft operator in accordance with Act No. 219/1999 Coll., on the Armed Forces of the Czech Republic, as amended. The lessee is obliged to release the lessor from the liability in the full extent of the legal obligations of the aircraft operator. The lessee is obliged to keep proper records of the aircraft operation.
2. The lessee is obliged to operate the aircraft in accordance with the instructions and manuals of the manufacturer, which he took over with the aircraft documentation or with which he was acquainted by the lessor during the training. The lessee is obliged to ensure the aircraft airworthiness and operability and fully relieves the lessor of its obligation to maintain the aircraft in a condition suitable for the lease execution purpose. The lessee is obliged to ensure the aircraft maintenance in accordance with the Maintenance Plan,

which will be handed over together with other documentation together with the aircraft to the lessee.

3. The Lessee is obliged to inform the lessor without undue delay of any aircraft defects and provide the necessary cooperation in asserting warranty claims and claims for defects, if it is an Aircraft covered by its quality guarantee. The lessee is obliged to inform the lessor without undue delay of any damage caused by the aircraft operation or damage caused to the aircraft as soon as he finds out.
4. The lessee is obliged to allow the lessor to check the number of flight hours, compliance with the aircraft maintenance schedule, as well as the aircraft use in accordance with the legal regulations and this agreement.
5. The lessee is not entitled to let the aircraft to any third party without the lessor's prior consent.
6. The lessee is obliged to arrange, maintain, and prove to the lessor or, where applicable, aviation supervisory authorities, the aircraft insurance against the risks of accidents, property damage, liability for damage caused by air traffic, and accident insurance of persons during air traffic.

VIII **Lessor's Obligations**

1. The lessor undertakes to register the provided aircraft without undue delay after the entry into force of this agreement in the Military Aviation Registry of the Czech Republic. The lessee will provide the necessary cooperation for this purpose.
2. To provide the lessee with a list of persons who will be involved in the aircraft delivery and handover.

IX **Sanctions**

1. In the event of any delay in the fulfilment of any monetary obligation under this agreement, the entitled party is entitled to late interest per the law.
2. The lessor is obliged to pay a contractual penalty for any delay in the amount of CZK 100,000 for each and every day of delay in handing over the lease subject to the lessee pursuant to Art. IV par. 2 of this agreement.
3. Both the lessee and lessor are obliged to pay a contractual penalty in the amount of CZK 5,000 for every individual breach of this agreement. In the event of repeated breaches or persistent breaches of obligations, the entitled party may demand a contractual penalty even repeatedly.
4. The obligation of the contracting parties to compensate for any demonstrably incurred damage in the event of a culpable breach of the contractual obligations to the other party is not affected by the previous arrangements.

IX **Final Provisions**

1. This agreement will become valid on the date that the last of the contracting parties signs it and come into effect as of the date it is published in the Registry of Agreements per Act No. 340/2015 Coll., on the special conditions pertaining to the effectiveness of some agreements and agreement registration (the Registry of Agreements Act), as amended.

The customer will arrange for the agreement to be published in the Registry of Agreements. The aforementioned will not apply, if it is possible to apply an exemption per the Registry of Agreements Act. In such a case, the agreement will also come into effect with the signature of the last contracting party.

2. All the correspondence between the parties envisaged by this agreement or affecting the fulfilment of the rights and obligations under the agreement will be delivered via data boxes. The parties undertake to enable the delivery of postal data messages. A message shall be deemed to have been received no later than the third day after its dispatch.
3. Any amendments to this agreement must be in writing. The written form is maintained by electronic correspondence exchange.
4. The agreement is produced in two identical copies, one for each contracting party.
5. The following annex is an integral part of the agreement: - Aircraft Technical Specification

For the Lessor
In Prague, on _____

For the Lessee
In Prague, on _____

LOM PRAHA s.p.
Electronically signed by
Ing. Bc. Radomír Daňhel, MBA, LL.M.,
the Sales and Logistics Manager